## Marijuana Issues San Diego Planning Commission Meeting

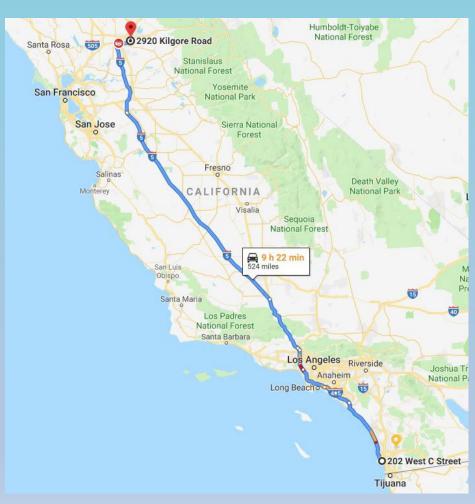
William Perno, Prevention Specialist, Alcohol and Other Drug Prevention

September 26, 2019

#### Who We Are

- Social Advocates for Youth (SAY) San Diego, Central Region Prevention Coalition
- Alcohol and Other Drug Prevention
  - Prevent Youth Access
  - Responsible Business Sales and Service Follow all rules/laws
  - Compliance Checks No underage sales or sales to obviously intoxicated people
  - Drugged Driving Concerns
  - Public Health and Safety Concerns
  - Neighborhood and Community Safety and Response to Community Concerns and Requests
  - Technical Assistance and Expertise
- Not Prohibitionist
- Marijuana is legal for people age 21 and older
- We want sales of marijuana to come from a licensed, permitted marijuana business where the products have been tested for safety and tax revenue goes to the city/community.

## Closest Bureau of Cannabis Control Office 524 Miles – 9.5 Hours Driving



- No BCC office or personnel in San Diego
- Complaints are not addressed in a timely manner
- No follow up with complaining party
- BCC is understaffed per California Department of Consumer Affairs Performance Audit

#### Source:

http://www.dof.ca.gov/Programs/OSAE/documents/Bure au\_of\_Cannabis\_Control\_Performance\_Audit.pdf

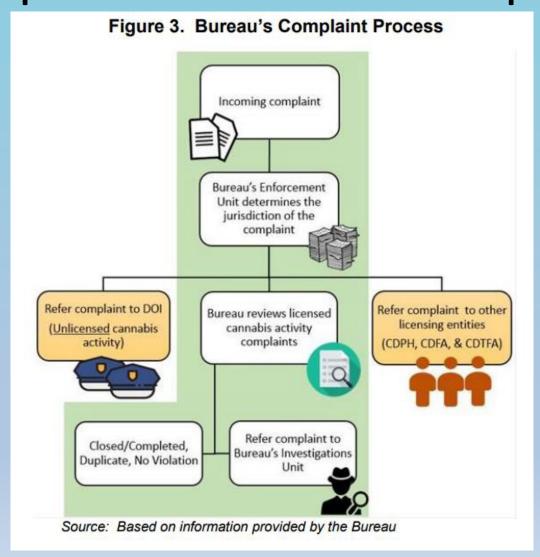
## California Department of Consumer Affairs Performance Audit of BCC

- Excerpts from Executive Summary...
- One headquarters office, one field office [Eureka, CA], and only
   75 of the 219 authorized positions filled
- As of January 31, 2019, the Bureau has filled 75 (35 percent) of its positions with a majority of the filled positions being within the Licensing Unit.
- The Bureau's Ability to Monitor Licensees is Impacted by Staff Vacancies and Unopened Field Offices

## California Department of Consumer Affairs Performance Audit of BCC

- Of a total of 68 authorized Enforcement Unit positions, only 15 have been filled and only one field office has been opened as of January 31, 2019.
- With the existing number of Enforcement Unit staff and only one field office, the Bureau's ability to process complaints, perform inspections and investigations, and review and inspect testing laboratories is severely impacted.

## BCC Complaint Process No Follow Up or Contact with Reporting Party



### **BCC Complaints**

- As of January 31, 2019, 5,680 complaints had been received and 3,232 complaints were resolved and closed by the Bureau, or referred to another responsible authority for resolution
- On average, the 3,232 total processed complaints were processed within 33 days of receipt.
- However, <u>a backlog of in-progress complaints totaling 2,448</u>
   <u>remains, with 559 complaints greater than six months old.</u>
- On average, from November 2018 through January 2019, the Bureau received 36 complaints daily.

