

SAN FRANCISCO CANNABIS OVERSIGHT COMMITTEE

Notice of Hearing & Agenda

Meeting held via Webex

**August 04, 2020
1:00 PM-4:00 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 representative from SFPDH
- Lt. Georgia Sawyer or representative from SFPD
- Edward Sweeney or Patrick O’Riordan or rep. of DBI
- Michael Christensen or rep. of SF Planning
- Quarry Pak or representative from SFUSD
- Maggie Weiland or rep. of SF Entertainment Commission
- Alec Balmy or representative from SFFD

Meeting materials are available at:

Website: www.officeofcannabis.sfgov.org

Office of Cannabis, City Hall
1 Dr Carlton B Goodlett Pl #18
San Francisco, CA 94102

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)

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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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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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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.

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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)
 - Nina Parks (v)
 - Jesse Stout (v)
 - Shawn Richard (v)
 - Theresa Foglio (v)
 - Sara Payan (v)
 - Mohanned Malhi, SFDPH
 - Quarry Pak, SFUSD
 - Edward Sweeney, SFDBI
 - Michael Christensen, SF Planning
 - Dylan Rice, SF Entertainment Commission
 - Chris Oshita, Scott Hom, SFPD
- The following Committee Members were not present:
 - Doug Bloch (v)
- A quorum is established

2. Review and Consideration of Regular Agenda

Committee members review and vote to approve agenda.

Discussion,
Action

- No public comment
- Motion to approve the meeting agenda:
 - **Motion/Second:** Ali Jamalian/Aaron Flynn | **Motion Approved**
 - **Ayes:** 8 | **Nays:** 0 | **Abstentions:** 0

3. Review and Approve Minutes from June 10 Committee Meeting

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

Discussion,
Action

Public Comment

- Two community members express that the SFPD should be defunded and not receive cannabis business tax dollars due to racial bias in the policing of cannabis.
- The Chair reminds community members that public comment pertains to the specific agenda item and clarifies that OOC and SFPD will be presenting on recent break-ins during the meeting.
- Motion to approve the meeting minutes:
 - **Motion/Second:** Aaron Flynn/Sara Payan | **Motion Approved**
 - **Ayes:** 8 | **Nays:** 0 | **Abstentions:** 0

4. Public Safety Update

The Office of Cannabis and members of law enforcement provide an update concerning public safety and the cannabis industry in light of numerous targeted attacks against cannabis businesses earlier this summer.

Discussion,
Action

- **OCC Report Out: Emergency Virtual Town Hall Meeting on June 9th**

- Panelist included representatives from the Mayor's Office, District Attorney's Office, San Francisco Police Department, SF Planning, Office of Economic Workforce Development, and the Office of Supervisor Mandelman.
- The town hall was an opportunity for the community to ask about law enforcement's response and recommended safety and security practices, including the roles of video surveillance systems and roll down doors.
- Impacted operators expressed interest in changing the Planning Code regarding roll-down doors.
- OOC clarifies that they are a regulatory office that does not have the authority to make laws, and recommends that operators reach out to Johnny Delaplane, President of San Francisco Cannabis Retailers Alliance for interest in changing the planning code.
- **Captain Wearing from SFPD presents on dispensary burglary investigations**
 - There have been 38 break-ins between May 30th and June 4th and among those 37 had videos recovered, 18 arrests have been made and 2 firearms recovered.
 - SFPD expresses that it is helpful if operators provide photos and serial numbers of items burglarized to officers when they file a report.
 - Ali Jamalian expresses that it has been difficult to file a police report for burglaries. Captain Wearing responds that SFPD has priority response system and must respond to violent crime and/or crisis situations ahead of reports of burglary and/or vandalism
- OOC advises impacted operators who would like to follow up on their police reports to contact Sgt. Scott Hom, Officer Michael Fang, or OOC Associate Director Ray Law.
- Ali Jamalian and the Chair share that they have outstanding questions regarding those businesses that were burglarized and had not followed up with by SFPD.
- OOC clarifies that there will be an opportunity to discuss best practices and hear from impacted establishments at the SFPD/Cannabis Business Operators meeting on August 18th. SFPD attendance will include captains from districts with higher concentrations of cannabis businesses.
- In accordance with the Brown Act, no more than four voting COC members can attend the meeting. RDA will support coordination of COC attendance.

