

San Francisco Office of Cannabis

Annual COC Report – 09/13/2023



**SAN FRANCISCO
OFFICE OF CANNABIS**



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City and County of San Francisco**
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Presentation Agenda: Part 1

- Cannabis Business Permits in 2022
- Timeline for Getting Permitted in 2022
- Time in Operation: Cannabis Businesses
- Budget Distribution in 2022



Cannabis Permits in CCSF

An Overview of Cannabis Business Permits



Cannabis Permits in San Francisco: Overview

- Cannabis business permits in San Francisco are split into three categories:
 - Medicinal Permits: These permits were established after the legalization of medicinal cannabis in CA. They have since been granted the ability to sell adult-use cannabis, however are still under Article 33 of the Health Code.
 - Temporary Permits: These permits are temporary cannabis business permits granted to traditional operators who self-registered after adult-use legalization
 - Article 16 Permits: These are ‘permanent’ permits that have been processed by the OOC and are under Article 16 of the Police Code. All permits will eventually be Article 16 Permits.

Cannabis Permits in San Francisco: Terminology

- **Medicinal Permits → Medical Cannabis Dispensaries (MCDs)**
 - Article 33 permits transitioning to Article 16 permits
- **Temporary Permits → Temporary Cannabis Permits (TMPs)**
 - Temporary permits transitioning to permanent permits
- **Article 16 Permits → Permanent Permits**
 - Primarily Verified Equity Applications (VEAs), all MCD and TMP permits which have completed their permanent permit applications

Cannabis Permits in San Francisco: Activities

- Nursery
- Cultivation
- Manufacturing
- Distribution
- Storefront Retail
- Delivery-Only Retail
- Testing
- Microbusiness
- Medicinal

