

SAN FRANCISCO CANNABIS OVERSIGHT COMMITTEE

Notice of Hearing & Agenda

Meeting held via Webex

**November 18, 2020
1:00 PM-5:00 PM
Regular Meeting**

Committee Members:

Voting Members

- Doug Bloch
- Jessica Cry
- Aaron Flynn
- Theresa Foglio
- Ali Jamalian
- Sara Payan
- Jesse Stout
- Nina Parks
- Shawn Richard

Non-Voting Members

- Mohanned Malhi or rep. from SFPDH
- Capt. Trena Wearing or Sgt. Yukio Oshita or rep. from SFPD
- Edward Sweeney or Patrick O’Riordan or rep. of SFDBI
- Michael Christensen or Richard Sucre or rep. of SF Planning
- Quarry Pak or rep. from SFUSD
- Maggie Weiland or Dylan Rice or rep. of SF Entertainment Commission
- Larry Deen or rep. from SFFD

Meeting materials are available at:

Website: www.officeofcannabis.sfgov.org

Disability and language accommodations available upon request to: officeofcannabis@sfgov.org or 415-554-4420 at least 48 hours in advance, except for Monday meetings, for which the deadline is 4pm the previous Friday.

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(Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 409; phone (415) 554-7724; fax (415) 554-7854; or e-mail at sotf@sfgov.org. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Library and on the City's website at www.sfbos.org/sunshine.

Meeting Materials

Any materials distributed to the members of the Committee within 72 hours of the meeting or after the agenda packet has been delivered to the members are available for inspection at the Office of Cannabis, Rm. 18, City Hall, 1 Dr Carlton B Goodlett, San Francisco, CA 94102, during regular office hours.

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The ringing of use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. The Chair may order the removal from the meeting room of any person responsible for any ringing or use of a cell phone, pager, or other similar sound-producing electronic device.

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Accessible Meeting Information

Committee hearings are held in **101 Grove St., San Francisco, CA 94102 Room 300**, in San Francisco. The location is accessible to persons using wheelchairs and other assistive mobility devices.

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Allergies: In order to assist the City in accommodating persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, please refrain from wearing scented products (e.g. perfume and scented lotions) to Committee hearings.

SPANISH: Agenda para la Oficina de Cannabis. Si desea asistir a la audiencia, y quisiera obtener información en Español o solicitar un aparato para asistencia auditiva, llame al 415-554-4420. Por favor llame por lo menos 48 horas de anticipación a la audiencia.

CHINESE: 規劃委員會議程。聽證會上如需要語言協助或要求輔助設備，請致電415-554-4420 請在聽證會舉行之前的至少48個小時提出要求。

TAGALOG: Adyenda ng Komisyon ng Pagpapalano. Para sa tulong sa lengguwahe o para humiling ng Pantulong na Kagamitan para sa Pagdinig (headset), mangyari lamang na tumawag sa 415-554-4420. Mangyaring tumawag nang maaga (kung maaari ay 48 oras) bago sa araw ng Pagdinig.

RUSSIAN: Повестка дня Комиссии по планированию. За помощью переводчика или за вспомогательным слуховым устройством на время слушаний обращайтесь по номеру 415-554-4420. Запросы должны делаться минимум за 48 часов до начала слушания.

Regular Agenda:**1. Call to Order / Roll Call**

- On the call of roll, the following Committee Members were noted present [(v)= voting member]
 - Ali Jamalian (v)
 - Aaron Flynn (v)
 - Jessica Cry (v)
 - Doug Bloch (v)
 - Shawn Richard (v)
 - Nina Parks (v)
 - Jesse Stout (v)
 - Theresa Foglio (v)
 - Sara Payan (v)
 - Mohammed Malhi, SFDPH
 - Patrick O’Riordan, SFDBI
 - Michael Christensen, SF Planning
 - Dylan Rice, SF Entertainment Commission
- A quorum is established

2. Review and Consideration of Regular Agenda

Committee members review and vote to approve.

Discussion,
Action

- No public comment
- Motion to approve the meeting agenda.
 - **Motion/Second:** Aaron Flynn/Theresa Foglio | **Motion Approved**
 - **Ayes:** 8 | **Nays:** 0 | **Abstentions:** 1

3. Review and Approve Minutes from September 15th Committee Meeting

Committee members review minutes from previous Committee meeting and vote to approve.

Discussion,
Action

- No public comment
- Motion to approve the meeting minutes.
 - **Motion/Second:** Nina Parks/Ali Jamalian | **Motion Approved**
 - **Ayes:** 9 | **Nays:** 0 | **Abstentions:** 0

4. Announcements

Chair and Co-Vice Chair make announcements and provide administrative updates.

