

San Francisco Office of Cannabis

OOC Overview – DATE









Presentation Outline

- Office of Cannabis Overview
- Permitting
- Compliance and Enforcement
- Grantmaking
- Cannabis Economy
- Q&A











The Office of Cannabis

Overview & History







Overview

- The OOC is the regulatory body for commercial cannabis within the City and County of San Francisco
- The OOC has 9 core functions:
 - Permitting (Businesses & Events)
 - Equity Verification & Administration
 - Compliance & Enforcement
 - Rulemaking
 - Grant Application & Disbursement

- Community Outreach
- Collaboration between City Partners
- Limiting Youth Access & Exposure
- Cannabis Oversight Committee Support









Permitting

Office of Cannabis Initial Review • This is a bare minimum check • Applicants need an Authorization to Apply, Proof to Occupy, and a Business Entity Planning Department Informal Review • This is also a bare minimum check • Planning will assess whether there are immediate or insurmountable issues (e.g. zoning does not allow cannabis) Office of Cannabis Part 1 • The OOC assesses an applicant's location and business entity • Equity Applicants receive priority processing • DPH may review specific permit types **Planning Department** • Planning checks the business' activity and zoning compliance • Applicants may need to hold a community outreach meeting • A Planning Commission hearing may be required **Department of Building Inspections** • DBI processes building permit application(s), including the review of building plans (fire, electrical, water, etc.) • This includes all project-specific inspections Office of Cannabis Part 2 • All businesses are required to submit a Good Neighbor Policy • The OOC will review operation, security, and other plans • This review happens in tandem with DBI's inspections







Compliance and Enforcement

- Compliance Inspections
 - Pre- and Post- Permit Issuance
- Enforcing Good Neighbor Policies (GNPs)
 - Cleanliness, anti-consumption regulations, security guards
- Enforcement Inspections
 - Investigating illicit business activities
- Processing Permit Amendments
 - Ownership changes, changes to business structure, business expansions







Overview: Equity Grant Rounds

\$13,900,000 to Equity Businesses over 5 years

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Grant Funding Cycles				
Cycle 1 (2021)	Cycle 2 (2022)	Cycle 3 (2023)	Cycle 4 (2024)	Cycle 5 (2025)
Completed	Completed	Completed	Completed	In-Progress
\$5.2 million *50 Equity Businesses	\$1.8 million ~30 Equity Businesses	\$4 million ~50 Equity Businesses	\$1.3 million to ~23 Equity Businesses	\$1.6 million to ~42 Equity Businesses
Grants from \$50,000 - \$150,000	Grants up to \$66,450 per eligible business	Grants up to \$87,548 per eligible business	Grants up to \$59,166 per eligible business	Grants up to \$38,886 per eligible business
99% Utilization Rate	96% Utilization Rate	96% Utilization Rate	99% Utilization Rate	Grant Underway







The Current Market

Cannabis Economy



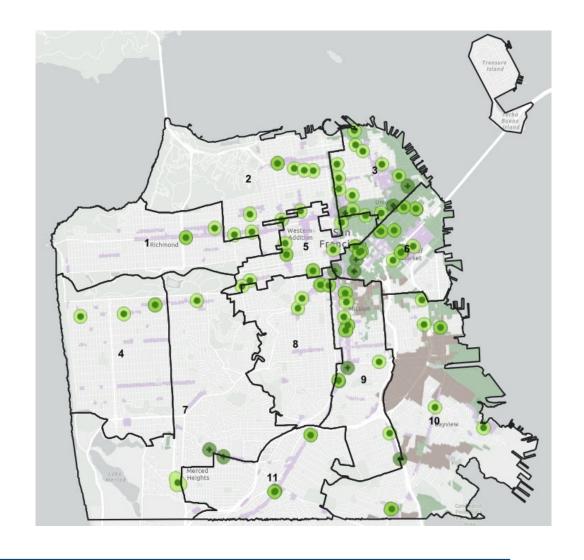






Cannabis Economy

- Total Taxable Sales in SF (2024):\$190,866,522
 - Over 100 permitted businesses
 - Retail: Majority adjacent to Market
 - Supply-Side: Majority in Bayview









Challenges in the Market

Statewide spending downturn

• There has been a decrease in revenue in almost every jurisdiction from 2023 to 2024

State Excise Tax

• The current State Excise Tax on cannabis is 19% of gross receipts (higher than comparable industries)

Federal Scheduling

• Federal scheduling (Schedule I) of cannabis creates major issues for businesses (e.g. banking & loan access)









Opportunities in the Market

- Cannabis Events
 - Temporary Cannabis Events
 - Consumption Lounge Events

- Local & State legislation
 - Cannabis Café legislation (AB 1775)
 - Ship Act (HR 8825)









Q&A





Thank You!

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