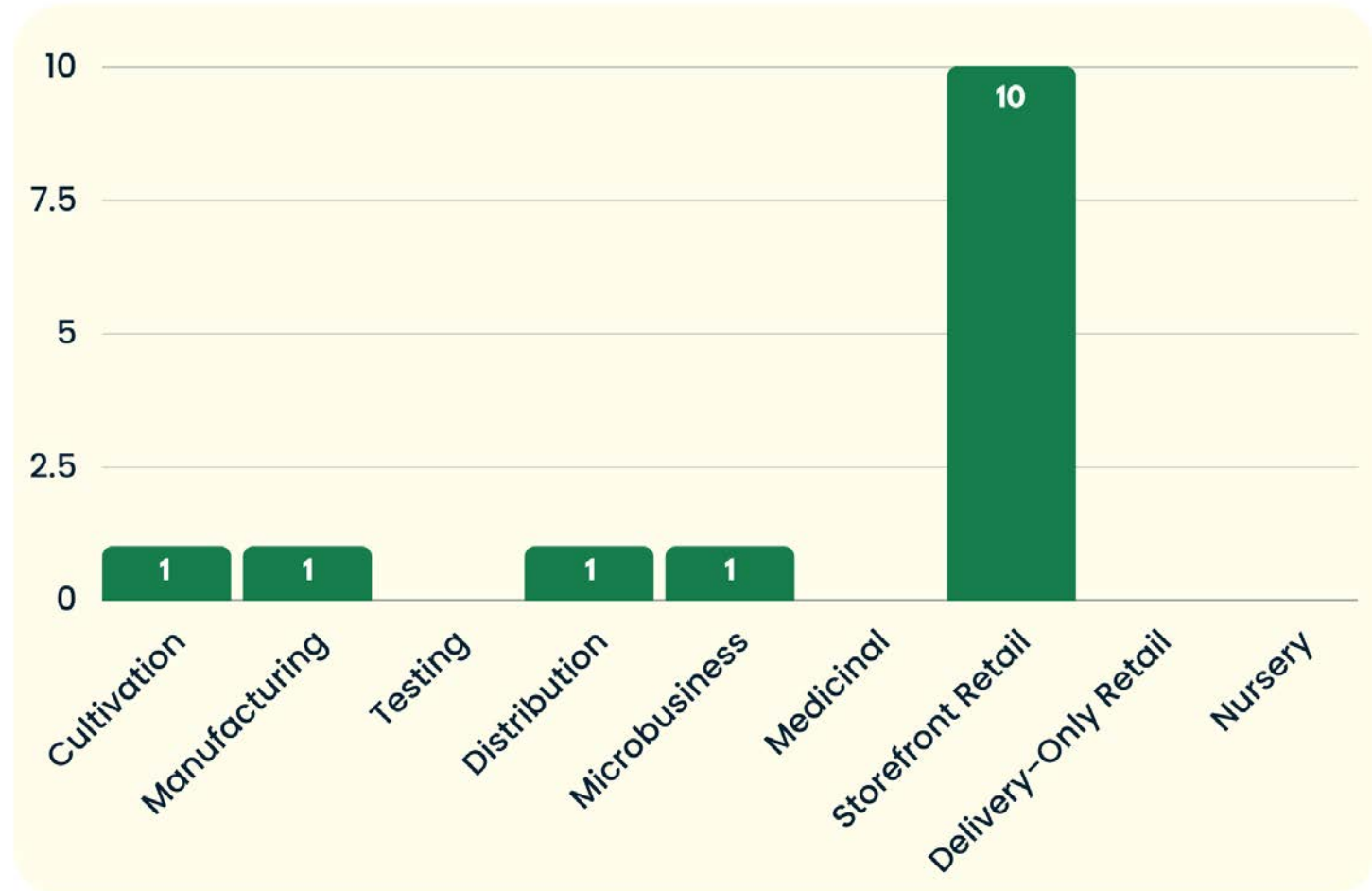
Cannabis Business Permits

Article 33, Temporary, & Article 16



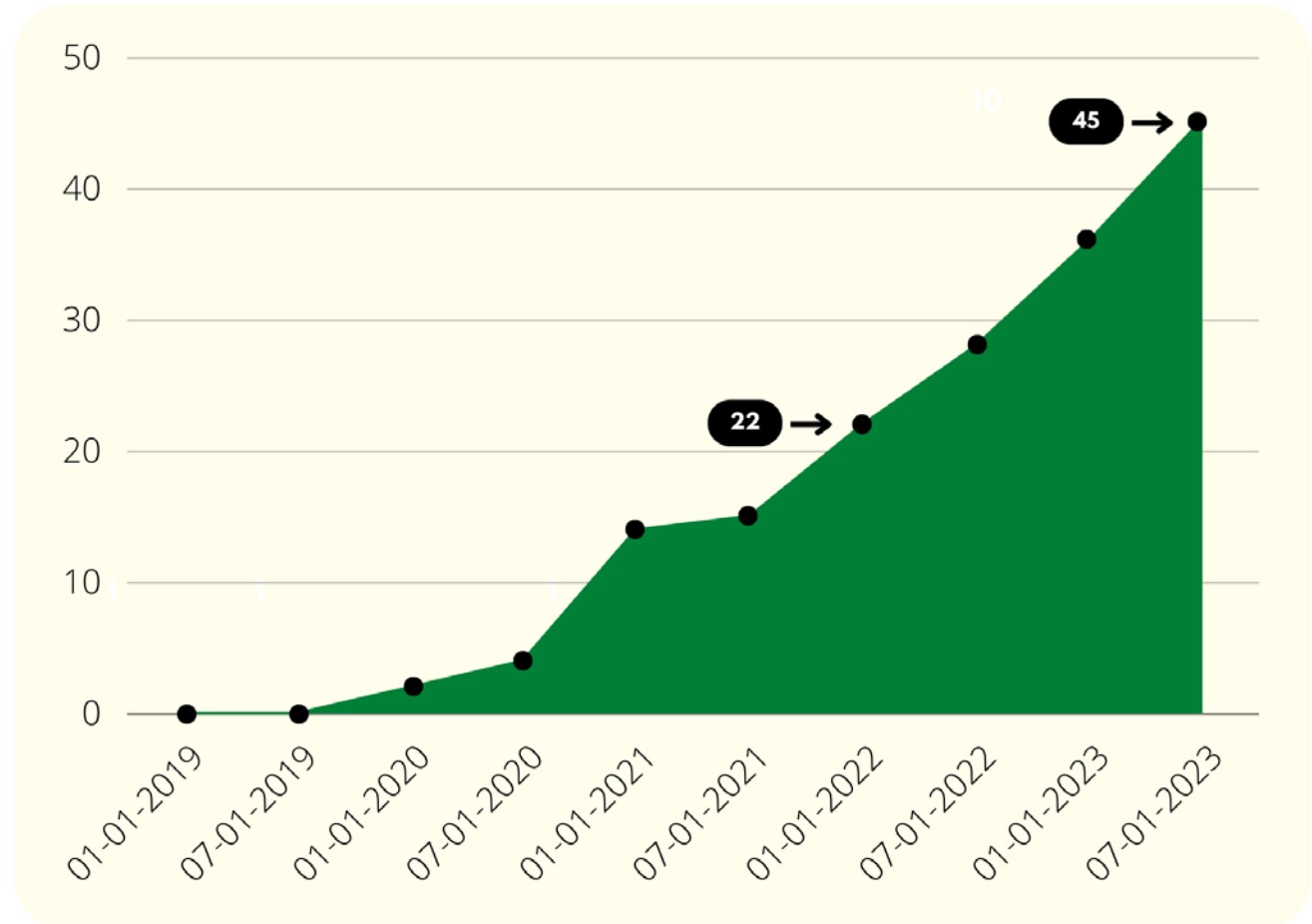
Permanent Cannabis Business Permits: New in 2022

