



City and County of San Francisco Proposition 64 Public Health & Safety Grant Program Local Evaluation Plan

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Project Background

In December 2022, the City and County of San Francisco (CCSF), through the Office of the City Administrator (ADM) and its Office of Cannabis (OOC), submitted a grant proposal in response to the Board of State and Community Corrections (BSCC) Request for Proposals (RFP) for the Proposition 64 Public Health and Safety Grant Program Cohort 3 (Prop 64 PH&S Grant). This grant program is intended to fund local projects that address public health and safety issues associated with the implementation of the Control, Regulate and Tax Adult Use of Marijuana Act (Prop 64) including compliance, enforcement, and inspection efforts. In April 2023, the BSCC awarded a three million-dollar (\$3,000,000) grant to CCSF. The grant term starts May 1, 2023 and ends October 31, 2028. As a part of its award, CCSF will address the following Project Purpose Areas (PPAs):

- PPA 2: Public Health
- PPA 3: Public Safety

The goals and objectives of each PPA are described in further detail in *Figure 3: Grant Goals and Objectives by PPA*.

PPA 2: Public Health

A regulated cannabis industry is critical to ensuring public health. The availability of regulated cannabis and cannabis products may decrease unregulated cannabis use and mitigate the dangers associated with unregulated cannabis use for both minors and adults. Unregulated cannabis products are not subject to safety standards or lab testing, which poses a public health and safety risk. In order to realize a robust and regulated local cannabis industry, the OOC must continue to process permit applications and support operators with permit renewals.

Since December 2019, the OOC has issued 46 permits to 41 social equity applicants. Permits are subject to renewal on an annual basis. The OOC continues to renew approximately 60 temporary permits for supply chain operation every 120-days and approximately 35 temporary permits for medical cannabis dispensaries (MCDs) every 180-days on an ongoing basis.

The OOC has limited staff capacity dedicated to inspection and enforcement efforts to meet the needs of the expanding cannabis market in CCSF. To date, there are approximately 300+ applications for 500+ cannabis business permits in the OOC's permitting pipeline. The OOC conducts on-site inspections of all applicants' locations prior to permit issuance in addition to at least one annual compliance inspection of all permitted locations. Ideally, the OOC would be able to inspect these premises at least twice per year.

The time needed for inspections generally include: (i) 30 minutes of prep work; (ii) 1 hour of travel; (iii) 1 hour for inspection; and (iv) at least 1 hour to draft the inspection report and follow-up with permittees. A typical inspection takes about 5 hours – it may be less or more – depending on the size of the premise and scope of activities. (e.g. operator with multiple permits at the same premises). Approximately 300 unique locations will require at least 1,000 hours for inspections for one-site visit. At least 2,000 hours for two site visits per year.

PPA 3: Public Safety

San Francisco's adult-use cannabis legalization ordinance contains language that CCSF shall ensure the safety of customers, employees, and the public at large. The OOC believes that there are significant unregulated commercial cannabis activities within its jurisdiction. These activities are often clandestine, and may be protected by surveillance equipment or armed security personnel. The consequences of illegal operations are multipronged, including the potential for unsafe products reaching minors, adult consumers and the use of illegally generated revenue to fund other illicit activities.

A 2019 audit found approximately 2,835 unlicensed dispensaries and delivery services operating in California,¹ and as much as 80% of the cannabis market in California remains illicit.² In San Francisco, a report published by the Office of the Controller illustrates the influence of the illicit market through interviews with social equity operators. For example, one operator opined "How [is the city] going to enforce the illicit market component of this? You need to recognize the illicit market and do something about it before the legal market can take hold," while another noted that "Illicit operators are benefiting from fewer legal operators, while there is little enforcement against the illicit market," giving limited incentives for illicit operators to attempt to legalize their businesses.³

Addressing the illicit market is an interdepartmental exercise that often includes the City Attorney's Office (CAT), the San Francisco Fire Department (SFFD), and the San Francisco Police Department (SFPD). **Because general cannabis enforcement by SFPD is its statutorily lowest law enforcement**

¹ "California Marijuana black Market Dwarfs Legal Pot Industry." LA Times, 9/11/19.