## City of San Diego Marijuana Enforcement for City Permitted Marijuana Businesses

- San Diego Police regulate Alcohol and Tobacco, but do not regulate city and state permitted marijuana businesses
- Code Enforcement regulates city permitted marijuana businesses
- Code Enforcement is Reactive, Complaint driven and is not Proactive.
- Hours of operation do not mirror those of marijuana businesses
- Can only take enforcement action if violation is at the business address.
   Cannot Act if Violation is Off-Site (Billboards, Vehicle Ads, etc.)
- Lack of Local or State Resources to Investigate Reported Violations
- BCC is not in San Diego

### Online Advertisements

## San Diego Reader Website Digital Archive September 19, 2019

- Violations of State Laws:
- No State License numbers in ads
  - Violation by businesses and Reader
- Ads for free products
- Some illegal businesses open 24 hours a day
- 7 unpermitted businesses competing with 1 City permitted business
- Reader in lobby of City Hall and other city facilities

















Source: https://www.flipsnack.com/scngprinting/sd\_reader\_dmag\_091919/full-view.html

## Possible State Law Violations by San Diego Reader

- Section 26151, California Business and Professions Code
  - (a) (1) All advertisements and marketing shall accurately and legibly identify the licensee responsible for its content, by adding, at a minimum, the licensee's license number.
- (2) A **technology platform** <u>shall not display an advertisement by a licensee on an Internet Web page unless the advertisement displays the license number of the licensee.</u>
- Section 17200, California Business and Professions Code
- As used in this chapter, unfair competition shall mean and include any unlawful, unfair or fraudulent business act or practice and unfair, deceptive, untrue or misleading advertising...
- The San Diego Reader is profiting from advertisements of unpermitted marijuana businesses.
- Code Enforcement does not investigate these types of violations

### Signage

### San Diego Municipal Code Signage at Marijuana Outlets

- City of San Diego Municipal Code §141.0504 (d) Marijuana Outlets
- "Primary signs shall be posted on the <u>outside</u> of the marijuana outlet and shall only contain the name of the business, which shall contain only alphabetic characters, and shall be limited to two colors."
- <u>C.U.P. Conditions</u> "A primary sign shall be posted on the <u>outside</u> of the Marijuana Outlet and shall only contain the name of the business, which shall contain only alphabetic characters and shall be limited to two colors."

### SDRC San Diego Recreational Cannabis Signage at Marijuana Outlet



- Per Development Services Division on August 6, 2019, this is NOT a violation of the San Diego Municipal Code or the SDRC C.U.P.
- The window signs are on the interior side of the window and are NOT on the OUTSIDE of the Marijuana Outlet.

### **Ground Sign Violation at SDRC**



- Per DSD on August 6, 2019, the Ground sign at SDRC Marijuana Outlet, with the emblem, is a violation of §141.0504 (d) Marijuana Outlets
- Violation reported to Code Enforcement on March 7, 2019
- 204 Days = 6 months, 20 days
- Violation still exists and is ongoing
- Could the emblem be ordered to be covered while, necessary permits are obtained to correct the violation?

## City Permitted Marijuana Business with Green Cross



## San Diego Planning Department Proposed Change in 12<sup>th</sup> Plan Update (Phase Two)

- (d) Primary *signs* shall be posted on the outside of the *marijuana* <u>cannabis</u> outlet and shall only contain the name of the business, which shall contain only alphabetic characters, and shall be limited to two colors.
  - The Proposal DOES NOT fix the serious flaw in San Diego Municipal Code §141.0504
     (d) Marijuana Outlets.
  - The Proposal only changes the word marijuana to cannabis, in an ordinance that is unenforceable and broken.
  - Why not fix what's broken?
  - Also fix the Conditional Use Permits created by DSD and the Planning Commission as the C.U.P.'s utilize the same language.
  - Date for Planning Commission comment is scheduled for October 24, 2019

## Language to Consider for Municipal Code Update

 Consider adding language to city ordinance that states the only advertisements and signage visible by the public, from the marijuana business, shall be a primary sign with two colors and alphanumeric characters

- From Pasadena, CA
- No cannabis or cannabis products or graphics depicting cannabis or cannabis products shall be visible from the exterior of any premises issued a commercial cannabis permit.