- The OOC issued **14** Permanent Cannabis Business Permits in 2022
 - In the period between 01/01/2022 – 12/31/2022
- These 14 permits were issued to **12** businesses



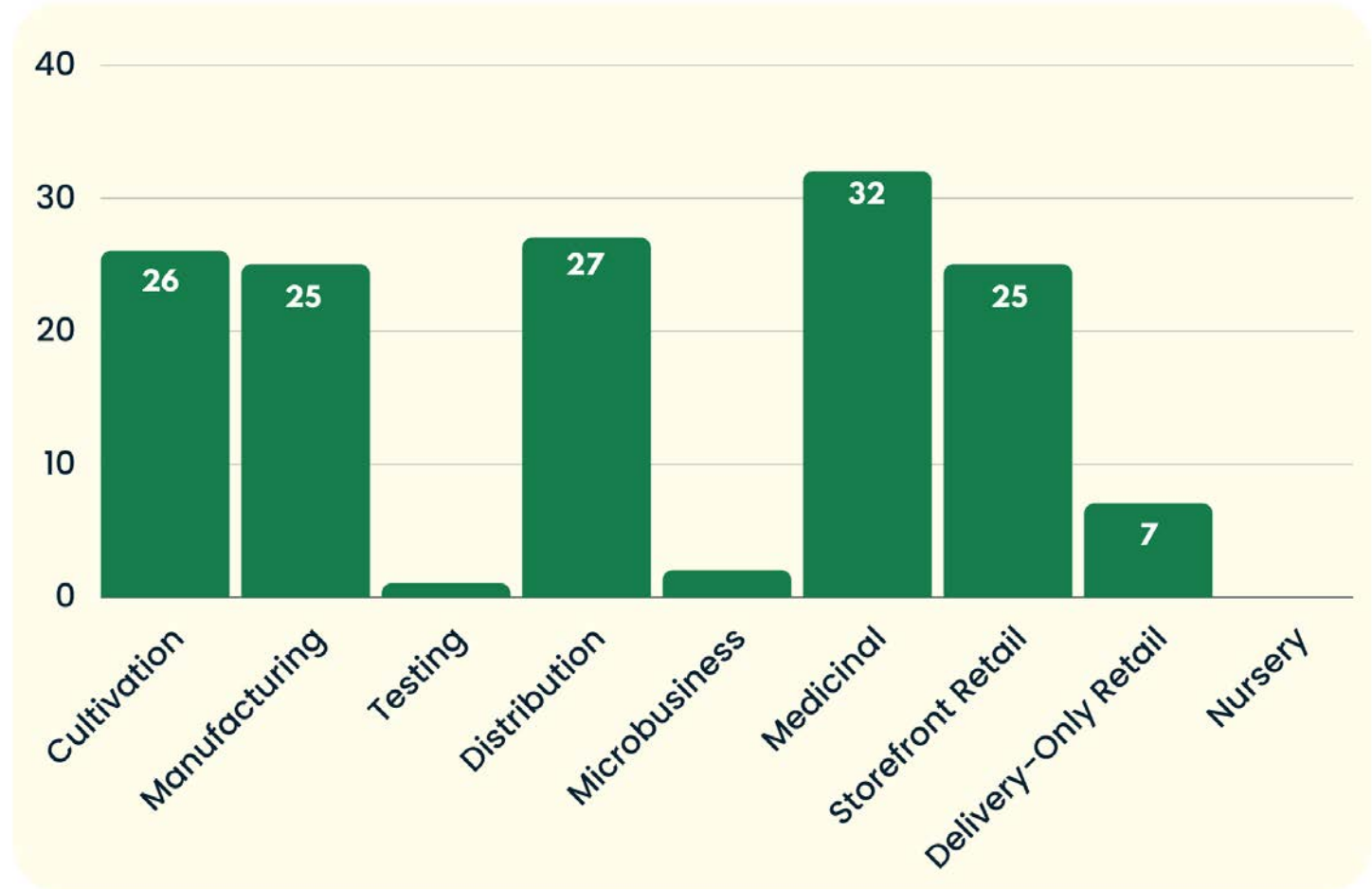
Permanent Cannabis Business Permits: OOC Totals