<https://www.latimes.com/california/story/2019-09-11/california-marijuana-black-market-dwarfs-legal-pot-industry>

² Cannabis Advisory Committee, Annual Draft Report. 2019.

https://bcc.ca.gov/about_us/meetings/materials/20181108_cac_4.pdf

³ Office of the Controller, Cannabis in San Francisco, A Review Following Adult-Use Legalization.

https://sfcontroller.org/sites/default/files/Documents/Auditing/Cannabis%20in%20San%20Francisco_A%20Review%20Following%20Adult-Use%20Legalization_FINAL%20REPORT.pdf

priority,⁴ the OOC is often responsible for investigating and enforcing against the unregulated cannabis market. The grant award will be used to strengthen the OOC's ability to coordinate cross-departmental efforts to combat the unregulated market (e.g. notice of violations, warrant, subpoenas, cease and desist orders, joint site inspections). In light of the safety issues posed by illegal operators, it's important that the OOC utilize its additional resources from this grant to combat the unregulated market.

Evaluation Overview

The evaluation of CCSF’s Prop 64 PH&S Grant program is based on the development of logic models for each PPA. Process and outcome related questions are shown in *Figure 2*, goals and objectives in *Figure 3*, and logic models in are described in Appendix A.

Figure 2: Evaluation Questions

Process-Related Evaluation Questions	Outcome
<ul style="list-style-type: none"> • What challenges were encountered for implementation? • What modifications were needed to overcome challenges for implementation? • What are lessons learned to improve programming efforts? 	<ul style="list-style-type: none"> • Which grant activity is seen as the most valuable? • Did external factors influence program outcomes? • Did grant activities benefit certain audiences over others?

Research Design

CCSF’s grant evaluation involves mixed methods including quantitative and qualitative data to inform both process and outcome evaluations. *Figure 3* below is an evaluation matrix which describes the nature of each objective – whether it’s process or outcome oriented, the source of data, and the frequency of data collected. Quantitative data is used to document both process and outcome-related objectives. Qualitative data will inform the evaluation with insights about communications, cross-departmental efforts, and challenges and success encountered over the administration process for each PPA.

Process Evaluation

The process evaluation will be based on the qualitative and quantitative data gathered throughout administration and completion of grant activities. This evaluation will include assessing the quality of administration, identifying challenges, and improving efforts. All PPAs include both a process and outcome evaluation.

⁴ San Francisco Administrative Code, Section 96B.5.
https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_admin/0-0-0-58206

Figure 3: Grant Goals and Objectives by PPA

PPA/Agency	Goals	Objectives
PPA 2: Public Health Conducted by: Office of Cannabis	<ol style="list-style-type: none"> 1. Increase inspections associated with cannabis business permit issuance and renewals. 2. Train staff to support permit issuance and renewals. 	<ol style="list-style-type: none"> 3. By 2028, increase issuance of cannabis business permits by 5%. 4. By 2028, increase the number of inspections for permitted cannabis businesses by 10%. 5. Train staff to equip personnel with skills to conduct these inspections.
PPA 3: Public Safety Conducted by: Office of Cannabis	<ol style="list-style-type: none"> 1. Increase investigations associated with illicit activity complaints. 2. Train staff to support investigations 	<ol style="list-style-type: none"> 3. By 2028, increase the identification of unpermitted commercial cannabis sites by 10%. 4. By 2028, increase the rate of inspecting or referring cannabis complaints associated with the illicit market 5. Train staff to equip personnel with skills to conduct these inspections.

Outcome Evaluation

Outcome evaluation helps to measure the change in conditions for targeted populations. The outcome evaluation will provide insight on the effectiveness of implemented measures and highlight areas for improvement. For PPA 2, the outcome measures are based on the number of inspections and whether it reduces the time for both permit issuance and permit renewal. For PPA 3, the outcome measures are based on the volume of inspections for illicit operators, penalties imposed, and complaints resolved. The OOC will design outcome measures, develop and implement improvement plans, and evaluate the effectiveness of the program areas.

