



*City of*  
**SACRAMENTO**  
Office of Cannabis Management

# CANNABIS GENERAL STAKEHOLDER MEETING

**January 13, 2022**



## **BOP Data: Total issued 263**

- **Cultivation & Nursery: 94 issued**
- **Delivery-only: 56 issued**
- **Distribution: 41 issued**
- **Manufacturing: 33 issued**
- **Microbusiness: 7 issued**
- **Testing lab: 3 issued**
- **Storefront: 30 issued**



## New Council Boundaries: What It Means for Cannabis Businesses

- Redistricting changed the boundaries of all council districts as of December 16th
- All districts now have a permitted or pending cannabis business
- Your location/proposed location may now be in a new district
  - <https://www.cityofsacramento.org/Mayor-Council/Find-Your-District>



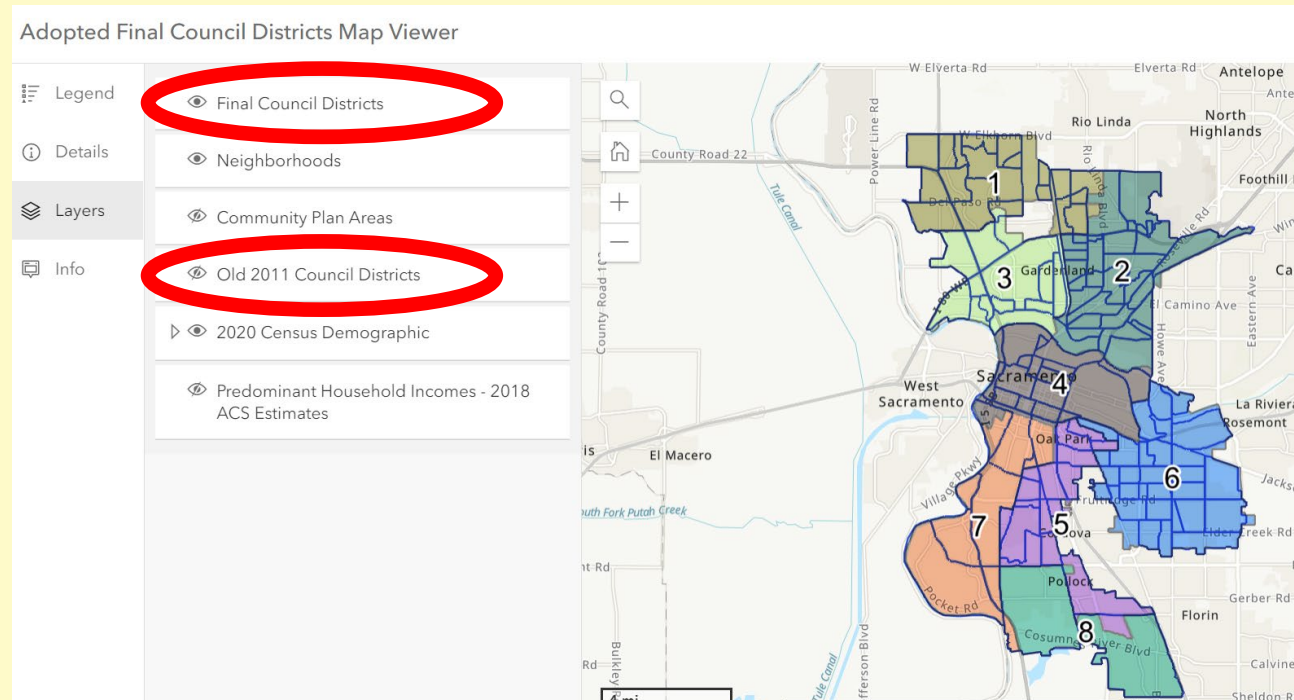
## New Council Boundaries: What It Means for Cannabis Businesses

- Potential issues to be aware of:
  - Pending CUP – subject to appeal to Planning Commission or to call-up by councilmember within 15 days of decision
  - Small manufacturing, self-distribution and testing (CUP exempt) – subject to call-up by councilmember within 15 days of issuance of BOP