## Marijuana Production Facilities

### Marijuana Production Facility (MPF) at 3379 National Avenue, San Diego

- Project Number 585635
- In 2017 the Development Services Department issued 37 tax certificates to owners of marijuana production facilities to sunset in 2019. They did this without regard to where these facilities would be located.
- In September 2017, Ordinance No. O-20859 was introduced to regulate the marijuana industry including commercial cultivation, distribution, storage and production facilities.
- The regulations in Section 113.022 stated that these facilities were to be separated from sensitive receptors that included: 1,000 feet from protected uses such as schools and churches and 100 feet from a residential zone.
- MPFs with an approved Zoning Use Certificate and a Business Tax Certificate issued before January 31, 2017, have 24 months from date of final passage of the MPF regulations to either cease use or obtain required permits.

## Marijuana Production Facility (MPF) at 3379 National Avenue, San Diego

- The Cycle Issues review for the 3279 National Avenue
   Marijuana Production Facility indicates that this facility is
- Less than 1,000 feet from Rodriguez Elementary School
- Less than 1,000 feet from Iglesia Puerto Seguro Church
- Within 100 feet of a Residential Zone
- LDR Planning recommended denial of the application.

## Marijuana Production Facility (MPF) at 3379 National Avenue, San Diego

- Within the same review a <u>Promise Zone Deviation Request</u> was made by the Development Services Department.
- The Promise Zone Deviation Request was approved by DSD
- LDR Planning noted the MPF was in violation of San Diego Municipal Codes and Local Ordinances, due to separation requirements from Churches, Schools and Residential Zone).
   LDR Planning recommended denial of the project.
- Why was LDR Planning's recommendation not followed?
- Why was the City Ordinance not followed?

### Marijuana Billboard Advertisements

### California Business and Professions Code

- 26152.
- A licensee shall not do any of the following:
- (g) Advertise or market cannabis or cannabis products on an advertising sign within 1,000 feet of a day care center, school providing instruction in kindergarten or any grades 1 to 12, inclusive, playground, or youth center.

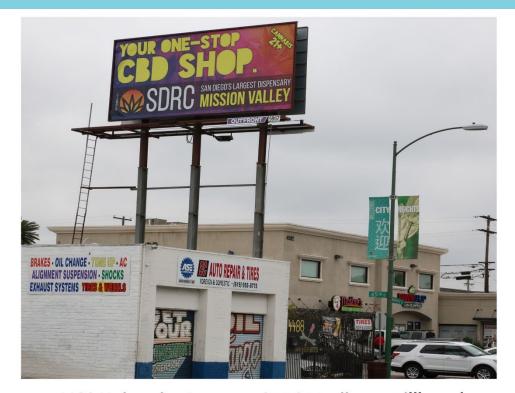


Child symbol notes Billboard is within 500 feet of Edison
Elementary School (Approximately <u>348 feet away</u>) at 4077 35th
Street, San Diego

26152 California Business and Professions Code
A licensee shall not do any of the following:

(g) Advertise or market cannabis or cannabis products on an advertising sign within 1,000 feet of a day care center, school providing instruction in kindergarten or any grades 1 to 12, inclusive, playground, or youth center.

Complaint filed with State Bureau of Cannabis Control on March, 14, 2019. <u>Billboard</u> remained in place for at least 79 days (March 14th—May 31st). Billboard removed sometime later, between May 31st and June 11, 2019.



