

November 27, 2017

San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102

RE: Proposed Equity Program in Local Cannabis Ordinance – File No. 171042

Dear President Breed and Supervisors,

During the November 8, 2017 Cannabis Task Force meeting, the Task Force spent considerable time reviewing the proposed Equity Program provisions in the local cannabis ordinance.

The Task Force respectfully submits the following comments regarding the proposed Equity Program:

Section	#	Task Force Response to Equity Program
1604(b)(1)		<b>Task Force supports Local Ordinance as drafted.</b>
1604(b)(2)	1.	<b>Time period.</b> The Task Force requests the period extend from 2009 to the current date, 2017.
	2.	<b>Census tracts and household poverty.</b> The Task Force recommends the use of a weighted system that takes into consideration poverty level of neighborhood of origin (i.e., so that it is no longer a requirement that an individual live in a census tract where at least 17% of the households were in poverty). While some Task Force members think that the neighborhood criteria of 17% poverty is appropriate to focus on neighborhoods that are disproportionately affected by poverty, other Task Force members think it eliminates people who would otherwise be eligible. The use of a weighted system that prioritizes individuals from neighborhoods with higher rates of poverty would address both of these concerns.
1604(b)(3)	3.	<b>Consideration of non-liquid assets.</b> In order to maintain the integrity of this asset exclusion category, the Task Force recommends that the Director should have the ability to consider non liquid assets, excluding the primary residence.
1604(b)(4)(E)	4.	<b>Ownership capacity.</b> The Task Force is concerned that the ownership structure of a cooperative may threaten the goal for target populations to be the actual business owners with control of the organization, and advises that this be written in such a way that it does not interfere with this goal.
1604(b)(5)		<b>Task Force supports Local Ordinance as drafted.</b>
1604(c)(1)	5.	<b>Hiring local residents.</b> The Task Force requests that the proposed requirement of 50% of all Business Work Hours to be performed by Local Residents be an aspirational goal, and for the minimum requirement to be 35% of all Business Work Hours that should be performed by Local Residents.

Section	#	Task Force Response to Equity Program
1604(c)(2)	6.	<b>Employment of target populations.</b> The Task Force requests this item to be removed, as the Task Force has concerns about the legality and enforceability of these requirements, and also thinks that it is too onerous of a burden on employers.
1604(c)(3)		<b>Task Force supports Local Ordinance as drafted.</b>
1604(c)(4)(A)	7.	<b>Provide technical assistance and mentoring.</b> The Task Force recommends that the requirement for the provision of technical assistance and mentoring be quantified and strengthened.
1604(c)(4)(B)	8.	<b>Provide rent-free commercial space.</b> The Task Force has concerns about adding an option to “fee out,” or pay a fee sufficient to support the equity applicant. Without additional information, we cannot provide a recommendation at this time for an option that adequately supports the goals of an equity program.

In addition, the Task Force, along with its previously submitted social justice recommendations, believes the City should expand target populations within the context of social justice/equity to include:

- Families of people who have been incarcerated
- Veterans
- People in poverty

Thank you for your consideration, and please feel free to contact us with any concerns, comments or questions.

Sincerely,

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San Francisco Cannabis State Legalization Task Force