- The OOC has issued **46** permanent permits **since 2019**
- Total Permits Issued by Year:
 - **2019: 2**
 - **2020: 12**
 - **2021: 8**
 - **2022: 14**
 - **2023: 10 (so far)**



Cannabis Business Permits: End of 2022

- 116 unique businesses held 145 permits and were in operation by the end of 2022
 - 30 Equity Businesses
 - 54 Temporary Businesses
 - 32 Medical Dispensaries



Permitting Timelines

Processing Speed in 2022



The Permitting Process: Overview

Office of Cannabis Intake



- The OOC assesses an applicant's location and business eligibility
- Equity Applicants receive priority processing

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Office of Cannabis Intake



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Planning Department



- Planning checks the business' activity and zoning compliance
- Applicants may need to hold a community outreach meeting
- A Planning Commission hearing may be required

Department of Building Inspections



- DBI processes building permit application(s), including the review of building plans (fire, electrical, water, etc.)
- This includes all project-specific inspections

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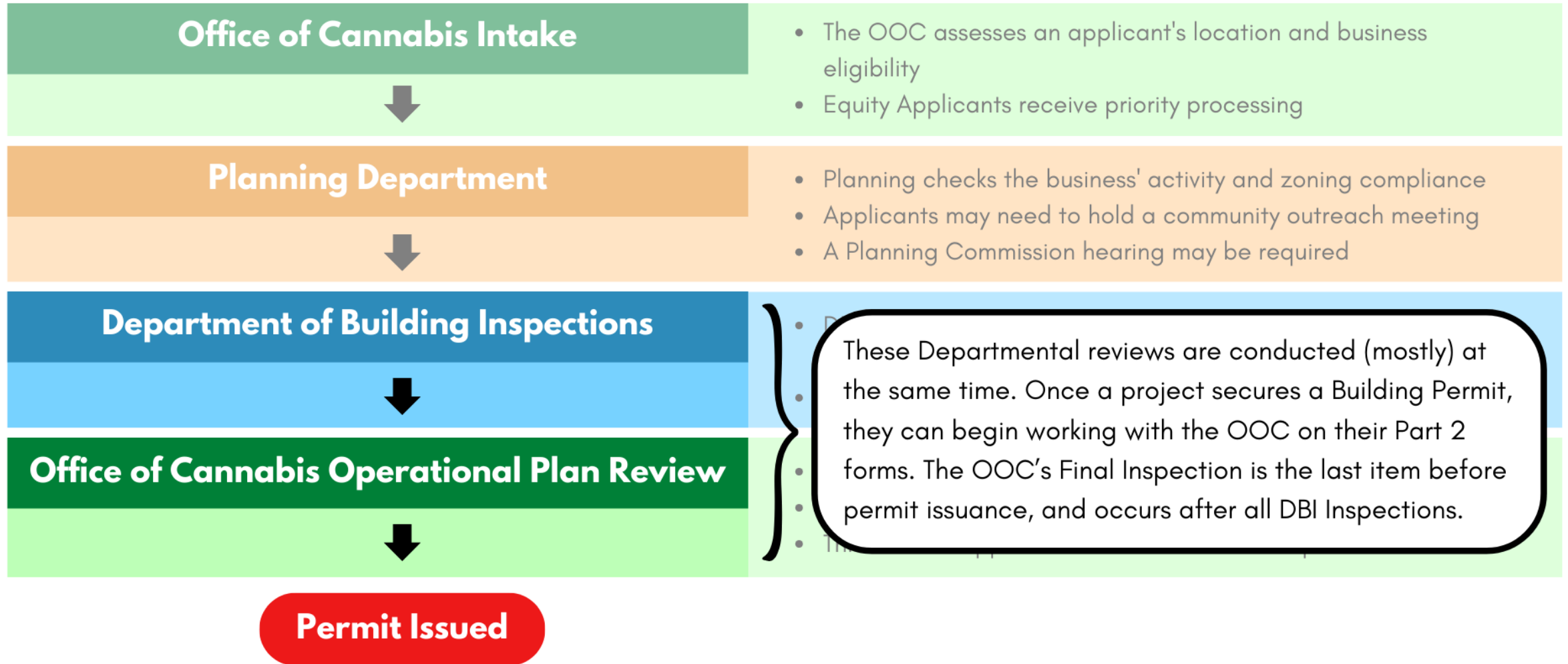
Office of Cannabis Operational Plan Review



- All businesses are required to submit a Good Neighbor Policy
- The OOC will review operation, security, and other plans
- The OOC will conduct a Final Inspection before permit issuance