4488 University Avenue—SDRC Marijuana Billboard
779 Feet to Rosa Parks Elementary School at 4510 Landis St.



4587 University Avenue 814 Feet to Rosa Parks Elementary



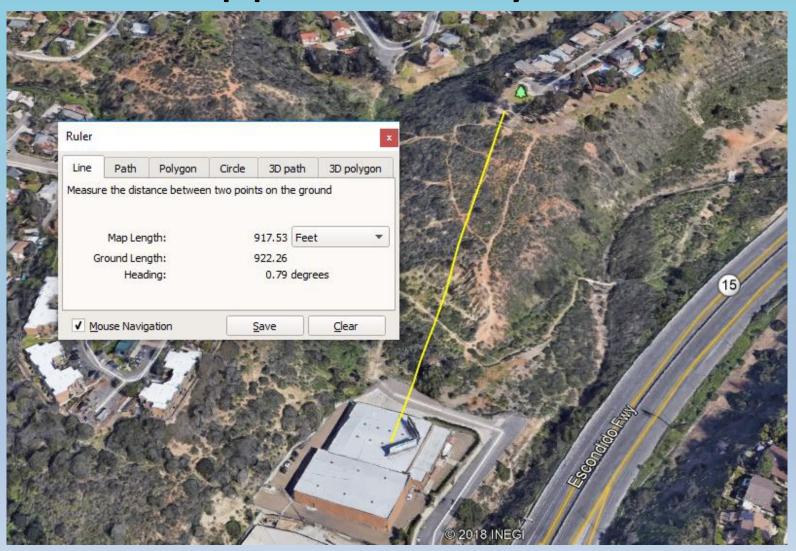
3870 Euclid Avenue 825 Feet to Euclid Elementary School 972 Feet to Euclid Child Development

## Current Violation of State Law Billboard within 1,000 Feet of City Playground





## Distance from Playground to Marijuana Billboard Approximately 917.5 Feet



## Out of County Marijuana Delivery Service ads in City. Who Gets the Tax Revenue from Sales? Who Regulates this Marijuana Business?





### City of San Diego Beach Smoking and Vaping Ban Plus State Ban on Public Consumption of Marijuana

- San Diego Municipal Code §43.1002 Prohibitions
- (g) It is unlawful to smoke or vape in a public park or public beach, on a boardwalk, seawall, City-owned fishing pier,...
- State of California Business and Professions Code 11362.3
  - (a) Section 11362.1 does not permit any person to:
  - (1) Smoke or ingest cannabis or cannabis products in a public place, except in accordance with Section 26200 of the Business and Professions Code.
  - (2) Smoke cannabis or cannabis products in a location where smoking tobacco is prohibited.
- Conditional Use Permit Requirements for Marijuana Outlets:
- Issuance of this Permit by the City of San Diego does not authorize the Owner/Permittee for this Permit to violate any Federal, State or City laws, ordinances, regulations or policies.

### City Permitted Marijuana Business Advertisement with Lighter, Vape & Products





### Other Marijuana Advertisement Signs

### Violation State Law and BCC Rules Sign Spinner City Permitted Marijuana Business



## ABC Alcohol Licensee & Weedmaps Advertisement 808 Feet from Franklin Elementary School



- Current State law 26152 (g) B.P. only applies to state licensed marijuana businesses
- Local ordinance needed for those who are NOT a state licensee for a marijuana business
- ABC Rules do not prohibit marijuana advertisements, even when within 1,000 feet of a school

# Marijuana Vehicle Advertisement Violations

## Marijuana Advertisements on Vehicles by City and State Licensed Marijuana Businesses

- Violation of State Laws and Bureau of Cannabis Control Rules
- BCC Regulation Section 5040(b) became effective in January, 2019
- "the Bureau has determined that the use of mobile advertisements is not appropriate as
  it cannot assure that advertising or marketing remains placed in locations where the
  audience viewing the advertising or marketing is reasonably expected to be 21 years of
  age or older."
- The Bureau further observed that "[b]ecause vehicles are mobile and not considered permanent structures, it would be difficult for licensees to demonstrate that at least 71.6% of their viewing audience is at least 21 years of age or older."
- Based on the administrative record for the Bureau's regulations, section 5040(b) of the Bureau's regulations intended to prohibit mobile forms of advertising to assure compliance with the advertising provisions of MAUCRSA.
- Both the State and <u>local jurisdictions have the authority to address unauthorized</u> commercial cannabis activity.
- Many violations in San Diego No Enforcement...