Public Comment

- Four community members express concern that the SFPD abandoned protecting cannabis businesses to prioritize responses to peaceful protests.
- Six community members express that the SFPD should be defunded and not receive cannabis business tax dollars due to racial bias in the policing of cannabis.
- The OOC clarifies that tax dollars from the cannabis businesses do not fund SFPD nor does the OOC have jurisdiction to redirect cannabis industry tax revenue. There is no cannabis-specific tax at this time and all business sales taxes go into the general fund. It is recommended that concerned constituents speak with their Supervisors about the allocation of cannabis tax revenue.

5. Update re: Recommendations from Committee on who to Prioritize as Recipients of Grant Funding

The Committee hears a presentation from the OOC on grant-related items based on the Committee's recommendations from the last meeting regarding the distribution of the

Bradford Grants and GoBiz Grants. The Committee issues final recommendations in response to several of the following questions:

1. The Committee has recommended that sole proprietors and single entity LLCs who have been permitted (2) and are in the Build Out Phase (3) are eligible for up to 100k in grant funding each. Would the Committee like to include sole proprietors and single entity LLCs in the Planning stage (5) to receive up to the same amount?
2. The universe of eligible applicants in each tier must be determined by a set point in time. Would the Committee like that date in time to be tomorrow's meeting, or on the date that the Office of Cannabis begins to distribute grant funds to verified equity applicants?
3. In ranking order, which of the following program areas does the Committee believe technical assistance providers can provide the greatest benefit to members of the equity community:
 - a. grant process support (assisting equity applicants navigate the grant process),
 - b. permit process support (assisting equity applicants navigate the permitting process),
 - c. workforce development, and d. business development.
 - d. Are there additional program areas you would suggest?
4. Identify four non-voting members, and the departments they represent, of the Cannabis Oversight Committee to form the Independent Review Committee.
 - Committee members Shawn Richards, Jesse Stout, and Ali Jamalian recuse themselves from this discussion due to potential conflicts of interest.
 - The OCC gives presentation re: grant funding priorities and processes (available in "meeting materials" folder on Committee's August 4th meeting website: <https://officeofcannabis.sfgov.org/node/2741>)
 - The OCC has not yet received the \$4.9 million through the GoBiz Grant. While awaiting these funds, OCC has begun working with State and local partners, preparing the request for proposal process, and initiating system build-out (accounting, PeopleSoft, application, agreement).
 - The OCC updates that getting a signed resolution to the State is their next step in the grant distribution process.
 - OCC reiterates that grant money must be spent down by summer 2021 or it will be returned to the State.
 - OCC clarifies that Tier 2 grant recipients would ideally receive funds by the end of the year once Tier 1 is funded.

Public Comment

- An equity applicant that is a 40% owner expresses concern over DBI and Planning fees and their slow response-times. They request that <51% business owners in the build-out phase be considered for Tier 1 grant funding.
- A community member expresses concern over the possibility that grant money could be returned to the State and encourages the development of milestones to ensure this does not occur.
- Community member asks what the process is for equity applicant approval during COVID-19.

Discussion

OCC presents the following questions to be considered by the Committee in their discussion and recommendations:

Verified Equity Applicants:

1. The Committee has recommended that sole proprietors and single entity LLCs who have been permitted (2) and are in the build out phase (3) are eligible for up to \$100k in grant funding each. Would you like to include sole proprietors and single entity LLCs in the Planning stage (5) to receive up to the same amount?

- REC 1: The Committee recommends that the first ~~tier~~ [group of equity applicant recipients for grant funding] include sole proprietors and single entity LCC's in the planning phase, build out phase, and those that have been permitted.
 - **Motion/Second:** Theresa Foglio/Jessica Cry | **Motion Approved**
 - **Ayes:** 5 | **Nays:** 0 | **Abstentions:** 0

2. The universe of eligible applicants in each tier must be determined by a set point in time. Would you like that date in time to be today's meeting, or on the date that the Office of Cannabis begins to distribute grant funds for verified equity applicants?