Permit Issued

The Permitting Process: Overview



The Permitting Process: Timelines in 2022

Office of Cannabis Intake



Average Time (Submission to PLN Referral): 255 days / 8.5 months

- Shortest Time: 50 days / 1.66 months
- Longest Time: 385 days / 12.8 months

Planning Department



Average Time (PLN Referral to DBI Intake): 317 days / 10.5 months

- Shortest Time: 33 days / 1.05 months
- Longest Time: 745 days / 24.8 months

Department of Building Inspections



Average Time (DBI Intake to Job Card): 266 days / 8.9 months

- Shortest Time: 118 days / 3.9 months
- Longest Time: 623 days / 20.8 months

Office of Cannabis Operational Plan Review

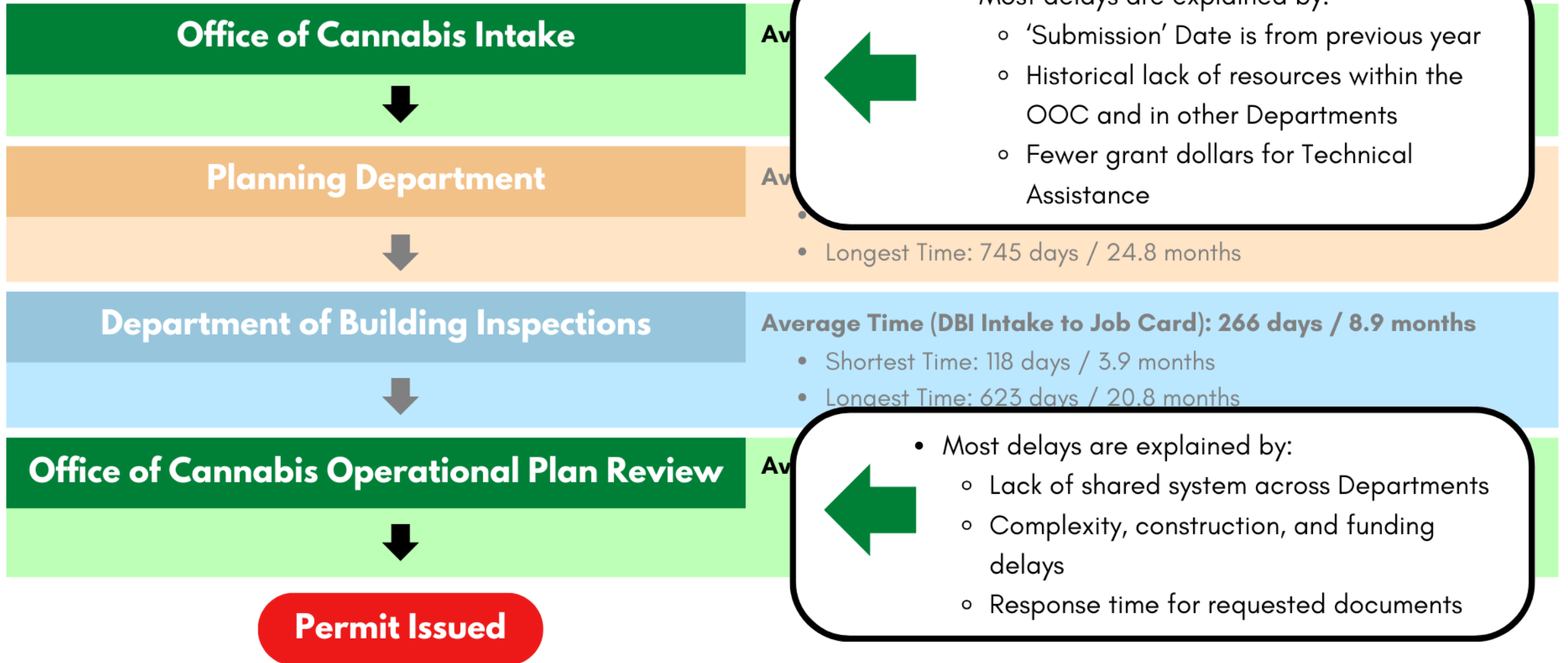


Average Time (P2 Release to Approval): 292 days / 9.7 months

- Shortest Time: 50 days / 1.66 months
- Longest Time: 632 days / 21 months

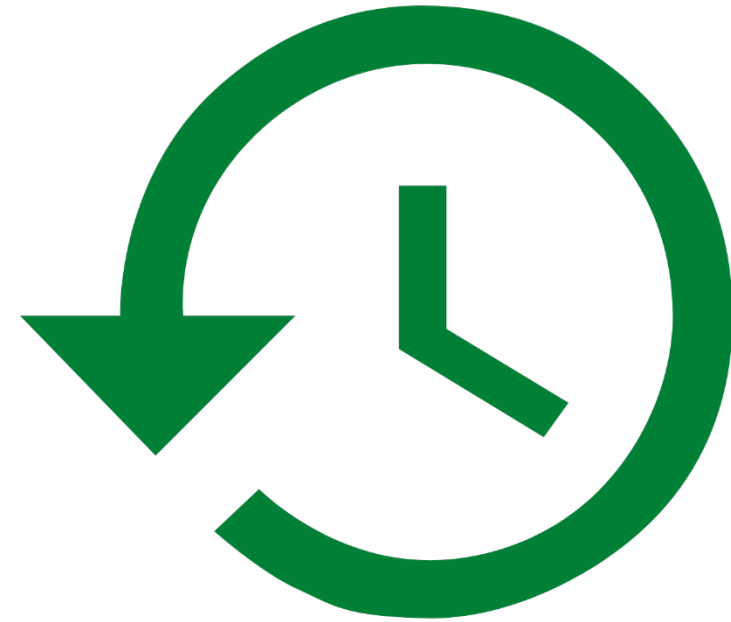
Permit Issued

The Permitting Process: Timelines in 2022



Time in Operation

How long did Cannabis
Businesses operate in 2022?