Data Sources and Data Collection

The data sources and data collection by PPA regarding goals, objectives, and the description of objectives as either process or outcome related, and frequency of data collected are provided below within *Figure 4: Evaluation Matrix*.

Quantitative Data Collection

See *Figure 4: Evaluation Matrix* for the quantitative data collection overview. Note that PPAs 2 and 3 will be measured, in part, by both the OOC’s internal databases and a shared complaint database between the OOC and 311 Customer Service Center (311) – the primary customer services center for the City and County of San Francisco.⁵

⁵ 311 Customer Service Center, San Francisco. <https://sf.gov/departments/311-customer-service-center>

Figure 4: Evaluation Matrix

PPA	Goal	Objective	Process or Outcome	Data Source	Collection Frequency
PPA 2: Public Health	1. Increase inspections associated with cannabis business permit issuance and renewals.	<ul style="list-style-type: none"> a. By 2028, increase its issuance of cannabis business permits by 5%. b. By 2028, increase the number of inspections for cannabis business operators by 10%. c. Train staff to equip personnel with skills to conduct these inspections. 	<ul style="list-style-type: none"> a. Outcome b. Outcome c. Process 	<ul style="list-style-type: none"> a. OOC database b. OOC database c. Staff engagement 	<ul style="list-style-type: none"> a. Ongoing b. Ongoing c. Ongoing
	2. Train staff to support permit issuance and renewals.				
PPA 3: Public Safety	1. Increase investigations associated with illicit activity complaints.	<ul style="list-style-type: none"> a. By 2028, increase the identification of unpermitted commercial cannabis sites. b. By 2028, increase the rate of inspecting or referring cannabis complaints associated with the illicit market by 10%. c. Train staff to equip personnel with skills to conduct these inspections. 	<ul style="list-style-type: none"> a. Outcome b. Outcome c. Process 	<ul style="list-style-type: none"> a. OOC and 311 databases b. OOC and 311 databases c. Staff engagement 	<ul style="list-style-type: none"> a. Ongoing b. Ongoing c. Ongoing
	2. Train staff to support investigations				

Figure 5: Quantitative Data Sources

PPA	Data Source	Quantitative Data to be Accessed
PPA 2: Public Health	Applicant Inspections – Airtable Database	<ul style="list-style-type: none"> Commercial cannabis business applicants seeking commercial cannabis business permits.
	Permit Issuance – Airtable Databases	<ul style="list-style-type: none"> Commercial cannabis operators seeking cannabis business permit renewal.
PPA 3: Public Safety	Complaints – Verint and Excel Databases	<ul style="list-style-type: none"> Complaints investigated via Verint case management. Complaints referred to appropriate departments via Verint case management.
	Illicit Activities – Verint and Excel Databases	<ul style="list-style-type: none"> Complaints investigated via Verint case management. Complaints referred to appropriate departments via Verint case management. Warnings or violations issued.

Qualitative Assessment Collection

The OOC will collect qualitative information about each PPA via community outreach and engagement. The purpose of community outreach is to solicit perspectives regarding each program’s implementation and impact. Although community outreach is not described as official measurements of objectives for each PPA, this effort will be helpful to solicit community feedback to learn more about program effectiveness. For example, if the OOC’s increased responsiveness to complaints is not felt by the community, then this information will be helpful to know where gaps may exist. Likewise, it’ll be interesting to know whether OOC’s increased responsiveness *encourages* additional complaints.

The OOC accomplishes outreach in a number of ways, including, but not limited to: frequent communications to its distribution list, participation during Cannabis Oversight Committee meetings,⁶ engagement at community events, and listening sessions.

Logic Models

CCSF’s Logic Models for each PPA is included as Appendix A to this evaluation plan.

