

From: [Board of Supervisors \(BOS\)](#)
To: [BOS-Supervisors](#); [BOS-Legislative Aides](#)
Cc: [Calvillo, Angela \(BOS\)](#); [Mchugh, Eileen \(BOS\)](#); [De Asis, Edward \(BOS\)](#); [Somera, Alisa \(BOS\)](#); [Ng, Wilson \(BOS\)](#); [Carroll, John \(BOS\)](#); [BOS Legislation, \(BOS\)](#); [BOS-Operations](#)
Subject: File No. 260281 - Cannabis Cafes - 3 Letters
Date: Thursday, April 23, 2026 1:58:55 PM
Attachments: [PC 20 - 260281 Cannabis Cafe - 3 Letters.pdf](#)

Hello Supervisors,

Please see the attached 3 Letters from members of the public, regarding:

File No. 260281: Ordinance amending the Health, Planning, Police, and Business and Tax Regulations Codes to establish a new permit type for cannabis cafés to be administered by the Office of Cannabis that will authorize the permittee to sell cannabis and cannabis products only for consumption on the premises of the café; exempt cannabis cafés from the prohibition on smoking in business establishments; eliminate the prohibition on establishments with a cannabis consumption permit requiring employees to enter a designated smoking room as a condition of employment; exempt cannabis cafés in certain circumstances from the 600-foot buffer rule that applies to cannabis retail establishments; restrict eligibility for cannabis café permits for one year to businesses that currently hold a cannabis storefront retailer permit or that have the same owners as such a business; require Equity Applicants that apply for a cannabis café permit to pay the \$2,000 application fee, any permit amendment processing costs, and the \$3,000 license fee for the first year of operation, associated with the cannabis café permit; affirming the Planning Department’s determination under the California Environmental Quality Act; making findings of consistency with the General Plan and the eight priority policies of Planning Code, Section 101.1; and making public necessity, convenience, and welfare findings under Planning Code, Section 302.

Sincerely,

Justice Alcantar
Office of the Clerk of the Board
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
Phone: (415) 554-5184 | Fax: (415) 554-5163
board.of.supervisors@sfgov.org | sf.gov/bos

From: [Kevin Reed](#)
To: [Board of Supervisors \(BOS\)](#); [Chan, Connie \(BOS\)](#); [Sherrill, Stephen \(BOS\)](#); [Sauter, Danny \(BOS\)](#); [Wong, Alan \(BOS\)](#); [Mahmood, Bilal \(BOS\)](#); [Dorsey, Matt \(BOS\)](#); [Melgar, Myrna \(BOS\)](#); [Mandelman, Rafael \(BOS\)](#); [Felder, Jackie \(BOS\)](#); [Walton, Shamann \(BOS\)](#); [Chen, Chyanne \(BOS\)](#)
Cc: [Lurie, Daniel \(MYR\)](#); [ChanStaff \(BOS\)](#); [SherrillStaff](#); [SauterStaff](#); [WongStaff \(BOS\)](#); [MahmoodStaff](#); [DorseyStaff \(BOS\)](#); [MelgarStaff \(BOS\)](#); [MandelmanStaff \(BOS\)](#); [FelderStaff](#); [Waltonstaff \(BOS\)](#); [ChenStaff](#)
Subject: Clarification to Prior Comments on Cannabis Café Proposal
Date: Thursday, April 23, 2026 11:26:22 AM

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Dear Supervisors,

I'm writing briefly to clarify one point from my previous email to ensure the record is accurate.

In referencing recent news coverage, I noted what appeared to be a shift in perspective from another operator. That individual has since clarified that he remains supportive of the cannabis café proposal. I want to make sure his position is accurately reflected.

This clarification does not change my concerns.

My position remains that, given current market conditions, expanding into additional license types risks further destabilizing an already saturated and fragile cannabis retail environment—particularly for small and equity operators.

I appreciate your consideration and continued attention to the broader impacts of this proposal.

