



SAN
FRANCISCO
CHAMBER OF
COMMERCE

October 18, 2017

Mr. Rich Hills
President, San Francisco Planning Commission
1650 Mission Street, Suite 400
San Francisco, CA 94103

RE: Cannabis Regulations 2017-010365PCA

Dear President Hills:

The San Francisco Chamber of Commerce, representing over 2,500 local businesses from throughout the city, is writing to urge the Planning Commission to consider a number of issues arising out of the current drafts of both the Planning Code and Police Code amendments regarding the regulation of adult-use cannabis.

While we recognize the huge effort that has gone into the draft legislation and, until very recently, a lack of timely and clear direction from the State of California, the Chamber believes the legislation as drafted is problematic for existing local cannabis businesses, unnecessarily delays reasonable access to cannabis for adult use and will not meet the expectations of the influx of visitors to the city seeking cannabis. As was stated in a recent letter to the Commission by the California Music and Culture Association (CMAC); "San Francisco should have a clear plan to ensure that come January 1, 2018, consumers will have safe and regulated options for adult-use cannabis."

We urge the Planning Commission to recommend the following changes to the draft legislation:

- 1) Any transition provisions impacting current medical dispensary permits should be drafted to ensure that the issuance of temporary permits is a ministerial and not discretionary action by city government. To do otherwise, puts at risk the continued operation of lawfully operating businesses.
- 2) Zoning laws must recognize that much of the cannabis industry is comprised of small businesses, operating "below the radar" in locations that current ordinances or the draft legislation do not authorize for such uses. These "cottage businesses" may actually co-exist in some, if not all neighborhoods, and the Planning Commission should consider a "non-conforming use" process for these locations.

- 3) New permits under the yet to be drafted equity program, should include the right of existing small businesses to apply for such permits.
- 4) Rather than prohibiting existing medical cannabis dispensaries from selling adult-use cannabis in January of 2018, the draft legislation should specifically allow such businesses to receive a temporary business permit to sell cannabis products as anticipated under Proposition 64. These handful of local businesses should be encouraged to meet the demand for what will be a legal product next year.
- 5) While the buffering of cannabis retail uses to minimize impacts in neighborhood commercial districts is an appropriate legislative objective, using a 300 foot radius standard may not be the best solution. Your staff has recommended a number of alternative mechanisms. The “orbit option” set forth in the staff report is worthy of serious consideration by the Commission and Board of Supervisors.
- 6) The draft legislation makes consumption, especially by visitors, almost impossible. Again, as was pointed out the CMAC letter of October 16, the city needs to loosen restrictions on consumption at licensed premises and create a consumption-only and special event permit. In addition, accessory use permits must be developed both for sale and consumption of cannabis.
- 7) The draft legislation restricts the delivery of cannabis to businesses that are only located within San Francisco. On our initial read, this restriction may violate the commerce clause of the U.S. Constitution. Additionally, if followed by other communities, it may prevent San Francisco-based businesses from delivering into adjacent cities and counties, which is a disservice to our local businesses. It appears that the solution is permitting and business licensing, not a ban.

The San Francisco Chamber of Commerce looks forward to working with the Commission, the Board of Supervisors, city departments and the cannabis industry to insure we meet the expectations of our residents and visitors for the safe, lawful and timely implementation of state law for the adult use of cannabis and establishment of related businesses in San Francisco.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jim Lazarus", with a long horizontal flourish extending to the right.

Jim Lazarus
Senior Vice President of Public Policy

cc. Each member of the Planning Commission, clerk of the Board of Supervisors, to be distributed to all Supervisors, Mayor Ed Lee, Nicole Elliott