Discussion

- Committee voting membership expires at the end of the year and the deadline for applications is forthcoming. Current members are encouraged to apply as soon as possible as there will be no future committee meetings until a quorum is established.
- No public comment

5. Office of Cannabis: Update

The Committee receives a brief general update from the Office of Cannabis (OOC) regarding grants, the application process, and other timely items.

Discussion,
Possible
Action

- Full OOC presentation is available by accessing this link:
<https://officeofcannabis.sfgov.org/node/2743>
- Member Jamalian inquires if there are cultivation equity applicants. OOC to answer later in the meeting.
- No public comment

6. Planning Department Update PresentationDiscussion,
Possible
Action

The Committee hears an update from the Planning Department about its role in the cannabis business application process, including current processing queues of equity applicants, coordination with DBI, response timelines, appropriate points of contact, and what to expect moving forward as the City continues to respond to COVID-19.

- Full Planning presentation is available by accessing this link:
<https://officeofcannabis.sfgov.org/node/2743>
- No public comment

7. Policy RecommendationsDiscussion,
Possible
Action

The Committee revisits and adds to its initial policy recommendations to the Board of Supervisors, first developed in March 2020.

- Committee approved four initial recommendations to the Board of Supervisors on March 2nd 2020 and agreed that Committee members, assigned to small teams, would engage Supervisors about their assigned recommendation.
- Committee members discuss the prioritization of previously discussed recommendations and topics given the change in circumstances because of COVID-19 and developed additional recommendations:

Recommendation #1:

The SFCOC recommends the implementation of robust Compassion Programs, including measures for public consumption and the provision of free medical cannabis cards for low income residents.

The Committee includes the following sub-tasks to support the implementation of Recommendation #1:

- Present and disseminate standard operating procedures (SOPs) and best practices across State
- Provide tools to ensure compliance [with Compassion Program guidelines]
- Develop audit mechanisms for local compliance
- Identify existing programs to be earmarked for Compassion Programs
- The Department of Public Health create pathways for the issuing of medical cards
- Provide tax relief for donations and manufacturing
- Conduct a Compassion Program [communications] campaign to raise awareness of those entities participating in compassion programs
- Provide incentives to Compassion Program care providers (tax breaks, publicity around giving, etc.)
- Member Payan expresses that free medical cards for low-income patients is important, but due to COVID-19 DPH is understaffed which is a barrier.
- There is work being done by a variety of stakeholders to develop standard operating procedures (SOP) for implementation of free medical cards. The goal is now to have a panel to discuss implementation at the local and state-level next year.
- Member Payan also suggests referencing existing compassion programs like CityGrow.

Recommendation #2:

The SFCOC recommends to the Board Supervisors (BOS) that all retailers be required to hold a minimum of 10% shelf space for SF verified equity operator [products] and participate in the Compassion Program to become fully permitted.

- All MCD's are posted on the OOC website with their commitments. It was recommended that these businesses present their equity verification at their facility.

Recommendation #3:

The SFCOC recommends to the BOS that Article 16 language include the prioritization of the creation of a local permitting pathway for shared manufacturing that enables manufacturing cannabis businesses, including those that are currently temporarily permitted, to be permanently permitted and share their facilities so that equity applicants can be permitted within their facility. In relevant part, this recommendation requires creating a mechanism to now begin processing and permanently permitting cannabis businesses with temporary manufacturing permits (not currently possible).

- This mechanism is envisioned to identify the applicant that is highest in the queue.

Recommendation #4:

The SFCOC recommends that the Board of Supervisors amend planning code 210.3 to change PDR zone industrial agricultural use from C (conditional) to P (principal) permitting.

- The goal of this recommendation is to make cultivation easier in SF.
- There was a concern in 2017 that PDR jobs would be lost to the cannabis industry. It was recommended to enter a dialogue with OEWD to understand the current sentiment regarding this concern.

Recommendation #5:

The SFCOC recommends to the Board of Supervisors that they reduce the Prop D Cannabis tax rates to 0% for social equity applicants and operators and to create a pathway to allow for the sale of all and/or a majority interest in the cannabis businesses, including all cannabis permit holders. Requiring an equity component in the business purchasers either through ownership, incubation, or in the alternative by requiring an enforceable and impactful cannabis equity plan and contribution to support the success of the Equity program and local equity business operators. We recommend a mandate for financial contribution into the Office of Cannabis Community Development Fund anytime a transfer of control of a cannabis business takes place, such as a percentage of the gross sale price. These contributions can be used to support the San Francisco equity program.