Respectfully,

On Tue, Apr 21, 2026 at 5:16 PM Kevin Reed <kevinreed@thegreencross.org> wrote:

Dear Supervisors,

I'm writing again—and I know you're likely as tired of hearing from me as I am of having to send these—but this café issue is too important, and affects too many people, for me to stay quiet.

I'm reaching out specifically because of the [news coverage](#) yesterday. In it, you can see what appears to be a once-supportive dispensary owner now expressing concern about this proposal. That shift should matter. It reflects a deeper realization happening across the industry.

There is also a misunderstanding being amplified: State law already allows dispensaries to sell non-cannabis items like water, snacks, and similar products—they simply need to be labeled and handled correctly. The idea that this café

proposal is needed to “unlock” that kind of offering is not accurate.

Which brings us back to the bigger issue.

The headline sounds great. “Cannabis cafés” feels progressive and easy to support. But this is not Amsterdam. In Amsterdam, those cafés work because they are the primary access point for cannabis. They are not layered on top of an already oversaturated retail market—they *are* the market.

San Francisco already has more than 70 licensed dispensaries. Many are struggling. Many have closed. Equity operators are especially vulnerable.

This proposal does not create new demand—it divides existing demand.

From where we stand, this will:

- Pull revenue away from existing licensed operators
- Accelerate closures
- Undermine equity businesses
- Further destabilize an already fragile market

I’ll say it plainly: this is not the moment to expand the number of licensees. It’s the moment to stabilize the ones we already have.

There are far more urgent priorities that would actually support the cannabis ecosystem in San Francisco:

- Enforcement against illegal operators
- Reducing the tax burden
- Supporting struggling equity businesses
- Completing the Controller’s economic impact analysis before introducing new market pressures

I urge you to take a step back and fully consider the downstream impact here. The small businesses on the ground are telling you clearly—this will do more harm than good.

Respectfully,

--

Kevin Reed
Founder & President
The Green Cross

415.846.7671

KevinReed@TheGreenCross.org

TheGreenCross.org



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Respectfully,

On Thu, Mar 19, 2026 at 3:50 AM Kevin Reed <kevinreed@thegreencross.org> wrote:

Dear President Mandelman and Members of the Board of Supervisors,

I hope you are well.

I am writing to respectfully urge caution as the City considers introducing a new cannabis café license category.

San Francisco's regulated cannabis market is not in a position to absorb additional expansion. Over the past several years, we have seen a steady pattern of closures, declining margins, and increasing financial pressure across the industry. Many operators are no longer growing — they are simply trying to survive.

At the same time, the City is still awaiting a comprehensive economic impact report from the Controller's Office, which, due to staffing constraints, is not expected until June 2027. Moving forward with a new license category before understanding the current state of the market is not a measured policy approach — it is a speculative one.

Introducing cannabis cafés at this moment risks accelerating the very problems the City has yet to fully quantify.

Real-World Impacts to Consider:

Market Fragmentation:

Cannabis cafés would introduce a new “experience-based” vertical that competes directly with existing retailers for the same limited customer base. In a market that is already oversaturated, this does not create new demand — it redistributes it.

In addition, this model is likely to attract well-capitalized entrants from adjacent industries such as hospitality, entertainment, and lifestyle retail. These sectors are structurally better positioned to scale experience-based concepts quickly, further intensifying competition and accelerating market fragmentation beyond what currently exists.

Capital Disparity:

Cafés will require significant investment to build and operate. Well-capitalized operators will be positioned to participate, while smaller, independent businesses — many of which are already struggling — will be left behind.

Revenue Cannibalization:

In an already saturated market, consumer spending is more likely to be redistributed across formats than meaningfully increased. As a result, dollars will shift from traditional retail purchases into café settings, further weakening existing storefronts.

Regulatory Workarounds and Practical Reality:

While the proposed framework may attempt to limit take-home sales or define narrow consumption parameters, in practice, operators adapt quickly in ways that functionally expand those limits. In other jurisdictions, businesses have implemented systems such as on-site storage or “locker” models that allow customers to make larger purchases and return to consume them over time.