## City Permitted Marijuana Business & Vehicle Advertisement Parked at Tierrasanta Library



## City Permitted Marijuana Business & Vehicle Advertisement at Farb Middle School



## City Permitted Marijuana Business with Marijuana Ads on Vehicles





Source: Instagram "Cannabus\_sd"

## City Permitted Marijuana Business with Marijuana Ads on Vehicles



**Source: Urbn Leaf** 

## City Permitted Marijuana Business with Marijuana Ads on Vehicles



Source: Instagram "Canna.cruiser Urbn Leaf"

### City Permitted Marijuana Business & Vehicle Advertisement at PB YMCA & Middle School





## City Permitted Marijuana Business & Vehicle Advertisements





### City of San Diego Marijuana Vehicle Advertisements





## Ocean Beach Marijuana Advertisements City Permitted Marijuana Businesses



## Mobile Marijuana Advertisements by City Permitted Marijuana Business





## State Licensed Marijuana Business and Vehicle Ad in Mission Valley. SF Bay Area Business





### Not Included in Existing State Laws Local Ordinance Needed



- "Puffy Fleet" is not a state licensed marijuana business
- Weedmaps is not a state licensed marijuana business
- Eaze is not a state licensed marijuana business
- Local ordinance needed!

# Marijuana Advertising and Marketing

### Advertising and Marketing

- 26151 California Business and Professions Code
- (a) (1) All advertisements and marketing shall accurately and legibly identify the licensee responsible for its content, by adding, at a minimum, the licensee's license number.
- 26153 California Business and Professions Code
- A licensee shall not give away any amount of cannabis or cannabis products, or any cannabis accessories, as part of a business promotion or other commercial activity.

## Advertising and Marketing Giveaways San Diego Permitted Marijuana Business





### Marijuana Resources

### State Laws

- California Business and Professions Codes
- California Health and Safety Codes
- Councilmember Cate's Proposals Regarding Need for Marijuana Regulations (April 05, 2018)
- Please use these as a resource!
- Copy of Documents on Flash Drive given to DSD

### Local Ordinances in California "Getting it Right From the Start"

- Berkeley (no outside signs)
- **Blythe** (no cannabis products or graphics visible or on vehicles) (5.10.290(C); no logos or information that identifies services offered, no banners, flags, billboards, placards, no persons waiving signs)(5.10.290(I))
- Mammoth Lakes (cannot advertise in a manner that is attractive to kids; cannot advertise using cannabis or cannabis products or words) Ord. 18-02(D)(19),(20))
- Pasadena (no graphics containing cannabis or products, persons holding signs, billboards, banners, placards, flags (Ch. 5.78.170(B),(F))

Source: Getting it Right From the Start, Advancing Public Health & Equity in Cannabis Policy https://www.gettingitrightfromthestart.org/

### Local Ordinance – Pasadena, CA

- 5.78.170(F)(6): In accordance with state law and regulations or unless otherwise stipulated in the City of Pasadena regulatory permit, holders of a commercial cannabis permit shall be prohibited from, as an express and ongoing condition of permit issuance and subsequent renewal, advertising any commercial cannabis business located in the City of Pasadena utilizing a billboard (fixed or mobile), bus shelter, placard, aircraft, or other similar forms of advertising, anywhere in the state.
- This paragraph is not intended to place limitations on the ability of a commercial cannabis business to advertise in other legally authorized forms, including on the internet, in magazines, or in other similar ways.

### Local Ordinance – Pasadena, CA

• 5.78.170(B): No cannabis or cannabis products or graphics depicting cannabis or cannabis products shall be visible from the exterior of any premises issued a commercial cannabis permit, or on any of the vehicles owned or used as part of the commercial cannabis business. No outdoor storage of cannabis or cannabis products is permitted at any time.

### Local Ordinance - County of Santa Cruz

- 7.130.110(G)(11):
- Printing, publishing, advertising, or disseminating in any way or by any means of communication, or causing to be printed, published, advertised, or disseminated in any way or by any means of communication, other than by way of a dedicated business Internet website accessible only through an age gate portal, any notice or advertisement that includes the following information: pricing of cannabis, details regarding specific cannabis products, or cannabis photography or graphics related to the cannabis plant or cannabis products.
- Notwithstanding the limitations imposed by this subsection (G)(11), a dispensary may provide the following: an entry in the telephone directory with the name, location, and phone number of the dispensary; or signage consistent with County signage regulations. Such directory entry or signage may identify the business as a "cannabis dispensary," but shall not include pricing of cannabis, details regarding specific cannabis products, or cannabis photography or graphics related to the cannabis plant or cannabis products.

