



San Francisco Office of Cannabis

Presented by
Office of Cannabis

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Agenda: What we've Accomplished Together

- ▶ Legislation
- ▶ Permitting
- ▶ Pilot Equity Grant Program
- ▶ Technical Assistance
- ▶ Response to COVID-19
- ▶ Public Meeting and Information Sessions
- ▶ Oversight Committee
- ▶ Broader Racial Equity Work

Legislation

- ▶ Working with the Office of the Mayor, the Mayor introduced legislation to preserve the equity interests within cannabis businesses in San Francisco.
- ▶ The proposed legislation recently passed with unanimous approval from the Board of Supervisors
- ▶ Modifies the permit process and creates new processing priorities in the Office of Cannabis in order to increase opportunities for equity businesses.
- ▶ Importantly, the ordinance also proposes to provide greater ownership flexibility for cannabis businesses and preserve equity commitments in the program.

Permitting

- ▶ 17 equity-owned cannabis businesses are in operation today
 - ▶ 14 are cannabis storefront retail businesses
 - ▶ 1 is a microbusiness (delivery, distribution, and non-volatile manufacturing)
 - ▶ 1 is a manufacturing, distribution, and delivery only business
 - ▶ 1 is a distribution and delivery only business
- ▶ These businesses span San Francisco's neighborhoods
 - ▶ Castro, Haight Ashbury, Nob Hill, Bayview, Dogpatch, Lower Nob Hill, Hayes Valley, SOMA, Union Square, Tenderloin, Pacific Heights, Potrero Hill, Bayview, Fisherman's Wharf, Park Merced
- ▶ Job creation
 - ▶ As of May 2021, Cannabis businesses in San Francisco hired **73** local residents through the [First Source Hiring Program](#)

Permitting

- ▶ 20 Article 16 permanent permits have been issued today

	April 2019	May 2020	May 2021	September 2021
# of Verified Equity Applicants	267	336	383	402
# of Applications Referred to the Planning Dept.	24	86	142	178
# of Applicants in the Final Phase of Constructing their Businesses before Permit Issuance	1	15	38	25
# of Permanent Permits Issued	0	4	15	20

Permitting

- ▶ Approximately 25 equity-owned cannabis businesses are currently under construction, the final phase of the permitting process.
- ▶ At this rate, barring any legislative intervention, the number of equity business will exceed parity with the existing industry.
- ▶ The OOC has continued to support a robust amnesty program that allows ~145 temporarily permitted supply chain and delivery cannabis businesses to operate.
- ▶ Through the OOC's adult-use authorization program, ~38 medical cannabis dispensaries have and continue to support the equity community.

Permitting

- ▶ Just this summer, we cleared Tiers 1, 2, and 3 and began processing Tier 4 applications (MCDs and Temporary Permit Holders)
- ▶ Over the past couple of years, we have also reduced the time, by 2 months, it takes a permit analyst to begin processing an application after it is submitted.
- ▶ Permitted Grasslands, the first outdoor cannabis sales and consumption event, at Outside Lands.
- ▶ Rolled out a pilot regulatory framework for permitting temporary outdoor cannabis sales and consumption events with our city partners.
- ▶ Continued to streamline the application process by fostering key partnerships with all of the agencies that touch the cannabis permitting process.

Pilot Equity Grant Program

- ▶ Collaborated with City partners and community stakeholders to create and implement a pilot equity grant program. To date, the program has:
 - ▶ Disbursed nearly \$3 million to eligible equity grantees.
 - ▶ A remaining \$2 million is in the process of being redistributed before the end of the year.
 - ▶ Looking ahead to 2022, about \$2 million in grant funding will be awarded to eligible recipients. The Cannabis Oversight Committee will begin discussions next month about how to equitably distribute this amount.
 - ▶ Hosted numerous grant-related webinars to assist prospective grantees navigate our city processes.
- ▶ Additionally, through upcoming grant sources, the OOC has secured funding for a number of additional positions that, if authorized, will support the office towards its permitting goals next year.

Grant Funded Technical Assistance Opportunities

- ▶ During this year, 5 TA service providers across 6 contracts received approximately \$450,000 in grant awards to provide the following services to Verified Equity Applicants:
 - ▶ permit and grant support
 - ▶ workforce development
 - ▶ and business development
- ▶ For each program area, 2 TA providers were selected for awards by an independent review committee.
- ▶ The grant fund utilization rate for TA providers was 94%.