While these approaches may technically comply with the letter of the law, they effectively recreate a broader retail-plus-consumption model in practice. This results in a level of

competition that goes beyond what is currently being contemplated and further amplifies the risk of revenue diversion from existing dispensaries.

Enforcement and Compliance Risk:

The City already faces ongoing challenges in enforcing existing cannabis regulations, including unlicensed operators and compliance oversight. Introducing a new, more complex license category—particularly one that blends retail, hospitality, and consumption—will significantly increase the enforcement burden.

Without clear and scalable enforcement mechanisms in place, there is a high risk that real-world operations will diverge from the intended regulatory structure, further undermining the integrity of the legal market.

Impact on Equity Operators:

San Francisco has made a strong commitment to its Cannabis Equity Program. However, the capital-intensive nature of café-style businesses may unintentionally exclude many equity operators, who are already navigating significant financial barriers.

Without deliberate safeguards, this new license category risks favoring well-capitalized entrants over the very communities the City has prioritized supporting.

Premature Policy Expansion:

The City has already paused new retail licenses and commissioned a Controller’s report to better understand market conditions. Advancing a new license category before that analysis is complete undermines that effort.

Increased Risk of Closures:

For many operators, margins are already thin. Even a modest shift in customer behavior or revenue could push additional businesses to close, resulting in job losses, vacant storefronts, and reduced tax revenue for the City.

San Francisco has long been a leader in thoughtful cannabis policy. That leadership has been rooted in balancing innovation with responsibility. At this moment, responsibility requires acknowledging the current instability of the market and avoiding actions that could deepen it.

This is not an argument against evolving the cannabis experience. It is an argument for sequencing.

A More Immediate, Lower-Risk Alternative

If the goal is to thoughtfully evolve consumption opportunities, there are more practical and less disruptive approaches available within the existing framework.

One example would be a targeted amendment to San Francisco’s Cannabis Consumption Permit rules (Health Code Article 8A) to remove the current requirement that consumption occur within a designated “room.” Allowing more flexibility in how consumption areas are configured — while still maintaining all state-level requirements around licensed premises, visibility, and access control — would enable existing retailers to modestly enhance the consumer experience without requiring a new license category.

This type of change would:

- Support existing permitted operators rather than introducing new competitors
- Require significantly less capital investment than a café model
- Allow for incremental, compliant evolution of consumption spaces
- Provide the City with real-world data on demand and impacts before expanding further

Before introducing new and potentially disruptive license categories, the City should first:

- Receive and evaluate the Controller's economic impact report
- Assess the true level of market saturation and business viability
- Identify targeted policies that stabilize and support existing operators

Only with that foundation can future policy decisions be made in a way that strengthens — rather than fragments — the legal cannabis ecosystem.

I respectfully ask that the Board pause consideration of cannabis café legislation until this data is available and the current market conditions are fully understood.

--

Kevin Reed
Founder & President
The Green Cross

415.846.7671

KevinReed@TheGreenCross.org

TheGreenCross.org



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Founder & President
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From: [DR..J](#)
To: [Board of Supervisors \(BOS\)](#); [Chan, Connie \(BOS\)](#); [Sherrill, Stephen \(BOS\)](#); [Sauter, Danny \(BOS\)](#); [Wong, Alan \(BOS\)](#); [Mahmood, Bilal \(BOS\)](#); [Dorsey, Matt \(BOS\)](#); [Melgar, Myrna \(BOS\)](#); [Mandelman, Rafael \(BOS\)](#); [Felder, Jackie \(BOS\)](#); [Walton, Shamann \(BOS\)](#); [Chen, Chyanne \(BOS\)](#)
Cc: [Lurie, Daniel \(MYR\)](#); [ChanStaff \(BOS\)](#); [SherrillStaff](#); [SauterStaff](#); [WongStaff \(BOS\)](#); [MahmoodStaff](#); [DorseyStaff \(BOS\)](#); [MelgarStaff \(BOS\)](#); [MandelmanStaff \(BOS\)](#); [FelderStaff](#); [Waltonstaff \(BOS\)](#); [ChenStaff](#); [Patel, Nikesh \(ADM\)](#); [Wagner, Greg \(CON\)](#); [CON, Controller \(CON\)](#); [David Goldman](#)
Subject: Cannabis Café legislation
Date: Wednesday, April 22, 2026 7:57:23 AM