### Denver, Colorado Revised Municipal Code for Marijuana Businesses, Section 6-211

- (1)Any person or premises licensed as a retail marijuana store shall comply with all city ordinances regulating signs and advertising...
- (2)Except as otherwise provided in this subsection (2), it shall be unlawful for any person licensed under this article or any other person to advertise any retail marijuana or retail marijuana product anywhere in the city where the advertisement is visible to members of the public from any street, sidewalk, park or other public place, including advertising utilizing any of the following media: Any billboard or other outdoor general advertising device as defined by the zoning code; any sign mounted on a vehicle, any hand-held or other portable sign; or any handbill, leaflet or flier directly handed to any person in a public place, left upon a motor vehicle, or posted upon any public or private property without the consent of the property owner...
- (3) For purposes of this subsection (d), the terms "advertise," "advertising" or "advertisement" mean the act of drawing the public's attention to a retail marijuana store or retail marijuana products manufacturer in order to promote the sale of retail marijuana or retail marijuana product by the store or the manufacturer.

## Bureau of Cannabis Control #Weedwise Campaign

- BCC efforts to direct consumers to licensed marijuana businesses.
- Get #weedwise https://bcc.ca.gov/consumers/weedwise.html
- The Bureau of Cannabis Control recently announced the launch of a statewide public information program, "Get #weedwise", encouraging consumers to only purchase cannabis from licensed businesses and warning unlicensed businesses to become licensed.
- The "Get #weedwise" campaign includes extensive outreach educating consumers about the risks associated with cannabis purchased from unlicensed businesses.
- The campaign also educates unlicensed businesses about the need to be licensed and the consequences of continuing to operate without a license.
- Currently, all commercial cannabis businesses in California must be licensed by the state <u>and</u> comply with local rules related to commercial cannabis activity in their jurisdiction.
- Consumers can verify the legal status of a cannabis business by visiting the Bureau's Online License Search at <a href="https://www.CApotcheck.com">www.CApotcheck.com</a>.

### Critical Issues Regarding Marijuana North City and Central Region Prevention Coalitions

Critical Issue 1 – City can't collect tax money from black market/unpermitted dispensaries who continue to advertise.

Not enforcing current advertising regulations allows the black market to thrive which keeps tax money out of the city and de-incentivizes permitted marijuana businesses from following the rules.

### Key takeaways

 Laws regarding marijuana advertising went into effect June 27, 2017 but are not being followed or enforced.

### · Proposed next steps

- Provide technical assistance and training regarding local ordinance development to restrict marijuana advertisements to youth, near youth sensitive areas and by unlicensed, black market businesses.
- The use of children, persons under age 21 and/or youthful looking persons under the age of 25 should be restricted for marijuana advertisements, similar to practices with tobacco and alcohol.
- Appoint a city liaison to work with all marijuana businesses, code enforcement, and law enforcement regarding new regulations and practices.
- Create a Deemed Approved Ordinance to pay for city liaison through fees charged to marijuana businesses.

### Critical Issue 2 - Conditional Use Permits (CUPs)

New procedures and policies will not be incorporated into CUPs until the end of the five year issuance.

### Key takeaways

As policies and regulations evolve with the legal marijuana business in San Diego it will be beneficial
to quickly incorporate those changes into current CUPs.

### Proposed next steps

 Issue CUPs for a one-year time period with the ability to auto-renew each year up to a total of five years. This would allow language in the CUPs to be changed each year, if new policies or regulations are established by the city of San Diego and/or State of California.

### Critical Issue 3 - Code Enforcement

At its current operational level code enforcement cannot sufficiently enforce the policies and regulations pertaining to the marijuana industry.