- OOC estimates that when distribution of grant funding begins, there will most likely be three to five additional sole proprietors and single entity LLCs in Tier 1.
- REC 2: The Committee recommends that the number of eligible applicants in each [recipient group for grant funding] ~~tier~~ be decided when the application portal opens for the distribution of grant funds for verified equity applicants.
 - **Motion/Second:** Aaron Flynn/Theresa Foglio | **Motion Approved**
 - **Ayes:** 5 | **Nays:** 0 | **Abstentions:** 0

Technical Assistance :

3. In ranking order, which of the following program areas do you believe technical assistance providers can provide the greatest benefit to members of the equity community:

- **grant process support (assisting equity applicants navigate the grant process)**
- **permit process support (assisting equity applicants navigate the permitting process)**
- **workforce development**
- **business development**
- **Are there additional program areas you would suggest?**
- The Chair recommends adding mental health services to the Technical Assistance list of services.
- Aaron Flynn recommends that workforce development include support with state and city compliance issues.
- Committee members express the need for business development to include financial education and coaching.
- The OOC reports that they are currently seeking greater clarity on the total amount of grant funding for TA, but estimates that approximately 20% of the Bradford grant and 10% of the GoBiz grant funds will go to TA, for a total of ~\$900K.

- REC 3: The Committee recommends the following order of prioritization for areas of Technical Assistance including additional categories as stated:
 1. Grant process support (assisting equity applicants navigate the grant process),
 2. Permit/licensing process support (assisting equity applicants navigate the permitting process, include state permitting/licenses),
 3. Workforce development (Cannabis specific compliance)
 4. Access to Mental health services
 5. Business development (Financial Education & Coaching)
- **Motion/Second:** Nina Parks/Aaron Flynn | **Motion Approved**
- Ayes: 5 | Nays: 0 | Abstentions: 0

4. Identify four non-voting members, and the departments they represent, of the Cannabis Oversight Committee to form the Independent Review Committee.

- Quarry Pak inquires about the commitment and purpose of the Independent Review Committee for non-voting members. The OOC clarifies that the purpose will be to review and score responses to the RFPs.
- Quarry Pak and Michael Christensen express interest in participating on the Independent Review Committee, but need to confirm with their departments.
- Theresa Foglio suggests that OEWD could be a part of this committee. OOC responds that if four non-voting COC members cannot join, OEWD will be considered. Theresa Foglio also recommends that SFPD should not be a part of this Committee based on public comment.
- The OOC agrees that, as a next step, it will send formal notices to City departments requesting support in identifying/approving non-voting members to form the Independent Review Committee.

*Upon close of this agenda item, Committee members Shawn Richards, Jesse Stout, and Ali Jamalian rejoined the meeting.

6. General Public Comment

Discussion

- Community member asks when equity applicants within Tier 2 can expect to receive funding.
- Community member shares that the agenda should have more detail, and minutes should be made available.
- Community member thanks Committee for their effort in the grant distribution process.
- Community member requests that DBI respond more quickly to applicant emails.
- It is noted that since the Committee cannot respond to public comments and questions, people can submit questions directly to the OCC and/or RDA.

7. Proposed Future Agenda Items

Discussion,

Committee members will submit and agree upon future agenda items for the next several Committee meetings.

Possible
Action

- Ali Jamalian recommends the tabled policy recommendations items from the previous meeting.
- Jessica Cry recommends an educational presentation by OEWD about labor agreements and union rules.
- The Chair recommends discussing shared licensing permit language.

- Committee members express the need to hear a report out from DBI in response to extensive wait times and unresponsiveness reported anecdotally.
- Aaron Flynn mentions that while this is a lower agenda priority, there was a Care report introduced that indoor operators need to transition to LED by 2023 which will highly influence cultivators. A letter of support for revisions has been put forward.
- Ali Jamalian recommends a marketing push for equity operators.
- Motion is made to approve next meeting's agenda with the following items:
 1. General OOC update
 2. OEWD presentation on labor regulations
 3. DBI report-out
 4. Committee to discuss policy recommendations
 - **Motion/Second:** Nina Parks/Jessica Cry | **Motion Approved**
 - **Ayes:** 7 | **Nays:** 0 | **Abstentions:** 0

Next Steps

- OOC to reach out to DBI and OEWD to identify soonest availabilities to present in next COC meeting.
- Upon identifying DBI/OEWD/OOC availability options, RDA to disseminate doodle poll to COC members to coordinate next meeting date.
- RDA to coordinate COC member attendance of Aug 18th Industry Townhall and send signup sheet to ensure that no more than four voting members plan to attend.
- OOC to send formal notices to City departments requesting support in identification/approval of non-voting members to form the Independent Review Committee.

8 Adjournment

- Meeting is adjourned at 4:37 PM