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Dear Supervisors,

I'm writing in support of the concerns raised by Kevin Reed regarding the proposed cannabis café expansion.

From my position as an operator in San Francisco, I want to be clear: this is not a demand-creation opportunity—it's demand fragmentation in an already oversaturated market.

San Francisco has over 70 licensed dispensaries, many of which are struggling to stay afloat. Expanding license types at this moment will not grow the pie—it will divide it further, putting additional pressure on compliant operators, particularly equity businesses.

There also appears to be confusion around existing allowances. Dispensaries are already permitted under state law to sell non-cannabis items when properly handled. This proposal does not unlock something fundamentally new—it shifts how revenue is distributed.

Before introducing new market dynamics, the priority should be stabilizing the current ecosystem:

- Enforcing against illegal operators
- Addressing the tax burden
- Supporting existing equity licensees
- Completing a full economic impact analysis

For context, I operate a San Francisco-based cannabis brand with distribution across hundreds of retail doors and consistent sales growth. I have also served as Chair of the Cannabis Oversight Committee and as an advisor to the California Department of Cannabis Control Advisory Board, giving me direct insight into how policy decisions impact operators on the ground.

I urge you to proceed with caution and prioritize the sustainability of the operators already serving this city.

Best,

Ali Jamalian

Founder / Chief Cannabis Officer
Sunset Connect
415.900.6868

www.sunsetconnect.co

When in doubt. Roll one up. Keep it classy.

From: [Kevin Reed](#)
To: [Board of Supervisors \(BOS\)](#); [Chan, Connie \(BOS\)](#); [Sherrill, Stephen \(BOS\)](#); [Sauter, Danny \(BOS\)](#); [Wong, Alan \(BOS\)](#); [Mahmood, Bilal \(BOS\)](#); [Dorsey, Matt \(BOS\)](#); [Melgar, Myrna \(BOS\)](#); [Mandelman, Rafael \(BOS\)](#); [Fielder, Jackie \(BOS\)](#); [Walton, Shamann \(BOS\)](#); [Chen, Chyanne \(BOS\)](#)
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Subject: Cannabis Café Proposal – Ongoing Concerns Following Recent Coverage
Date: Tuesday, April 21, 2026 5:17:13 PM

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Dear Supervisors,

I'm writing again—and I know you're likely as tired of hearing from me as I am of having to send these—but this café issue is too important, and affects too many people, for me to stay quiet.

I'm reaching out specifically because of the [news coverage](#) yesterday. In it, you can see what appears to be a once-supportive dispensary owner now expressing concern about this proposal. That shift should matter. It reflects a deeper realization happening across the industry.

There is also a misunderstanding being amplified: State law already allows dispensaries to sell non-cannabis items like water, snacks, and similar products—they simply need to be labeled and handled correctly. The idea that this café proposal is needed to “unlock” that kind of offering is not accurate.

Which brings us back to the bigger issue.

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San Francisco already has more than 70 licensed dispensaries. Many are struggling. Many have closed. Equity operators are especially vulnerable.

This proposal does not create new demand—it divides existing demand.

From where we stand, this will:

-

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There are far more urgent priorities that would actually support the cannabis ecosystem in San Francisco:

- Enforcement against illegal operators
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- Completing the Controller's economic impact analysis before introducing new market pressures

I urge you to take a step back and fully consider the downstream impact here. The small businesses on the ground are telling you clearly—this will do more harm than good.