### Key takeaways

- The state of CA and SDPD have chosen not to take a role in enforcing marijuana regulations in the city of San Diego leaving the responsibility of enforcement to the Code Enforcement Department
- The Code Enforcement department needs to have enough employees and be flexible enough in the hours they work to properly enforce policies and regulations.

### Proposed next steps

 Increase staff, hours, and training on current marijuana policies and regulations within the code enforcement department. Ensure information regarding new state laws is quickly disseminated to code enforcement and permitted marijuana businesses.

### Critical Issue 4 - Special Events

Consumption and sale of marijuana, sales or gifts of drug paraphernalia and marijuana advertisements occur at Special Events and on advertisements that are visible to the public.

### Key takeaways

- Public consumption of marijuana is prohibited by California law, yet public consumption of marijuana is taking place at city permitted special events and unpermitted black market events
- Sales of marijuana are occurring at Special Events.

 Marijuana advertisements are occurring at Special Events, including public parks where families and children go for recreational activities and on public streets/sidewalks.

### · Proposed next steps

- Local regulations and enforcement are needed to address consumption, sales and advertisements of marijuana. Denver, Colorado had similar challenges and created local ordinances for both Special Events and marijuana businesses.
- Denver prohibits advertising at Special Events "No advertising of marijuana, marijuana products, or licensed marijuana businesses where the advertisement is visible to members of the public from any street, sidewalk, park, or other public place".
  - No business cards, discount cards, fliers, handbills, or pamphlets
  - No portable signs, billboards, or vehicle-mounted signs
  - No balloons, sandwich boards, or sign spinners

### Critical Issue 5 - Consumption Lounges

Marijuana consumption lounges should only be approved after guidelines for outlet density and retail operating standards have been established.

### Key takeaways

o Marijuana consumption lounges may be in San Diego's future but to keep areas from becoming unduly concentrated, guidelines that specify the number of authorized licenses per census tract and retail operating standards must be established beforehand. Census tracts that are identified as "high crime areas" (as utilized for alcohol licenses) and/or have reached capacity on the number of authorized licenses must have a moratorium on new marijuana consumption lounges within the census tract until the area is no longer identified as a "high crime area" and/or the number of lounges are below the census tract capacity.

### Proposed next steps

 If marijuana consumption lounges are considered, a collaboration between representatives of the marijuana industry, the community, law enforcement, and public health/prevention advocates should set up realistic guidelines that specify the number of authorized licenses per census tract, retail operating standards, responsible sales and service standards and identify existing "High Crime Areas".

### Critical Issue 6 - New marijuana businesses are violating California Clean Indoor Air Laws.

### Key takeaways

 Existing businesses are expanding their businesses to include consumption of marijuana and the indoor smoking of marijuana. This is in violation of California Clean Indoor Air Laws.

### Proposed next steps

- The city of San Diego should ensure that businesses need a special permit to provide marijuana or CBD Oil as part of their sales or services.
- Resources are needed to ensure there is regulation and enforcement for violations of clean indoor air laws.

### Critical Issue 7 - San Diego Municipal Code regarding the Social Host Ordinance

### [City Ordinance Updated and Effective 4-24-2019]

As the marijuana industry in San Diego continues to evolve so should its Social Host Ordinance.

### Key takeaways

 Many cities in the county have updated their Social Host Ordinances to include marijuana and other drug use.

### Proposed next steps

The city of San Diego should amend its Social Host Ordinance to include marijuana and other drug use.

Critical Issue 8 – Motor vehicle drivers and passengers are illegally smoking and consuming marijuana while driving. Driving under the influence of marijuana can have deadly consequences.

Key takeaways – Enforcement of existing laws is needed along with PSA's and Industry Advisories.

### Considerations from Planning Commission

- Please ask Questions of DSD, Code, City Attorney's Office, Planning Dept. and Prevention!
- Please advocate for local ordinances, more local control and enforcement of existing state laws
- Is Code Enforcement the best agency to regulate permitted marijuana businesses in San Diego?
- Please advocate for update and fix for <u>City of San Diego Municipal Code</u> §141.0504 (d) Marijuana Outlets and signage and CUP language
- Please advocate for <u>an effective ordinance</u> to address marijuana advertisements by both unlicensed businesses and city permitted businesses
- Thank you!

### **Contact Information**

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