



City of
SACRAMENTO
Office of Cannabis Management

CANNABIS GENERAL STAKEHOLDER MEETING

October 14, 2021



BOP DATA: 254 Issued

- **Cultivation: 89 issued**
- **Delivery only: 56 issued**
- **Distribution: 40 issued**
- **Manufacturing: 30 issued**
- **Microbusiness: 6 issued**
- **Testing lab: 3 issued**
- **Storefront: 30 issued**



COMPREHENSIVE STUDY OF CANNABIS INDUSTRY IN SACRAMENTO

■ EPS STUDY

- Timeline:

- Underway through end of 2021 /early 2022
- 11/2/21: Presentation before L&L Committee
- Nov – Dec '21 - Hearings before L&L
- Jan – Feb. '22 – Recommendations from L&L
- Late Feb – Mar '22 – Workshop/direction from Council
- Apr. '22 – May '22 – Hearing of ordinances reflecting Council direction
- Mid '22 – Ordinances take effect



COMPREHENSIVE STUDY OF CANNABIS INDUSTRY IN SACRAMENTO

■ EPS STUDY

- Scope:

- Topics include land use, real estate, taxes, workforce development, ownerships and business structures, social equity/CORE program, overall economic analysis

- Workforce Development Survey:

- Survey emailed to all permitted cannabis businesses on 10/11/21 to gather comprehensive data on facilities, existing workforce, labor needs and other critical issues faced by cannabis businesses
- 15-20 minutes to complete
- Deadline to return survey form 10/29/21



PUBLIC SAFETY UPDATE:

■ CANNABIS BURGLARIES

- Significant Increase in the number of cannabis-related burglaries
- PD encourages all cannabis businesses to ensure that:
 - Applicable safety policies/procedures are being followed
 - Security technology (alarms, cameras, etc) is functioning properly
 - All necessary security upgrades are being implemented ASAP
- **Reminder: Notify OCM of any security breaches, alarm activations, etc. within 24 hour of the incident (condition on all BOPs)**



STATE UPDATE:

■ DEPARTMENT OF CANNABIS CONTROL (DCC) EMERGENCY REGS:

- Consolidated regs for all cannabis business types now approved; may be viewed on the DCC website and OCM website
- Under local review to ensure no conflict with ongoing Title 5 cleanup



CANNABIS BILLS SIGNED INTO LAW:

■ AB 187

- Extends the current one-year statute of limitations to three years on civil actions for violations arising from a person engaging in unlicensed cannabis activities

■ AB 45

- Requires the DCC to outline the steps necessary to allow for the incorporation of hemp cannabinoids into the cannabis supply chain, particularly into manufactured cannabis products and the sale of hemp products at cannabis retailers.



CANNABIS BILLS SIGNED INTO LAW:

■ SB 166

- Requires the DCC to create a program that establishes fee waivers and deferrals

■ AB 138

- Imposes up to \$30,000 (or 3X the amount of State license fee) for aiding and abetting an illegal cannabis activity



CANNABIS BILLS SIGNED INTO LAW:

■ SB 544

- require establishment of one or more standardized cannabinoids test methods to be used by all testing laboratories. Authorizes the DCC to establish testing standards through a reference laboratory

■ AB 1222

- Allows cannabis beverages to be packaged in clear or colored glass containers.



POLICY UPDATE:

■ **STOREFRONT DISPENSARY OWNERSHIP CHANGE MORATORIUM**

- Moratorium extended to May 11, 2022
- Ownership is one of the items on EPS' scope of study

■ **CAP ON DELIVERY BOPs IN SOUTHEAST INDUSTRIAL AREA (D6)**

- Cap of 50 extended to May 11, 2022
- BOPs issued: 37 issued (32 delivery-only; 4 storefronts; 1 microbusiness)
- 13 available; 25 pending (including 13 CORE)



POLICY UPDATE:

- **PROPOSED NEW CANNABIS BUFFER ZONES IN D2**
 - L&L recommended to wait for EPS study
 - Council voted 5-3 to put item on the Council agenda. Council meeting date - TBD
 - Proposed ordinance will increase buffer zones (distance requirements) for cannabis uses in D2:
 - From 600' to 1000' from residential uses
 - From 1000' to 1500' from sensitive uses (schools, parks, places of worship, places that sell tobacco and/or alcohol)



POLICY UPDATE:

■ TITLE 5 CLEANUP

- Periodic review of Title 5 to:
 - Align/consistency with State regulations
 - Technical changes; address redundancies, delete obsolete sections
 - Clarity, consistency and uniformity in procedures across all permit types
 - Promote efficiency/consistency in permitting process by codifying certain requirements/current practices
- L&L date – TBD; possibly at the conclusion of the EPS study



POLICY UPDATE:

■ TITLE 5 CLEANUP

- Delivery

- \$5K (pre-ordered) delivery limit/ \$3K (no orders)
- Delete vehicle age requirement
- Loading and unloading area (currently a BOP condition)
- Secured containers in vehicles (currently a BOP condition)

- Storefront Dispensaries

- Remove limit of 8,000 sq. ft. in size of the building
- Remove limit of 150 sq. ft. where cannabis accessories may be displayed



POLICY UPDATE:

■ TITLE 5 CLEANUP

- Interested Parties

- Delivery and distribution drivers deleted from interested parties
- Amend definition of managers to exclude shift managers and employee managers who have no control over operation of the business
- Owners responsible for ensuring that drivers and employee managers are Live Scanned (signed affidavit with application/renewal)



POLICY UPDATE:

■ TITLE 5 CLEANUP

- Changes in Ownership, etc (excludes storefront dispensaries)
 - Will require OCM approval; BIC forms for changes in interested parties and ownership structures must be submitted at least 30 days PRIOR to change



POLICY UPDATE:

■ TITLE 5 CLEANUP

- Renewals

■ New renewal timeline

- Renewal window 90 days prior to BOP expiration date
- Renewal fees are due no later than the BOP expiration date
- Application portal will close one day after the BOP expiration date
- Late renewal fee required to reopen portal to **30 days past expiration date** (renewal extension period)



POLICY UPDATE:

■ TITLE 5 CLEANUP

- Renewals

- New renewal timeline (cont.)
 - Expired BOP enforced:
 - 31 days after BOP exp. (if under renewal ext)
 - 1 day after BOP exp. (all others)
 - Expired BOP = new application

- New renewal process
 - Fewer requirements for renewal
 - 90-day renewal window
 - Max. of 30 days from date of exp. extension period
 - Definitive enforcement window
 - Shorten renewal process; eliminate expired permits



POLICY UPDATE:

■ TITLE 5 CLEANUP

- Labor Peace Agreement

- Attest in application that business will comply with State's LPA requirement (if > 20 employees)

- Cessation of Business Operations

- Procedures for reporting BOT, product custody for businesses closing for more than 30 days

- Abandoned Applications

- No activity for 180 days/ non-responsive to communications will be deemed abandoned, in lieu of denial (no appeal path)



POLICY UPDATE:

■ TITLE 5 CLEANUP

- Security Requirements:

- Updated security requirements, including those that are currently on the BOPs as conditions
- Requirements for security plans (credentials of professional who will write the plan)
- Definition of lobby
- Requirement to have a regular safety meeting



QUESTIONS? CONTACT US:

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