Respectfully,

--

Kevin Reed
Founder & President
The Green Cross

415.846.7671

KevinReed@TheGreenCross.org

TheGreenCross.org



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On Thu, Mar 19, 2026 at 3:50 AM Kevin Reed <kevinreed@thegreencross.org> wrote:

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At the same time, the City is still awaiting a comprehensive economic impact report from the Controller's Office, which, due to staffing constraints, is not expected until June 2027. Moving forward with a new license category before understanding the current state of the market is not a measured policy approach — it is a speculative one.

Introducing cannabis cafés at this moment risks accelerating the very problems the City has yet to fully quantify.

Real-World Impacts to Consider:

Market Fragmentation:

Cannabis cafés would introduce a new “experience-based” vertical that competes directly with existing retailers for the same limited customer base. In a market that is already oversaturated, this does not create new demand — it redistributes it.

In addition, this model is likely to attract well-capitalized entrants from adjacent industries such as hospitality, entertainment, and lifestyle retail. These sectors are structurally better positioned to scale experience-based concepts quickly, further intensifying competition and accelerating market fragmentation beyond what currently exists.

Capital Disparity:

Cafés will require significant investment to build and operate. Well-capitalized operators will be positioned to participate, while smaller, independent businesses — many of which are already struggling — will be left behind.

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In an already saturated market, consumer spending is more likely to be redistributed across formats than meaningfully increased. As a result, dollars will shift from traditional retail purchases into café settings, further weakening existing storefronts.

Regulatory Workarounds and Practical Reality:

While the proposed framework may attempt to limit take-home sales or define narrow consumption parameters, in practice, operators adapt quickly in ways that functionally expand those limits. In other jurisdictions, businesses have implemented systems such as on-site storage or “locker” models that allow customers to make larger purchases and return to consume them over time.

While these approaches may technically comply with the letter of the law, they effectively recreate a broader retail-plus-consumption model in practice. This results in a level of competition that goes beyond what is currently being contemplated and further amplifies the risk of revenue diversion from existing dispensaries.

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Without clear and scalable enforcement mechanisms in place, there is a high risk that real-world operations will diverge from the intended regulatory structure, further undermining the integrity of the legal market.

Impact on Equity Operators:

San Francisco has made a strong commitment to its Cannabis Equity Program. However, the capital-intensive nature of café-style businesses may unintentionally exclude many equity operators, who are already navigating significant financial barriers.

Without deliberate safeguards, this new license category risks favoring well-capitalized entrants over the very communities the City has prioritized supporting.

Premature Policy Expansion:

The City has already paused new retail licenses and commissioned a Controller's report to better understand market conditions. Advancing a new license category before that analysis is complete undermines that effort.

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One example would be a targeted amendment to San Francisco's Cannabis Consumption Permit rules (Health Code Article 8A) to remove the current requirement that consumption occur within a designated "room." Allowing more flexibility in how consumption areas are configured — while still maintaining all state-level requirements around licensed premises, visibility, and access control — would enable existing retailers to modestly enhance the consumer experience without requiring a new license category.

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I respectfully ask that the Board pause consideration of cannabis café legislation until this

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Kevin Reed
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415.846.7671

KevinReed@TheGreenCross.org

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From: [Board of Supervisors \(BOS\)](#)
To: [BOS-Legislative Aides](#)
Cc: [Calvillo, Angela \(BOS\)](#); [Mchugh, Eileen \(BOS\)](#); [Ng, Wilson \(BOS\)](#); [Somera, Alisa \(BOS\)](#); [De Asis, Edward \(BOS\)](#); [BOS-Operations](#); [Board of Supervisors \(BOS\)](#); [Carroll, John \(BOS\)](#)
Subject: FW: Request for Caution on Proposed Cannabis Café Legislation - File No. 260281
Date: Friday, April 3, 2026 9:28:16 AM
Attachments: [Cannabis Cafe" Presentation.pdf](#)

Hello,

Please see below and attached from Kevin Reed regarding:

