SAN FRANCISCO CANNABIS STATE LEGALIZATION TASK FORCE

NON RETAIL LICENSING

Meeting 3  March 8, 2017
Agenda Item 1:

Welcome, Agenda Review and Announcements
Agenda Item 2:

Guest Speaker
Jordan Wellington, Esq., Director of Compliance at Vicente Sederberg LLC
Agenda Item 3:

Recommendation Drafting Session
The following process was used to develop the recommendation framework document:

- Review Year I recommendations, previous recommendation framework documents, and additional research
- Integrate discussion points and recommendation priority areas from Cannabis State Legalization Task Force meetings

Based on the Task Force’s work in Year I and meeting discussions, the following focus areas of non-retail licensing emerged:

1) Technical
2) Social Justice
3) Community Engagement
1) Recall draft Year II recommendation

2) Clarify, refine, and reconcile with Year I recommendations as needed
   - Note any areas where consensus was not reached

3) Refer to the recommendation framework document and confirm all areas and questions have been addressed
Recommendation Drafting Process Review

1) Discuss non retail recommendation framing questions

2) Recall Year I recommendations

RCAF 1: San Francisco should develop a local adult use cannabis licensing system that aligns and builds upon the State license types and structure.

3) Draft Year II non retail licensing recommendations

San Francisco should make local permits for non-retail businesses available for all MCRSA and AUMA license categories and microbusinesses.
Recommendation Drafting Process Review

1) Discuss non retail recommendation framing questions

2) Recall Year I recommendations

PSSE 6 Three top considerations for the San Francisco Police Department (SFPD) when it is developing its criminal enforcement and training strategies are:

a) Strategies must represent community sensitivities and be developed together with parents or an agent of family representation;
b) Strategies should be informed by subject matter experts in all areas of the cannabis industry, and not simply police officers training and/or educating other police officers;
c) The SFPD should collaborate with Child Protective Services to establish guidelines for determining the safety of a juvenile in the custody of an impaired adult.

3) Draft Year II non retail licensing recommendations

5. San Francisco should provide training focused on undoing the harms of the war on drugs to the San Francisco Police Department and San Francisco District Attorney.

San Francisco Department of Public Health - Office of Policy & Planning March 8, 2017
## Recommendation Drafting Tips

<table>
<thead>
<tr>
<th>STRONG</th>
<th>use action words such as “must” and “shall” instead of “could”</th>
</tr>
</thead>
<tbody>
<tr>
<td>RELEVANT</td>
<td>responsive to an issue or need within non-retail licensing, and addresses how non-retail licensing intersects with social justice and community engagement, as appropriate</td>
</tr>
<tr>
<td>ACTIONABLE</td>
<td>is implementable with available resources, stakeholders, and time</td>
</tr>
<tr>
<td>CLEAR</td>
<td>easily understood by other stakeholders and members of the public</td>
</tr>
<tr>
<td>SPECIFIC</td>
<td>identifies the scope, outcome, and timeframe as appropriate</td>
</tr>
</tbody>
</table>
Work Groups

<table>
<thead>
<tr>
<th>Technical</th>
<th>Social Justice</th>
<th>Community Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dept of Public Health</td>
<td>SFUSD</td>
<td>Police Department</td>
</tr>
<tr>
<td>Fire Department</td>
<td>Jesse Stout</td>
<td>Planning Department</td>
</tr>
<tr>
<td>Dept of Building Inspection</td>
<td>Kevin Reed</td>
<td>Entertainment Commission</td>
</tr>
<tr>
<td>Board of Equalization</td>
<td>Tom McElroy</td>
<td>Sara Payan</td>
</tr>
<tr>
<td>Erich Pearson</td>
<td>Laura Thomas</td>
<td>Barbara Fugate</td>
</tr>
<tr>
<td>Duncan Talento Ley</td>
<td>Jen Garcia</td>
<td>Thea Selby</td>
</tr>
<tr>
<td>Sarah Shrader</td>
<td>Terrance Alan</td>
<td>Jon Ballesteros</td>
</tr>
</tbody>
</table>

