GENERAL STAKEHOLDER MEETING

February 3, 2021
BOP UPDATE

CUPs APPROVED - 231

TOTAL # OF BOPs ISSUED - 219

- Cultivation – 73
- Manufacturing – 23
- Distribution – 35
- Non-storefront Retail (Delivery) – 51
- Storefront Delivery - 30
- Testing – 3
- Microbusiness – 4
REVENUE & BOT ITEMS

By Ranelle Kawasaki, Revenue Services

DAMA BOT TAX PICK-UP SERVICES

By Eric Kaufman, Dama Financial Services
COVID-RELATED UPDATES

- OCM on Mandatory Work from Home Schedule Until Further Notice
  - Best way to reach staff is via staff email or cannabis general email at cannabis@cityofsacramento.org or by phone at 916-808-8955

- Storefront Deliveries Curbside Pick-up
  - OCM issues 30-day authorization letter (issued on the first of the month) with submission of approved authorization from BCC to conduct curbside pick-up
  - Must keep both authorizations available for Code inspection.
COVID-RELATED UPDATES

- **January 25, 2021 Sacramento County Health Officer Order (Purple Tier 1)**
  - Cannabis businesses can operate with social distancing, face masks, and sanitization, subject to the State’s essential workforce modifications
  - Storefronts have 25% maximum occupancy
COVID-RELATED UPDATES

- **BOP Renewal Fee Payment Plan**
  - In effect for those whose permits have an expiration date of or before June 30, 2021
  - Four (4) installments with first payment due on the expiration date on the permit
  - Installment completion schedule is added as a condition on the permit
  - Payment plan request form is available on the OCM website at cityofsacramento.org under “Forms” page.
COVID-RELATED UPDATES

▪ **Live Scan (Fingerprinting/DOJ Background Check)**
  ▪ Not currently offered at City Hall
  ▪ To use outside facility, please follow instructions and download forms from OCM website

▪ **Drivers for Delivery and Distribution**
  ▪ May start employment pending results of Live Scan; must submit proof (receipt) that Live Scan has been completed
COVID-RELATED UPDATES

- **OTHER DEPARTMENTS**
  - **Code** – Business as usual; inspections on pre-COVID schedule
  - **Code/PD/OCM** - final walk-thrus – Wednesdays only
  - **Planning** – Online submissions only
    - Please check Planning’s website on how to submit applications via Citizen Portal
COVID-RELATED UPDATES

- **OTHER DEPARTMENTS**
  - **Building** — Virtual inspections only.
    - Please check Building Department’s website on how to submit plans and schedule an inspection
    - Remember to renew your TCO before its expiration date
  - **Fire** — On-site inspections are back. Request appointment at codeenforcement@sfd.cityofsacramento.org
    - Ensure inspection readiness by having the contractor doing the work schedule the appointment
    - All fees must be paid before Annual Permits can issue
DEMOGRAPHIC QUESTIONNAIRE

- Effort to keep an updated profile of Sacramento’s cannabis industry
- Info is helpful for securing grants and other policy considerations
- Completing the form is voluntary; but higher response rate = more accurate data
- For entities with multiple owners, one survey form per owner
- Survey/questionnaire can be found on the website under “Applicant and Permit Holder Resources” and also on all emails received from cannabis@cityofsacramento.org.
STATE-RELATED UPDATES

- **BANKING (AB 1525)**
  - Removes penalties against banks and other financial institutions that serve cannabis industry clients in California

- **BILLBOARDS**
  - Per 1/21/21 Court ruling, a licensee may not place advertising or marketing on a billboard, or similar advertising device, anywhere on an interstate or state highway that crosses the California border, as indicated in Business and Professions Code section 26152(d)
STATE-RELATED UPDATES

- **Consolidation of State Licensing Authorities**
  - Gov. Newsom’s budget proposal includes consolidation into a “Department of Cannabis Control”
  - If approved by Legislature, the new Department will be created on July 1, 2021
REMINDER: BOP RENEWAL TIMELINE

- Renewal period begins **90 days prior to the date of the expiration** of the permit. Permit holders will receive a renewal notification 90, 60 and 30 days prior to the expiration date. Renewals received within 30 days of the expiration date are subject to a late fee equivalent to 10% of the renewal fee (Council Resolution 2018-0245).