File No. 260281- Ordinance amending the Health, Planning, Police, and Business and Tax Regulations Codes to establish a new permit type for cannabis cafés to be administered by the Office of Cannabis that will authorize the permittee to sell cannabis and cannabis products only for consumption on the premises of the café; exempt cannabis cafés from the prohibition on smoking in business establishments; eliminate the prohibition on establishments with a cannabis consumption permit requiring employees to enter a designated smoking room as a condition of employment; exempt cannabis cafés in certain circumstances from the 600-foot buffer rule that applies to cannabis retail establishments; restrict eligibility for cannabis café permits for one year to businesses that currently hold a cannabis storefront retailer permit or that have the same owners as such a business; require Equity Applicants that apply for a cannabis café permit to pay the \$2,000 application fee, any permit amendment processing costs, and the \$3,000 license fee for the first year of operation, associated with the cannabis café permit; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan and the eight priority policies of Planning Code, Section 101.1; and making public necessity, convenience, and welfare findings under Planning Code, Section 302.

Regards,

Richard Lagunte
Office of the Clerk of the Board
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
Voice (415) 554-5184 | Fax (415) 554-5163
bos@sfgov.org | www.sfbos.org

Pronouns: he, him, his

***Disclosures:** Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation*

or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors' website or in other public documents that members of the public may inspect or copy.

From: Kevin Reed <kevinreed@thegreencross.org>

Sent: Wednesday, March 25, 2026 11:07 AM

To: Board of Supervisors (BOS) <board.of.supervisors@sfgov.org>; Chan, Connie (BOS) <connie.chan@sfgov.org>; Sherrill, Stephen (BOS) <Stephen.Sherrill@sfgov.org>; Sauter, Danny (BOS) <Danny.Sauter@sfgov.org>; Wong, Alan (BOS) <alan.wong@sfgov.org>; Mahmood, Bilal (BOS) <bilal.mahmood@sfgov.org>; Dorsey, Matt (BOS) <matt.dorsey@sfgov.org>; Melgar, Myrna (BOS) <myrna.melgar@sfgov.org>; Mandelman, Rafael (BOS) <rafael.mandelman@sfgov.org>; Fielder, Jackie (BOS) <Jackie.Fielder@sfgov.org>; Lurie, Daniel (MYR) <daniel.lurie@sfgov.org>; Walton, Shamann (BOS) <shamann.walton@sfgov.org>; Chen, Chyanne (BOS) <Chyanne.Chen@sfgov.org>

Cc: ChanStaff (BOS) <chanstaff@sfgov.org>; SherrillStaff <SherrillStaff@sfgov.org>; SauterStaff <SauterStaff@sfgov.org>; WongStaff (BOS) <WongStaff@sfgov.org>; MahmoodStaff <MahmoodStaff@sfgov.org>; DorseyStaff (BOS) <DorseyStaff@sfgov.org>; MelgarStaff (BOS) <melgarstaff@sfgov.org>; MandelmanStaff (BOS) <mandelmanstaff@sfgov.org>; FielderStaff <FielderStaff@sfgov.org>; Waltonstaff (BOS) <waltonstaff@sfgov.org>; ChenStaff <ChenStaff@sfgov.org>; Patel, Nikesh (ADM) <nikesh.patel@sfgov.org>; Wagner, Greg (CON) <greg.wagner@sfgov.org>; CON, Controller (CON) <controller.con@sfgov.org>

Subject: Re: Request for Caution on Proposed Cannabis Café Legislation

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Dear President Mandelman and Members of the Board of Supervisors,

I hope you are doing well.

Earlier today, additional details on the proposed cannabis café legislation were shared with members of the cannabis retail community by Sophie Marie from your office and Ben Van Houten from OEWD, as reflected in the attached materials.

After reviewing everything, I wanted to reach out directly because I have real concerns about both the direction and the timing of this proposal.

For the past several years, operators across San Francisco have been saying the same thing: the market is oversaturated, margins are tight, and businesses are closing. This has been shared in meetings, emails, and ongoing conversations with the City. None of this should be a

surprise.