Roles within each small group include:

- Facilitator (Task Force Member)
- Note taker (Task Force Member)
- Process manager (Technical support staff)

*Use italics to distinguish notes from recommendations*
The Office of Economic and Workforce Development

**Mission** - helping business (including cannabis) start, stay, and thrive in San Francisco

**Main divisions relevant to cannabis legalization**
- Business Development
- Invest in Neighborhoods
- Workforce Development
- Office of Small Business

**Existing Programs relevant to Cannabis Legalization**
- **Small Business Development Centers** - SBA federal government, provides consulting services and training workshops to help entrepreneurs write business plans
- **Small Business Assistance Center** - one-to-one case management assistance including information on required license and permits, technical assistance, financing options, and other business resources to help businesses start, grow, and thrive
- **Tax Credits** - for research, hiring etc.
- **Workforce Development** - on the job training funding, recruitment services, job distribution services, candidate screening, referrals and retention services
The Office of Small Business & the SF Cannabis Industry

The OSB would provide the same type of support to cannabis businesses that it does for other businesses:

- **Tailored bureaucratic and regulatory guidance**
  - The OSB provides a tailored checklist of steps to start a business, depending on the industry, location, and other factors.

- **Connections to resources and providers**
  - The OSB helps businesses connect to resources and service providers that will help them grow and overcome their specific challenges.

- **Policy and legislative advocacy**
  - It works in the policy and legislative arena to champion small-business-friendly policies and legislation.
Wholesale Bakery Example: The OSB would offer guidance and connect businesses to resources as they complete the steps to starting a business (3 general process areas).

**Physical Space**
- Zoning / Location
- Conditional Use
- Building Inspection
- Public Health
- Fire

**Business Structure**
- LLC, Corp
- SB, GP
- Tax ID #
- Business Registration
- Fictitious Business Name
- Seller’s Permit

**Business Operations**
- Registration Requirements
- Test Requirements
- Regulatory Requirements
- License / Permit Info
- Business Portal (starter kits / permitting / licensing)
- Technical Assistance

“Technical assistance” refers to services such as accounting, trademarks, business plans, marketing, human resources, etc.

Wholesale bakery open for business.
1. **Potential non-retail cannabis business contacts DPH and provides:**
   - Letter from existing MCD stating the business is associated with them
   - Affirmation that all product is for an MCD and must be sold through an MCD
   - Documentation that proposed location is >600ft from any school

2. **DPH verifies information with current MCD list and refers business to DBI.**

3. **DBI reviews plans/inspects location for compliance with building codes.**

4. **DBI sends plans to the following departments for sign offs:**
   a) DPH – To review for hazardous materials permit, if needed
   b) Planning Dept – To review whether location meets zoning requirements*
   c) Fire Dept – To review for compliance with Fire Codes

5. **Once all departments have signed off, DBI gives approval for business to proceed with build process.**
San Francisco Department of Public Health
Potential Interaction with EH Programs

For Cultivation
- Agricultural Commissioner
  - Pesticides – application processes
  - Nursery licensing – for selling live plants
- Weights and Measures
  - Devices – registered and approved devices for weighing products
  - Quantity Control – labels/packaging including the product name, quantity, and source
  - Point of Sale - registered system for transactions
- Water Quality

For Manufacturing
- Weights and measures – same as above
Agenda Item 4:

10-min break
Agenda Item 5:

Public Comment
Agenda Item 6:
Recommendation Finalization
Agenda Item 7:

Large Group Discussion: Land Use
Agenda Item 8:

Wrap-up and Next Steps

NEXT MEETING

<table>
<thead>
<tr>
<th>DATE</th>
<th>TIME</th>
<th>LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 22, 2017</td>
<td>1-4pm</td>
<td>25 Van Ness, Room 610</td>
</tr>
<tr>
<td></td>
<td></td>
<td>San Francisco, CA 94102</td>
</tr>
</tbody>
</table>