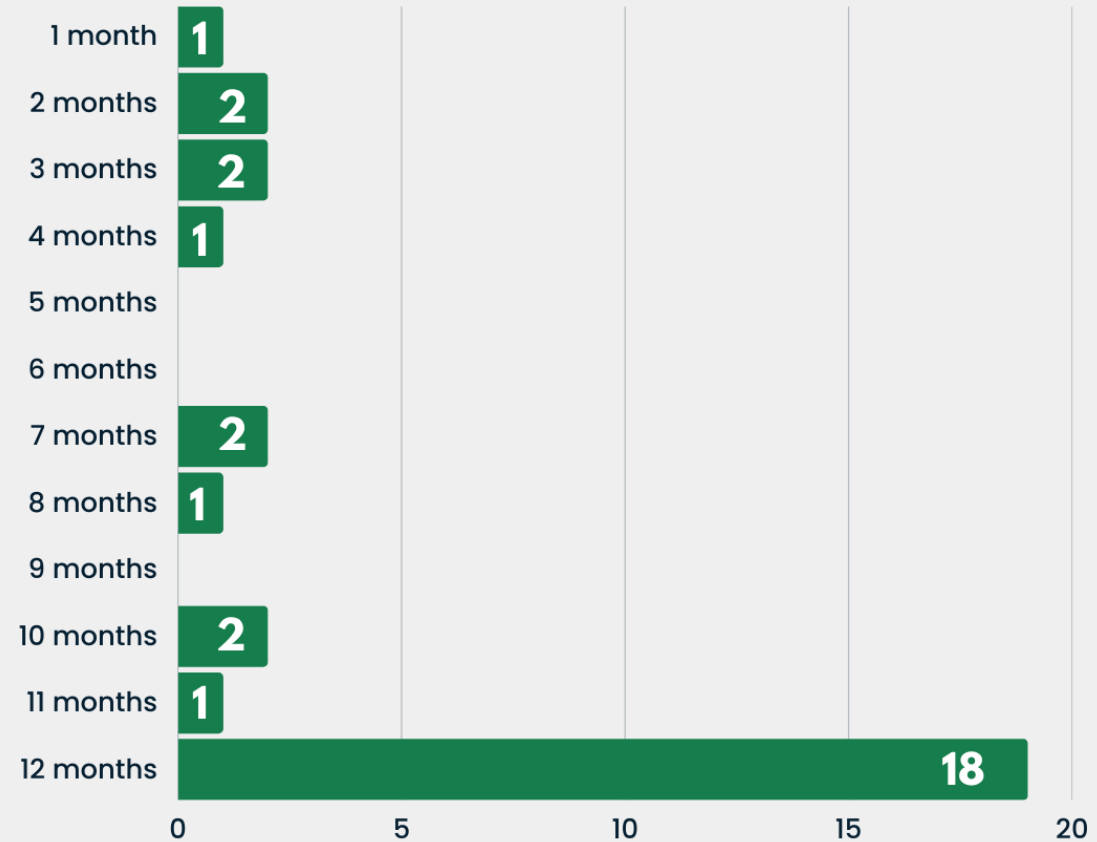


Time in Operation by End of 2022: Article 16



**Permanent Cannabis
Businesses**

30

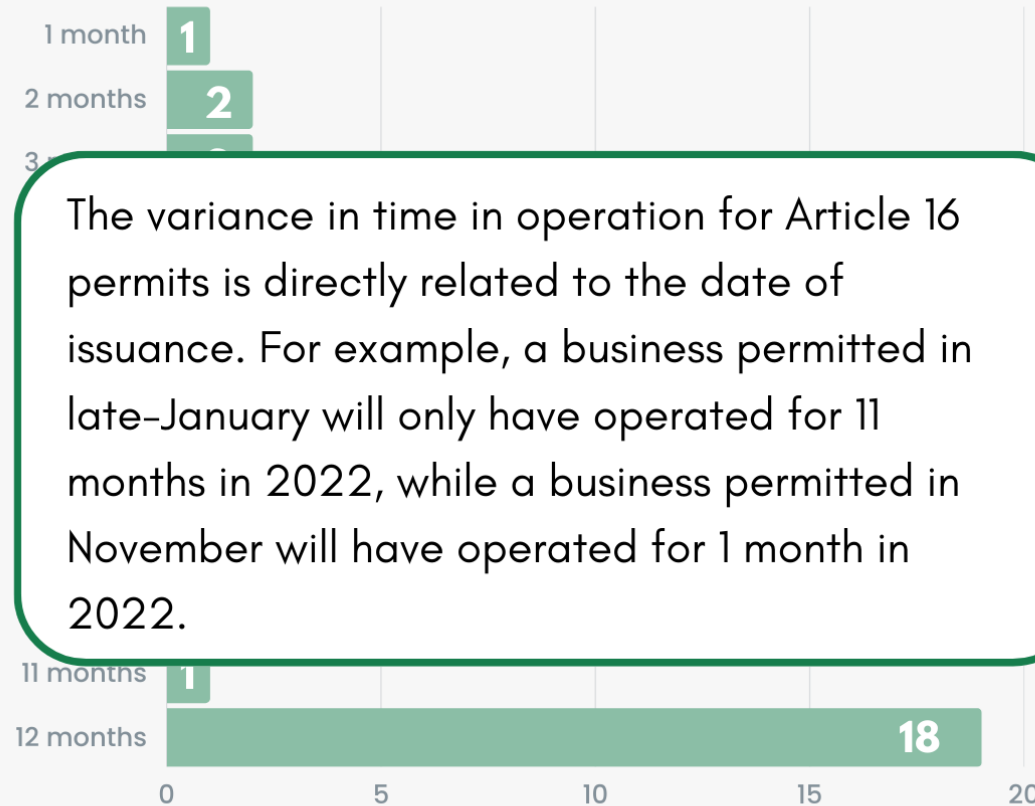


Time in Operation by End of 2022: Article 16



**Permanent Cannabis
Businesses**

30



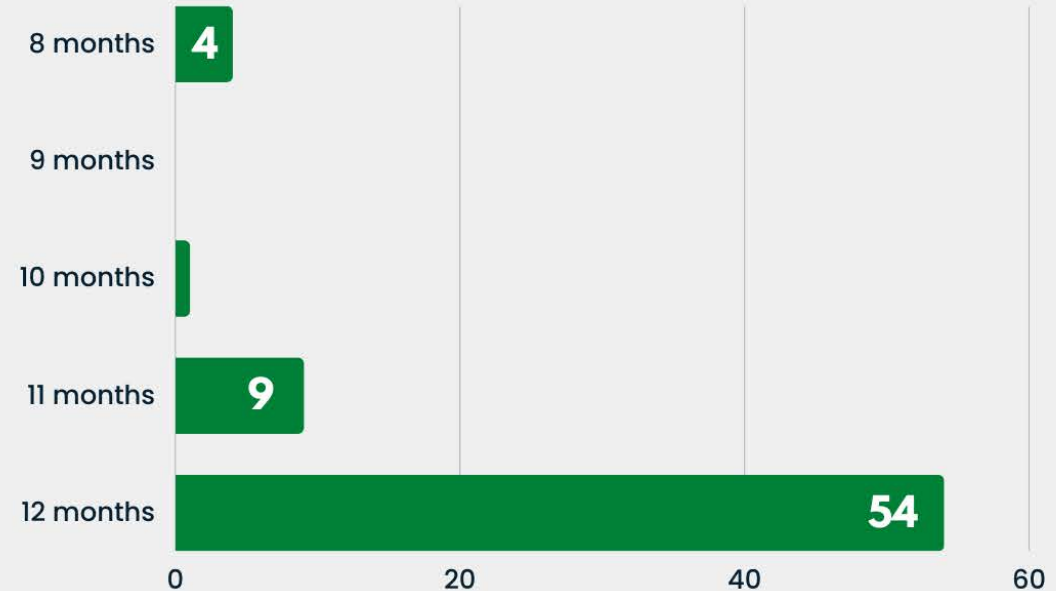
The variance in time in operation for Article 16 permits is directly related to the date of issuance. For example, a business permitted in late-January will only have operated for 11 months in 2022, while a business permitted in November will have operated for 1 month in 2022.

Time in Operation by End of 2022: TMPs



**Temporary Cannabis
Businesses**

68



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Time in Operation by End of 2022: TMPs



**Temporary Cannabis
Businesses**

68

8 months

4

The variance in time in operation for Temporary Cannabis Business permits is due to businesses surrendering their permits. Businesses typically surrender their permits when they close, but may also do so if they plan to move to a new location.

12 months

34

0

20

40

60



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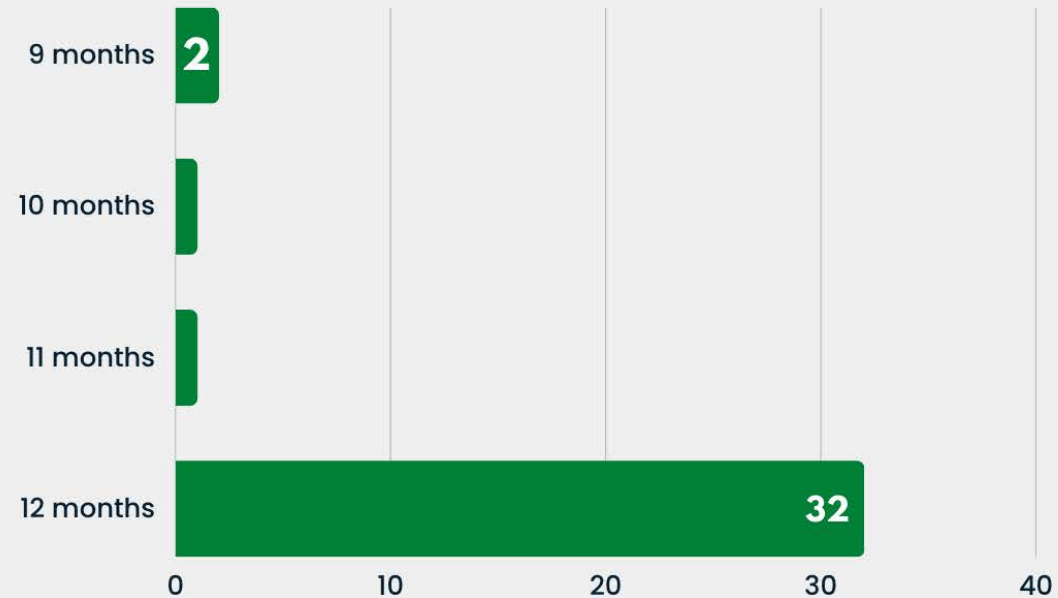
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Time in Operation by End of 2022: MCDs



**Medicinal Cannabis
Dispensaries**

36



Time in Operation by End of 2022: MCDs



**Medicinal Cannabis
Dispensaries**

36

9 months

2

The variance in time in operation for Medicinal Cannabis Business permits is due to businesses surrendering their permits. Businesses typically surrender their permits when they close, but may also do so if they plan to move to a new location.