Recommendation #6:

The SFCOC recommends to the Board of Supervisors the allocation of workforce development funds through the Office of Economic and Workforce Development (OEWD) towards the development and implementation of pre-apprenticeship and state-certified apprenticeship programs.

- This recommendation is prioritized due to job losses from the pandemic.
- It was recommended to look at Oakland's apprenticeship model.

Recommendation #7:

The SFCOC recommends to the Board of Supervisors the development of labor harmony and worker retention requirements for use in the cannabis industry that are consistent with other industries in the City and County of San Francisco.

- It was noted that Committee members should remain neutral regarding workers unions to show support for both employers and workers and to advocate for better tax policies that benefit both.

Recommendation #8:

The SFCOC recommends to the Board of Supervisors to move Article 16 from police code to Health Code.

- It was noted that since cannabis is legal it should not be seen as a criminal issue in the police code, but a public health issue.
- Public Comment
 - The president of San Francisco Retailer Alliance relayed that their main priority is to lower the cannabis gross receipt tax and to make consumption easier with more consumption permits. He inquired about regulating all cannabinoids similar to Los Angeles' current process, since unregulated cannabinoids can be unsafe.
- OOC responds to Member Jamalian's previous question about the number of equity applicants. The OOC notes that these are approximate ranges.
 - Storefront retail applicants: 140-150
 - Delivery: 37-47
 - Distribution: 47-57
 - Manufacturing: 29-39
- Motion to approve topics to vote on final language when the Committee discusses implementation.
 - **Motion/Second:** Nina Parks/Ali Jamalian | **Motion Approved**
 - **Ayes:** 9 | **Nays:** 0 | **Abstentions:** 0

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8. Implementation of Recommendations

The Committee will discuss and vote on strategies for presenting their recommendations to the Board of Supervisors and/or Mayor.

Discussion,
Possible
Action

- No public comment
- Implementation strategies are noted below each recommendation above.
- Motion to extend the meeting by 15 minutes.
 - **Motion/Second:** Nina Parks/Ali Jamalian | **Motion Approved**
 - **Ayes:** 8 | **Nays:** 0 | **Abstentions:** 0 | **Absence:** 1
- Motion to vote on recommendations jointly.
 - **Motion/Second:** Nina Parks/Ali Jamalian | **Motion Approved**
 - **Ayes:** 8 | **Nays:** 0 | **Abstentions:** 0 | **Absence:** 1

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- No public comment
- Motion to approve all recommendations as written.
 - **Motion/Second:** Ali Jamalian/Theresa Foglio | **Motion Approved**
 - **Ayes:** 8 | **Nays:** 0 | **Abstentions:** 0 | **Absence:** 1

9. Proposed Ordinance (File # 201265)

The Committee discuss and vote on a recommendation to the Board of Supervisors on its position regarding a pending ordinance (File # 201265) to prohibit smoking in multi-housing complexes.

Discussion,
Possible
Action

- Chair Park presents draft of letter to the Board of Supervisor voicing opposition to the proposed ordinance and seeks input and/or recommended edits from the Committee.
- Member Ali extends gratitude to Members Park and Stout for their leadership in response to the ordinance.
- Member Bloch exits the meeting.
- Member Cry inquires how the 30-day rule was waved for the ordinance.
 - Member Stout explains that Supervisor Yee, as president of the Board of Supervisors, is able to wave the 30-day rule on any piece of legislation. He used this power on Nov 5 because had he not, he would not have been able to vote on the ordinance as he would no longer be Supervisor by the end of the 30-day period.
- Motion to approve the letter as written and submit to the Board of Supervisors and Mayor's Office.
 - **Motion/Second:** Ali Jamalian/Nina Parks | **Motion Approved**
 - **Ayes:** 6 | **Nays:** 0 | **Abstention:** 0 | **Absences:** 2

10. General Public Comment

- Community Member Claudel Douglass shares that did not hear the OOC share how many equity applicants actually applied to the program initially and whether the Office did any surveys or outreach to learn about barriers for those that did not get approved?
- Chair Park shares that this was reported out earlier in the meeting by OOC and recommends that the public access the meeting recording for this information which is posted on the OOC website.
- Member Ali also encourages any community member to reach to him and other seats for specific questions and support.

11. Adjournment

- Member Ali extends gratitude to Chair Parks and the OOC for their work this year.
- Nikesh on behalf of the OOC, extends gratitude to all members of the Committee and encourages members to reapply for seat positions.
- Chair Park adjourns the meeting at 5:48 pm