# New Council Boundaries: What It Means for Cannabis Businesses

To view the interactive map:

<https://www.arcgis.com/apps/instant/sidebar/index.html?appid=c8c5af6fde8746efa7e9b825734cb4d1>





# COMPREHENSIVE STUDY OF CANNABIS INDUSTRY IN SACRAMENTO (EPS STUDY)

## ■ EPS STUDY TIMELINE

- Will be posted on OCM website
- Workshops/hearings before L&L Committee
  - 1/25: D6 delivery cap, ownership, undue concentration
  - 2/1: City's 4% BOT
  - 2/15: CORE/equity
- Recommendations of L&L to City Council
  - March
- Hearing of ordinances reflecting Council direction
  - April

***NOTE: All dates and workshop topics are tentative and subject to change***



## UPDATES FROM:

- **Sgt. Matt Young**, Sac Police Department
- **Elizabeth McDowell**, Sac Fire Department
- **Keona Savage**, Code Supervising Officer



# TITLE 5 CLEAN-UP

## ■ TIMELINE

- Approved by L&L on 1/4/22
- Budget component to be heard by B&A on 2/1/22
- Council adoption 2/8/22
- Ordinance takes effect 3/8/22






## TITLE 5 CLEAN-UP SUMMARY OF PROPOSED AMENDMENTS & WHAT TO EXPECT AFTER COUNCIL ADOPTION

- Delete employee managers and delivery and distribution drivers from the definition of interested parties
  - ❑ Background check requirement will be responsibility of business owners; no need to submit a Business Information Change form; application will include attestation that employee managers/drivers have been background checked



## TITLE 5 CLEAN-UP SUMMARY OF PROPOSED AMENDMENTS & WHAT TO EXPECT AFTER COUNCIL ADOPTION

- Delete the local requirement for delivery vehicles to be no older than 10 years old.
- Delete the local requirement for distributors to have a Motor Carrier Permit.
- Increase the limit a delivery vehicle can carry to \$5,000 worth of cannabis products, with up to \$3,000 in pre-ordered products
- Remove square footage limits for buildings and size of the display area for non-cannabis accessories for storefront dispensaries
- Remove requirement that records be in “printed” format



# TITLE 5 CLEAN-UP SUMMARY OF PROPOSED AMENDMENTS & WHAT TO EXPECT AFTER COUNCIL ADOPTION

- Add a requirement in BOP renewals for businesses with 20+ non-supervisory employees that they have or will enter into a Labor Peace Agreement
  - ☐ Businesses will be asked to provide copy of signature page of LPA (if it applies) or attest that business has less than 20 employees.



## TITLE 5 CLEAN-UP SUMMARY OF PROPOSED AMENDMENTS & WHAT TO EXPECT AFTER COUNCIL ADOPTION

- Revise requirements of security plans to protect the physical security of cannabis facilities.
  - ❑ Businesses may be required to update security plans mid-permit cycle and OCM may need to modify/add conditions to BOPs for security reasons



## TITLE 5 CLEAN-UP SUMMARY OF PROPOSED AMENDMENTS & WHAT TO EXPECT AFTER COUNCIL ADOPTION

- Add “abandoned application” section for applications with no BOP issued 180 days after submission.
  - Request reactivation/extension for another 180 days with payment of extension fee (\$500)
- Add process for cessation of business operations
  - ☐ Submit a form with timeline for reopening (if applies); settle/or create BOT payment plan; what to do with products onsite; State license, etc.



## TITLE 5 CLEAN-UP SUMMARY OF PROPOSED AMENDMENTS & WHAT TO EXPECT AFTER COUNCIL ADOPTION

- Addition of inspection authority for electronic databases (including the state's track-and-trace system).
  - ❑ Gives Code officers the authority to verify inventory onsite via a scanner against info on Metrc
  - ❑ Will become part of regular inspection
  - ❑ Code officers will scan plants onsite and reconcile against information in the cultivation permit holders' METRC account



## TITLE 5 CLEAN-UP SUMMARY OF PROPOSED AMENDMENTS & WHAT TO EXPECT AFTER COUNCIL ADOPTION

- ❑ Businesses shall grant City read-access only to Metrc account
  - Notices will go out in January requesting that individual Code officers be added as authorized users with read-only access
  - All new cultivation applications will contain an authorization granting City with read-only access



# REMINDERS TO PERMIT HOLDERS:

## ➤ Renewals

- Renewal period begins 90 days prior to expiration of Permit
- Renewal is late if received within 30 days prior to expiration; expect to get warning letters during this time period
- Application portal will close the day after the BOP expiration date.
- Late renewal fee is required to reopen portal to 30 days past expiration date (renewal extension period).