12 months

0

10

20

30

40



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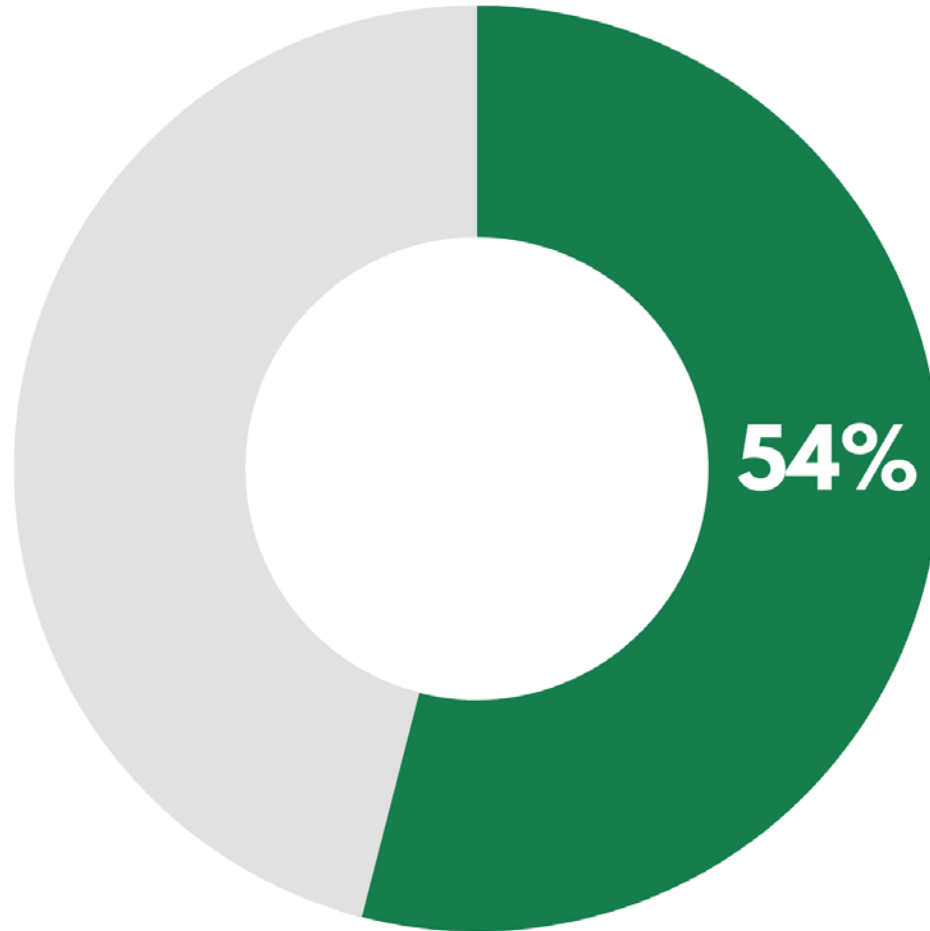
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OOOC Budget Distribution

Resource Allocation in 2022



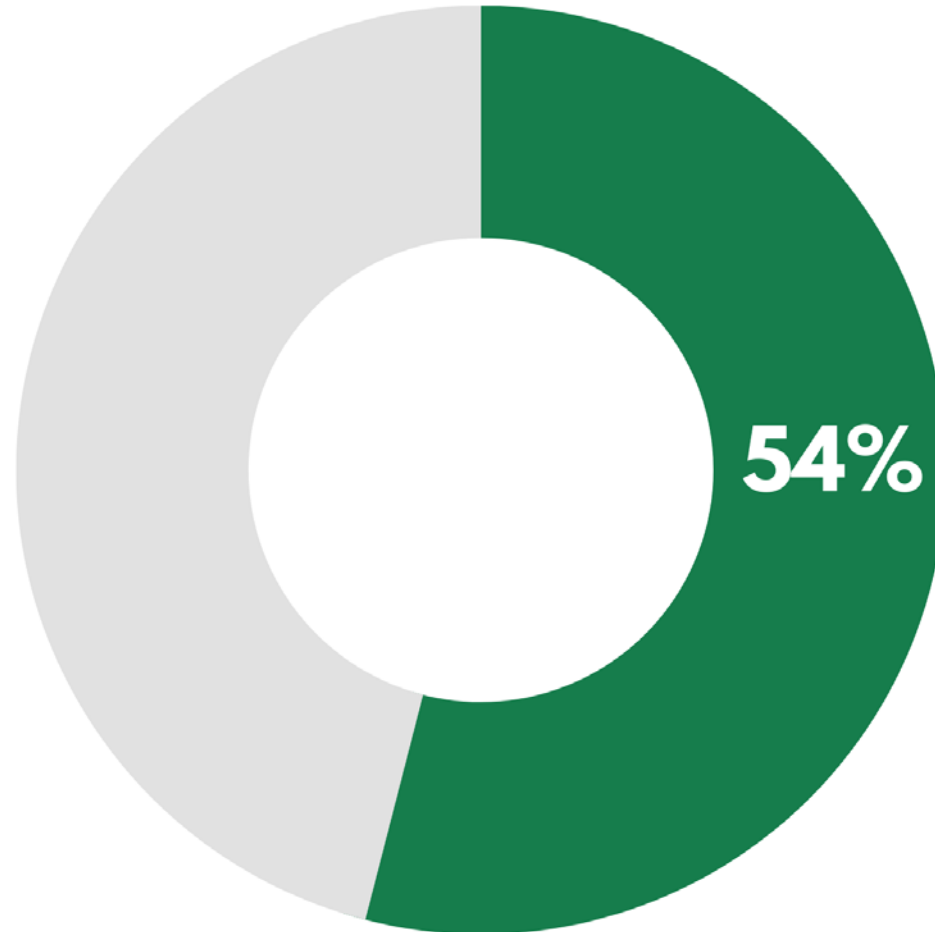
OOC's 2022 Staffing Budget: Permitting



Permitting:

- Various members of staff contribute to the permitting work done by the OOC
- Each staff member spends anywhere from 25% to 100% of their time on processing permits
- Some staff members are funded wholly or partially by grants

OOC's 2022 Staffing Budget: Permitting



Permitting:

