



San Francisco Office of Cannabis

Presented by
Office of Cannabis

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Legislative Update: Bolstering the Equity Program, Ordinance File # 210421 Amending Article 16

What the proposed ordinance does:

► Improve Opportunities for Equity

- Creates priority processing for equity applicants that own 100% of the cannabis business.
- Creates priority processing for temporary permit holders that commit to supporting equity applicants through shared manufacturing (i.e. sub-leasing space to equity manufacturers).
- Allows equity operators to receive equity incubation support during a capital-intensive period of developing their business (i.e. construction). Previously, equity applicants were only able to receive support from equity incubators when they were permitted by the OOC.

► Preserve Existing Equity

- Businesses that were established by equity applicants have to support equity goals if the percentage of equity applicant ownership drops below 20%.
 - Contributing the equivalent of 1% gross revenues to one or more comm. organizations;
 - Supporting equity operators by purchasing products;
 - Making workforce commitments by providing training, mentorship, and equity hiring to equity applicants; or
 - Supporting equity businesses through incubation.

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► Improves the Application Process

- Reduces the time period before cannabis businesses can sell their business from 10 years to 5 years.
- Allows for cannabis businesses to be transferred in the case of death.
- Removes a loophole in which equity incubators could support their own business interest.
- Clarifies process for removing delinquent applications from the cannabis processing system.

► Status:

- Sponsor: Mayor London Breed
- Currently Pending Committee Action by the Public Safety and Neighborhood Services Committee