Other Technical Assistance Opportunities

- ▶ To provide verified equity applicants with free access to legal and technical assistance services, we have rolled out partnerships with the SF Bar Association and OEWD. In the process, we have become a national model for other jurisdictions.
 - ▶ Bar Association of San Francisco, Cannabis Law Committee, provides pro bono legal services. As of May 2021, BASF had provided VEAs over 200 hours of pro bono legal services with an estimated value of over \$100,000.
 - ▶ The Kumin Law Firm provides permit support, and compliance and legal review. As of May 2021, this firm has provided over 55 hours of free service to VEAs.

OOC's Response During COVID-19

- ▶ The OOC adapted its permitting process in response to COVID-19 restrictions and safety concerns by:
 - ▶ Facilitating socially distanced inspections.
 - ▶ Facilitating attestations for pending background reviews.
 - ▶ Issuing temporary regulations (e.g. Community Outreach).
 - ▶ Authorizing temporary delivery to storefront retailers.
- ▶ The OOC provided weekly industry updates since San Francisco's first Stay-at-Home order in March 2020.
- ▶ Hosting an online COVID-19 cannabis industry webinar, "The Current State of the Cannabis Industry". Speakers included: Treasurer Fiona Ma, State Senator Scott Wiener, and Senior Cannabis Advisor to the Governor Nicole Elliott.

OOC's Response During COVID-19

- ▶ The OOC adapted its permitting process in response to COVID-19 restrictions and safety concerns by:
 - ▶ Convening the first-ever SFPD-Cannabis Industry meeting in August, 2020 to create a safe space for dialogue between law enforcement, including SFPD and the District Attorney's Office, and operators to enhance public safety.
 - ▶ Hosting a series of online webinars with Equity Applicants and service providers to discuss the application process for grant funding.
 - ▶ Deploying half of the OOC staff to work as disaster service workers from the Emergency Operations Center ("EOC") at Moscone South as part of the City's ongoing response to COVID-19. Collectively, the team has dedicated hundreds of hours as emergency response workers since the beginning of the pandemic.
 - ▶ Transitioning meetings of the Cannabis Oversight Committee from in person to remote.

Public Meeting and Information Sessions

- ▶ Hosted multiple public safety meetings in collaboration with the San Francisco Police Department after cannabis business operators were targeted in a string of burglaries following protests and demonstrations earlier this summer and in advance of the verdict in the Derek Chauvin trial.
 - ▶ These meetings provided members of law enforcement and cannabis business operators historically unprecedented opportunities to begin building relationships to enhance the industry's overall safety.
- ▶ Hosted multiple "Listening Sessions," one with an audience in excess of 200 community members, before the pandemic required us to pivot to more virtual gatherings.

Public Meeting and Information Sessions

- ▶ Organized the first OOC-led tour of cannabis businesses in San Francisco for City leaders from a variety of relevant departments involved in the cannabis permitting process to become more familiar with the nuances of the industry they play a vital role in regulating.
 - ▶ The tour includes visits to storefront retail establishments to cultivation and consumption sites. We are currently in the process of planning a similar tour with the Planning Department.
- ▶ In partnership with 311, the OOC created a portal to streamline complaints from the public about alleged unlawful cannabis activity. This portal has become a model for the rest of the City.

Cannabis Oversight Committee

- ▶ Convened 11 in-person and virtual meetings of the Cannabis Oversight Committee, a body consisting of 9 voting members that represent different stakeholder interests and 7 non-voting members from different City departments with an interest in the cannabis industry.
- ▶ During these meetings, the Committee has made key recommendations concerning the distribution of grant awards and identified key policy and legislative initiatives.
- ▶ Members have also routinely heard from City representatives with updates about their departments' involvement in the cannabis permit application process.

Broader Racial Equity Work

- ▶ On behalf of the Office of the City Administrator ("ADM") and its 25 divisions, the OOC helped to steer the ADM racial equity executive committee to produce a comprehensive [racial equity action plan](#).
- ▶ In collaboration with City Administrator Carmen Chu, Director Rodriguez and Deputy Director Hillsman of the Office of Cannabis helped facilitate a department-wide event for the Office of the City Administrator to hear from Mayor London Breed and Chief of Police William "Bill" Scott about their experiences growing up as people of color and the barriers they have overcome to become the leaders they are today.