## REMINDERS TO PERMIT HOLDERS (cont.):

- If no renewal extension fee is paid, expired permits are subject to enforcement immediately
- Incomplete applications at the end of the 30-day application will be voided; business must shut down; can apply for new application but cannot operate until new BOP is issued.
  - CORE permit holders must submit a signed attestation that business is still 51% CORE-owned



# REMINDERS TO PERMIT HOLDERS:

## ➤ **Reporting of Burglaries/Security Breaches**

- ❑ A condition on the BOP that all crime incidents, burglaries, break-ins, security breaches must be reported to PD (during the incident); and to OCM within 24 hours.

## ➤ **Do Not Share Security Related Information**

- ❑ Do not entertain calls requesting to send floor plans, security plans/diagrams of cameras etc. and/or share information via email

## ➤ **Changes in Business (also applies to Applications)**

- ❑ Includes ownership, interested parties with ownership of 20% and above, business structure, DBAs requires submission of Business Information Change form within 30 days of change
  - ❑ Continuity = BIC; no continuity = new application

# TRACK AND TRACE READ-ONLY ACCESS





## STATE-RELATED UPDATES

- City of Sacramento to receive \$5.7m in grant funds to assist local applicants/licensees transition from provisional to annual State licenses. Funds will be used towards:
  - Creation of permitting navigator with consultants to provide one-on-one assistance to applicants in obtaining annual licenses and assist in permit streamlining
  - Upgrades in Accela; purchase of equipment and software to proactively reach out to applicants/licensees that are stalled
  - Grants/rebates for security equipment purchases needed for local compliance
  - Cannabis Business Mapping portal



## STATE-RELATED UPDATES (cont.)

- DCC now accepting requests for equity fee waivers
  - State equity criteria is not the same as CORE criteria, so check eligibility
  - <https://cannabis.ca.gov/applicants/equity-fee-waivers/>
- Go-Biz local equity grant application submitted 12/2021
  - Request for \$7 million to be used towards local equity grants



# CORE Program Updates

## ■ CORE Grant Program Launch

### - Wednesday, January 19, Noon PST

- CORE members with leased/owned locations can apply for up to \$125,000 on a first come, first served basis for their cannabis business
  - All application requirements and an FAQ can be found on the CORE Program webpage under "Core Grant Program"
- Questions should be submitted prior to January 19th



## ■ CORE Capital Loan Program (CCLP) Update

- \$321k remaining in loan funds, which will provide six recipients with \$50k loans. There are currently 10 possible recipients with applications submitted.
- After all loan funds are disbursed, and contingent on timely loan payments back into the fund, we will have about \$50k/month to loan out going forward.
- Questions about CCLP can be directed to [cclp@cityofsacramento.org](mailto:cclp@cityofsacramento.org) and [lwohl@cityofsacramento.org](mailto:lwohl@cityofsacramento.org)



## ■ Cannabis Equity Study RFP

- Goal of this study is to both build on the current citywide cannabis industry study and provide additional data collection and analyses through an equity framework
- We have made the draft RFP available on our website and will be discussing it at the Racial Equity Ad Hoc Committee meeting on 1/25 to solicit public review and comments
- Please submit any public comments on the draft RFP to [cannabis@cityofsacramento.org](mailto:cannabis@cityofsacramento.org)



# QUESTIONS?

**Phone: 916-808-8955**

**Email:**

**[cannabis@cityofsacramento.org](mailto:cannabis@cityofsacramento.org)**

**On the Web:**

**[cityofsacramento.org/cannabis](http://cityofsacramento.org/cannabis)**