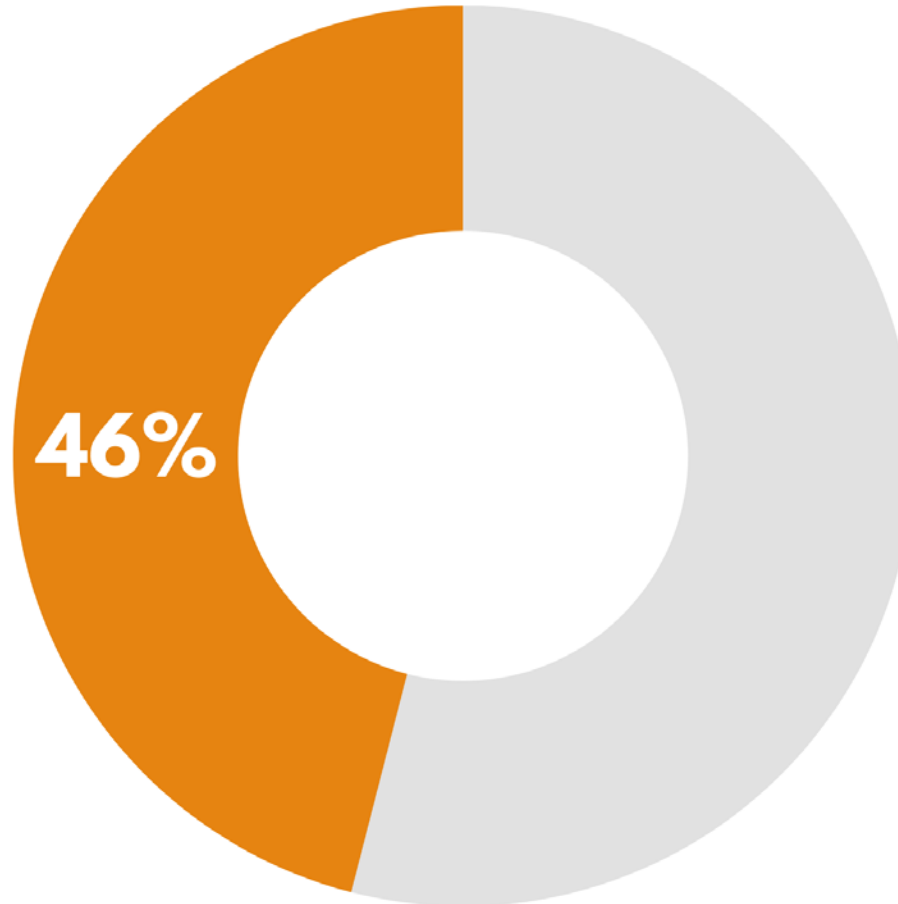
- Part 1
 - Proof to Occupy
 - Business Compliance
 - Background Checks
- Part 2
 - Community Outreach
 - Equity Goals
 - Security and Operations

Total Cost:
~\$775,000

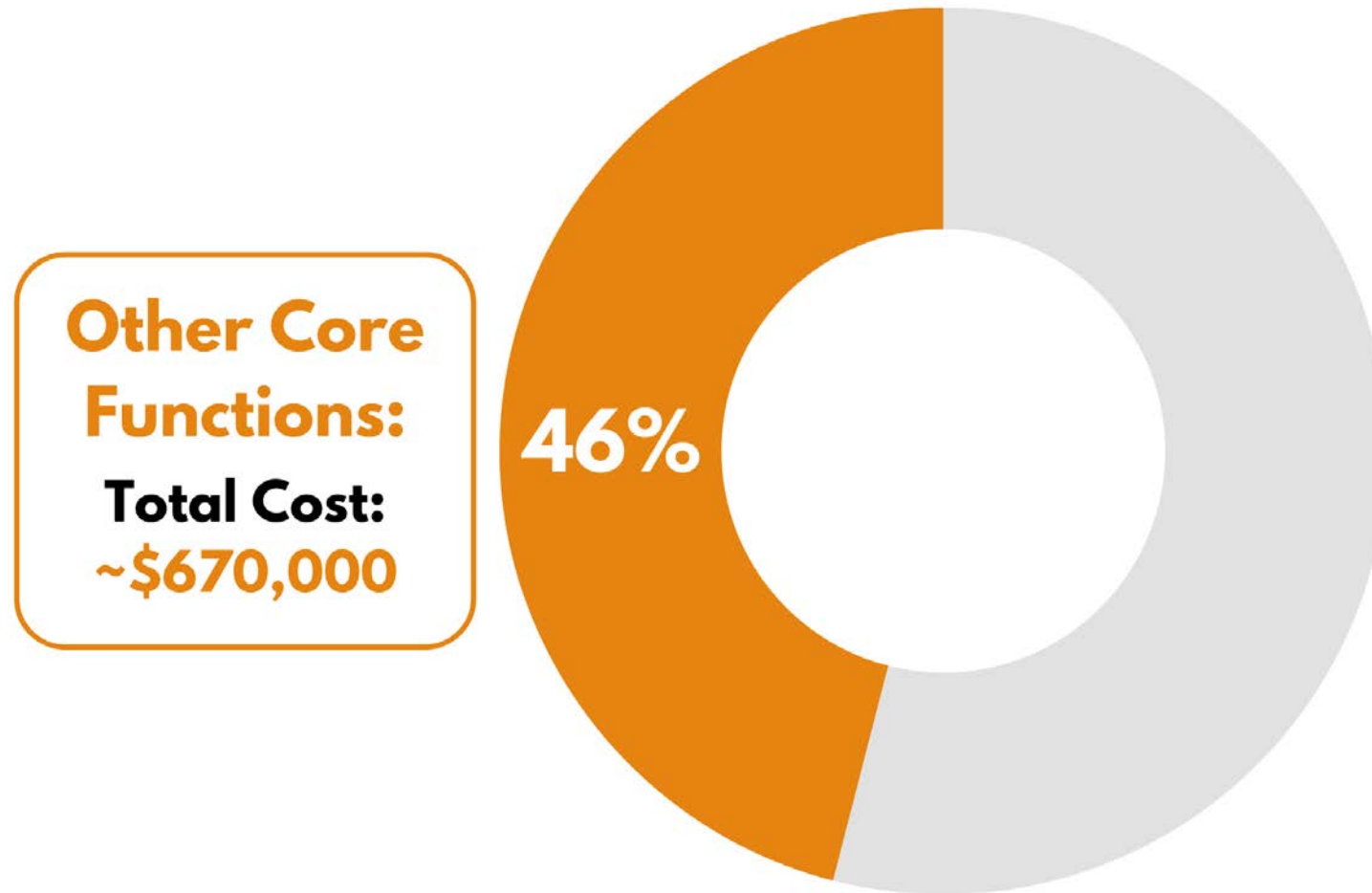
OOC's 2022 Staffing Budget: Other Core Services

Other Core Functions:

- Equity Verification
- Enforcement
- Compliance
- Community Outreach
- Rulemaking
- Collaboration with City Partners
- Grant Application and Distribution
- Collaboration with Oversight Committee



OOC's 2022 Staffing Budget: Other Core Services



Q & A



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Thank You!

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