That's why it's difficult to understand why we would move forward with something like this right now.

This isn't a small change. It shifts the model toward hospitality and consumption-first businesses, including concepts that don't even rely on traditional retail. That's a major change, and it directly competes with existing operators for the same customer base.

It doesn't create new demand — it just moves it around.

In a strong market, maybe that's manageable. In today's market, it likely means more closures.

What's even harder to reconcile is the timing. The City has already recognized there are open questions about the health of this industry by commissioning a Controller's report. That report won't be ready until June 2027. Moving ahead with a major shift before that analysis is done just doesn't make sense.

It raises a simple question: what are we basing this decision on?

There also seems to be a broader lack of alignment in how consumption is being approached. The City appears to be simultaneously considering expanding indoor consumption while exploring additional restrictions on outdoor smoking. That sends mixed signals about where policy is actually headed.

To be clear, I'm not against evolving the cannabis experience in San Francisco. But right now, the priority should be stabilizing the businesses that are already here.

There are more practical, lower-risk ways to do that — including making targeted improvements within the existing consumption framework so current operators can enhance the customer experience without taking on major new capital burdens or competing with an entirely new class of businesses.

At a minimum, changes of this scale should come after the City has completed its own economic analysis.

San Francisco has always tried to lead on cannabis policy. Right now, leadership means recognizing what's happening on the ground and not making it harder for existing operators to survive.

I respectfully ask that the Board pause this legislation until the Controller's report is complete and we have a clearer understanding of the market.

Thank you for your time and for considering this perspective.

Sincerely,

--

Kevin Reed

Founder & President

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Cannabis Cafés — Summary of Materials Presented to Retail Community

Presented by:

Sophie Marie (Office of Supervisor Mandelman)

Ben Van Houten (Office of Economic and Workforce Development — Nightlife & Entertainment)

Background

- In October 2024, the California Legislature adopted Assembly Bill 1775 (Assemblymember Matt Haney), allowing local governments to enable cannabis retailers with on-site consumption to prepare and serve food and non-alcoholic beverages.
 - On March 17, 2026, Supervisor Rafael Mandelman introduced the Cannabis Cafés Ordinance, which proposes amendments to the Planning, Health, Business & Tax, and Police Codes to allow on-site cannabis consumption paired with food and beverage service.
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What the Ordinance Proposes

- Consumption-permitted businesses would be allowed to prepare and serve food and non-alcoholic beverages (with required Public Health permits, consistent with AB 1775)
 - Employers may require staff to enter consumption areas as part of their job duties
 - Removal of the current limitation restricting consumption areas to one-third (1/3) of the premises, allowing the entire space to be designed around consumption and hospitality
 - Redefines cannabis consumption as a primary use, rather than an accessory use
 - Establishes a license category for businesses focused solely on on-site consumption (consumption-only businesses)
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Proposed Restrictions

- Subject to 600-foot spacing requirements, with limited exceptions for businesses with shared ownership
 - Year 1 access limited to existing retailers or aligned ownership groups
 - Operators may hold up to four (4) Cannabis Café permits
 - Cannabis Cafés would not be permitted to sell cannabis for off-site use (no takeout sales)
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Licensing Requirements

- California state cannabis retail license
 - Permit from the San Francisco Office of Cannabis
 - Compliance with Planning and zoning approvals
 - Public Health permits required to prepare and serve food and beverages, as well as for cannabis consumption
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Next Steps (as presented)

- Supervisor Mandelman's office and OEWD to meet with the Cannabis Alliance (March 25) and the Brownie Mary Democratic Club (April 11) to gather feedback
- Coordination with the Department of Public Health (Environmental Health) to review Health Code changes and address existing concerns related to cannabis cafés
- Coordination with the Planning Department to ensure alignment with Planning Code provisions
- Follow-up discussions with the Cannabis Alliance and Assemblymember Haney's office regarding the proposed one-year initial restriction