

President, Board of Supervisors
District 8



City and County of San Francisco

RAFAEL MANDELMAN

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SAN FRANCISCO BOARD OF SUPERVISORS GIVES FINAL APPROVAL TO CANNABIS CAFÉS

Reforms allow San Francisco's licensed cannabis retailers to add food and non-alcoholic beverages to their cannabis lounges, opening a new line of business for the city's legal cannabis industry.

San Francisco is set to become the first city in the Bay Area to bring the model to market, with a dedicated pathway for cannabis equity entrepreneurs to participate

SAN FRANCISCO, CA: Today, the San Francisco Board of Supervisors gave final approval to legislation authored by Board President Rafael Mandelman that enables San Francisco's licensed cannabis retailers to prepare and serve food and non-alcoholic beverages for consumption alongside cannabis on their premises, and creates a new cannabis cafe permit to support innovative hospitality-focused cannabis businesses. The ordinance implements Assembly Bill 1775, the 2024 state law authored by Assemblymember Matt Haney (D-San Francisco) that opened the door to Amsterdam-style cannabis cafés across California. With today's vote, San Francisco is set to become the first city in the Bay Area to bring the model to market.

Mandelman introduced the ordinance in March 2026 following over a year of collaboration between his office, Assemblymember Haney, the Office of Economic and Workforce Development, the Office of Cannabis, the Department of Public Health, the Planning Department, the City Attorney's Office, and Cannabis Industry leaders. The Small Business Commission voted 5 to 1 in April to support the legislation, and the Planning Commission unanimously adopted supporting findings the following month. The Land Use and Transportation Committee approved a package of clarifying amendments in June, sending the ordinance to the full Board, which passed it on first reading on July 7 before granting final approval today.

"San Francisco just gave our legal cannabis industry a real tool to compete and grow," said **President Rafael Mandelman**. "Cannabis cafés are part of this city's recovery, right alongside our entertainment zones, neighborhood activation, and free concerts, and today's vote makes sure our legal retailers aren't left behind. Amsterdam draws real tourism dollars from its cannabis cafés, and while San Francisco isn't Amsterdam, there's no reason our operators shouldn't have the same tools to compete and help bring people back into our neighborhoods."

"Cannabis cafes were always about giving people a place to enjoy legal cannabis in the company of others while supporting small businesses, nightlife, and local culture," said **Assemblymember Matt Haney**. "This is exactly what we envisioned when I authored the bill to make it possible for cities to legalize cannabis cafes, and it's exciting to see San Francisco lead the way in making that vision a reality."

The ordinance arrives as San Francisco's legal cannabis industry continues to compete with a large illicit market. The state's Department of Cannabis Control estimates that roughly 60 percent of the cannabis sold in California is still sold outside the licensed, taxed system. San Francisco's Office of Cannabis has issued 79 cannabis retailer permits citywide, of which 66 were active as of earlier this year. The Board of Supervisors has repeatedly acted to help legal operators stay competitive, including a ten-year suspension of the city's local cannabis business tax through 2036 that was authored by President Mandelman. Allowing cannabis retailers with consumption lounges to add food and beverages gives existing retailers a new line of business, and the potential to support jobs in food service, hospitality, and entertainment, at a time when the sector has struggled with oversupply, falling wholesale prices, and competition from unlicensed sellers.

"I want to congratulate President Mandelman on the passage of this groundbreaking legislation that will create exciting new opportunities for San Francisco's cannabis industry. This legislation will enable our creative and dedicated cannabis retailers to bring forward new hospitality-focused experiences that will increase jobs, showcase arts and entertainment, and attract residents and tourists alike," said **Anne Taupier, Executive Director, Office of Economic and Workforce Development**. "I'm proud of our office's participation—especially the work of our Director of Nightlife Initiatives, Ben Van Houten—in the year-long effort to bring this legislation to fruition, and I look forward to seeing San Francisco remain at the forefront of cannabis innovation."

"This legislation clears a path for our industry to create a full-service cannabis hospitality experience, diversify our businesses, and provide our customers with safe, highly regulated spaces where they can enjoy food and beverages alongside responsible cannabis consumption," said **William Dolan, CEO of the Sunset's HYRBA Dispensary**. "It's an opportunity for San Francisco to support small businesses, strengthen our hospitality economy, and set the standard for thoughtful cannabis policy in California and beyond."

The new cannabis cafe permit allows for the creation of purpose-built spaces where cannabis consumption may be offered alongside food, beverages, and entertainment. Cannabis sales in these cafes are limited to sales for on-site consumption only, and no alcohol or tobacco is allowed on the premises. For one year after the ordinance takes effect, only existing retailers (including their equity partners) will be eligible to apply for cannabis cafe permits to launch new hospitality-focused locations. This runway will enable existing retailers, especially the vast majority that are unable to offer cannabis consumption at their existing storefronts, to explore new business opportunities.

Cannabis cafes will operate inside San Francisco's existing public health framework for cannabis businesses. Café operators will carry a companion consumption permit from the Department of Public Health alongside their Office of Cannabis permit, meet the same Health Code and California Retail Food Code standards as any other food establishment, and follow the ventilation and signage rules set by state and local law, with every customer's age verified electronically at the door.

"We appreciate Supervisor Mandelman & the SF Board of Supervisors being sensitive to cannabis medical patients & consumers' needs, by expanding the options for safe consumption of cannabis, food, and non-alcoholic drinks," said **Bram Goodwin of the San Francisco Brownie Marie Democratic Club**, a cannabis activist organization. "We look forward to welcoming our friends, Cannabis tourists from all over the planet to come to SF to experience our world-class cannabis products. It is expected this new opportunity will spur new investment in different retail concepts, that will add to the consumption choices for cannabis consumers in SF. Thank you San Francisco for continuing to be on the cutting edge of choice for cannabis consumers."

The ordinance now goes to Mayor Daniel Lurie for signature. If signed, it will take effect 31 days later, after which the Office of Cannabis will begin accepting applications for the permit.

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