- Permit holders who fail to submit a renewal application seven (7) days prior to the expiration date will receive a warning letter advising that the business has (7) days to conclude operations. The issuance of a BOP for renewal applications submitted between seven (7) days and on the date of expiration are not guaranteed.
REMINDER: BOP RENEWAL TIMELINE

<table>
<thead>
<tr>
<th>DAYS TO EXPIRATION</th>
<th>ACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>90</td>
<td>• 1st Notice of Renewal</td>
</tr>
<tr>
<td>60</td>
<td>• 2nd Notice of Renewal</td>
</tr>
<tr>
<td>30</td>
<td>• Final Renewal Reminder</td>
</tr>
<tr>
<td></td>
<td>• LATE RENEWAL FEE APPLIES</td>
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REMINDER: BOP RENEWAL TIMELINE

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<tr>
<th>DAYS TO EXPIRATION</th>
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</table>
| 7                  | • WARNING: 7 days to wrap-up operations  
                           • No guarantee of issuance of BOP to renewals submitted |
| 1                  | • Last day to submit renewal documents  
                           • NO guarantee of issuance of BOP  
                           • Enforcement actions on expired permits will apply |
| EXPIRED            | • All operations must stop!  
                           • No renewals accepted  
                           • New applications only (new application fees apply)  
                           • Operations may not resume until new permit is issued. |
REMINDERS ON COMPLIANCE/ENFORCEMENT & BOP CONDITIONS

- Delivery businesses must comply with requirement to use secured loading area for its intended purpose; admin penalty will be issued effective immediately.

- Remember to comply with your security protocols – they are intended to keep employees safe and product secured.

- New BOPs that have a condition on their BOP must ensure that conditions are met prior to deadline.
  - If conditions are from PD, please send photos to PD and forward proof of approval to OCM.
REMINDERS ON COMPLIANCE/ENFORCEMENT & BOP CONDITIONS

- BOPs that are issued based on pending State licenses (i.e. local authorization has been provided) **MAY NOT** start operating until the State license is received.

- Passing the walk-thru is **NOT** an approval of the BOP or a permission to begin operating.

- OCM may pursue suspension and/or revocation of BOPs for non-payment of BOT if Revenue has been unable to collect.
UPDATE ON CORE – GO-Biz Grant

- OCM applied for GO-Biz Cannabis Equity Grant to provide $4 million in grants and $500,000 in direct technical assistance to CORE participants
- Grant application period closed February 1st
- Award to be announced around March 1st.
UPDATE ON CORE - STOREFRONT DISPENSARY PERMITS RFQ

- RFQ open from 1/7/21 to 2/19/21
- Open to CORE participants Classifications 1 and 2 only
- 10 highest scorers will receive opportunity to apply for a storefront dispensary permit
- Selected Statement of Qualifications (SOQ) will be announced end of March 2021
POLICY UPDATES

- **Hemp**
  - Ordinance adding 8.134 (Public Nuisance) to City Code prohibiting the cultivation, manufacturing and storage of industrial hemp
  - $500/plant penalty
  - L&L – 2/2/21; to Council for adoption 2/16/21

- **Storefront Dispensary Ownership**
  - L&L Workshop – 2/2/21
  - Next steps – Contract with subject-matter expert for comprehensive review

- **Limit of Cannabis Delivery Businesses in D6**
  - L&L – 2/16/21; Council action (if necessary) - TBD
ANNOUNCEMENTS

- New Cannabis Industry Organization
- Free Monthly Cannabis-Related Workshops
City of SACRAMENTO
Office of Cannabis Management

916-808-8925

cannabis@cityofsacramento.org

cityofsacramento.org/cannabis