

Monthly Stakeholder Meeting

March 28, 2019

Presented by:
Office of Cannabis Policy & Enforcement

CUP and BOP Applications Update

- **CUP** – 186
- **BOP** – 380
 - Approved: 64 (22 Operational; 42 Non-Operational)

Policy Update

- **Volatile Manufacturing**

- Approved in concept by Law and Legislation Committee on Feb. 26, 2019
- Proposed zones: all zones where non-volatile manufacturing is allowed, except for C2
- Proposed distance requirements: same as non-volatile manufacturing, plus 600 ft. from residential zones/use for ZA approval. Over 600 ft. require Planning and Design Commission approval
- Planning and Design Commission and Law and Legislation Committee in May 2019; Council in June 2019

Policy Update (cont.)

- **Title 5 Clean-up**

- Expand grounds for denial of BOP applications
- Remove references to collectives and cooperatives
- Remove requirement for dispensaries to keep patients' medical records
- Remove requirements for price list and sellers' permit
- Require that cannabis products be destroyed on site
- Law and Legislation Committee in May 2019; Council June 2019

Cannabis Waste Management

- Per State Law, all cannabis products intended for disposal must be destroyed (rendered “unusable and unrecognizable”) on site
 - Can use third party, but products cannot be hauled without being destroyed
 - Disposal of lithium batteries and hazardous materials subject to existing local waste management regulations
 - Admin penalties for cannabis businesses that allow products intended for disposal to leave facility without being destroyed

Non-Operational BOPs

- Renewal is due on the date Non-Operational BOP is issued; regardless of when business started operating
- Issuance of Non-Op BOP is optional; renewal date should be taken into consideration
- If no renewal application is submitted within 30 days of expiration date, it will be deemed EXPIRED. New application, including all documents must be submitted. Applicant must pay fee for new application (instead of renewal fee).

Incomplete Applications

- All applicants will receive a notification of their outstanding documents no later than April 30, 2019.
- All documents must be submitted within 90 days.
- Applications that are still incomplete 90 days after April 30, 2019 will be denied and application fees paid will be forfeited.
- Registered cultivators whose applications are denied for being incomplete must stop operating, as ordinance allowing operation during application process has expired in September 2017.

Enforcement

- Denied BOP applications
- Reasons include:
 - Disregard of Stop Work Orders or Correction Notices issued by Fire/Building Department
 - Operating before receiving BOTH City permit and State license (State temp alone does not authorize an applicant to start operating. A Non-Op is BOP is NOT a permit to operate
 - Expired building permit application; not responding to comments from Building Department
 - Denial of entry

Enforcement (cont.)

- **Reminder to Operators:**
 - Camera system software familiarization
 - Make sure someone knows how to use the surveillance footage software
 - Even if operators are willing to give inspectors video footage, some employees do not know how to use the software.

Enforcement (cont.)

- If State license is revoked, surrendered, or expired, City can revoke BOP on grounds of not having a valid State license (dual licensing required to operate)
- Permit holder **MUST** notify City of any enforcement actions on their State license within 10 days

Local Authorization

- **Will be provided for applicants who:**
 - Hold an Operational BOP
 - Have received their Building Permit, as long as there are no outstanding Fire issues (Stop Work Order, Correction Notices, on Fire Watch)
 - Non-Operational BOPs = Compliant but Local Application is Pending

UC Davis Graduate Research

- Will be contacting applicants with regard to a research it is conducting on cannabis

Neighborhood Responsibility Plan

- Applicants who selected option to pay 1% of gross receipts will receive notification about amount due
- Applicants who selected option to pay the amount determined by the study are required to do their own study on their property
 - Options still being reviewed by CAO (i.e. RFQ, one firm to do study for all applicants)

CORE Program

- Two zip codes – 95838 and 95832 added to eligible zip codes
- Priority processing definition amended
- \$1 Million contract to facilitate program awarded to:
 - Sacramento Asian Chamber of Commerce - \$500,000
 - Greater Sacramento Urban League - \$500,000
- City is applying for Equity Grant Funds from the State. If selected to receive funds, City will expand CORE Program

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