⁶ Cannabis Oversight Committee. <https://officeofcannabis.sfgov.org/meetings/oversight-committee>

Data Analysis

The OOC will use quantitative data analysis to assess performance; for example, using graph analytics and other data visualization tools to demonstrate how the rate of inspections has varied over time. The OOC will track the volume of PPA 2 and 3 related inspections via an Airtable database, using data visualization to demonstrate how the rate of inspections has varied over time. This approach will help to compare BSCC funded inspections relative to prior, non-grant funded, inspections.

Qualitative data analysis will also be used to contextualize the administrative efforts behind each PPA, including process measures. For example, the OOC will debrief and memorialize community outreach efforts and internal meetings to this end. Pursuing these two approaches will help provide a well-rounded evaluation of each PPA. Moreover, these approaches will help to clarify implementation fidelity and whether the outcomes are due to the grant-funded projects – as opposed to non-grant-funded efforts.

Quantitative Data Analysis

Quantitative data for each PPA will be analyzed using various analytical tools. For PPAs 2 and 3, both the OOC's and 311's data management systems will be used to track volume and responsiveness over time.

Qualitative Assessment Analysis

Qualitative analysis across PPAs will be conducted via stakeholder engagement to determine prominent themes and response patterns within and across groups and questions.

Data Management

The data management for PPA 2 and 3 will be conducted internally. Historically, the OOC has maintained internal databases in excel and Screendoor, an applicant processing system, and is currently in the process of transitioning these databases into Airtable: this platform migration is projected to be completed by the end of 2023. Moreover, the OOC collaborates with 311 regarding its Verint case management tool which helps to track cannabis-related complaints.

Project Management

The OOC will spearhead and maintain communications across stakeholders to ensure both that timelines are being met and challenges are being addressed. The OOC will continue to collaborate with its parent agency, Office of the City Administrator, regarding decision-making. Additionally, the OOC will continually collaborate with its stakeholders to maintain momentum as a part of program administration.

Taking a collaborative approach will help the OOC to iterate administration, as needed, to accomplish the scope of work across PPAs.

Training and Technical Assistance

The OOC will provide training and technical assistance to its staff regarding the evaluation and data management for each PPA. This includes the development of data collection and evaluation processes, procedures, and community outreach. The OOC holds regular internal meetings which will help support the principal of over-communication as it relates to the progress of all PPAs.

Evaluation Timeline and Reporting

CCSF will comply with the BSCC's reporting timelines:

- **Quarterly Progress Reports:** The OOC will work with its internal partners to deliver the required Quarterly Progress Reports. As of the date of this evaluation plan, the due dates are as follows: (i) August 15, 2023; (ii) November 15, 2023 (iii) February 15, 2024; (iv) May 15, 2024; (v) August 15, 2024; (vi) November 15, 2024; (vii) February 15, 2025; (viii) May 15, 2025; (ix) August 15, 2025; (x) November 15, 2025; (xi) February 15, 2026; (xii) May 15, 2026; (xiii) August 15, 2026; (xiv) November 15, 2026; (xv) February 15, 2027; (xvi) May 15, 2027; (xvii) August 15, 2027; (xviii) November 15, 2027; (xix) February 15, 2028; (xx) May 15, 2028; (xxi) June 15, 2028.
- **Local Evaluation Report:** The OOC will deliver the Local Evaluation Report to the BSCC by October 31, 2028
- **Financial Audit:** The OOC will likely work with an independent City partner (i.e. Office of the Controller) or a 3rd party to provide the BSCC with a financial audit by October 31, 2028

Appendix A: Logic Models

Logic Model: PPA 2

Project Goals:

Goal 1: Increase inspections associated with cannabis business permit issuance and renewals.
Goal 2: Train staff to support permit issuance and renewals.

Inputs	Activities	Outputs	Outcomes	Impacts
<p>* Staff time for program development and monitoring.</p> <p>* Train staff to competently navigate cannabis business permit issuance and renewals.</p> <p>*Evaluation support to document and review program administration and outcomes</p>	<p>A) Pre-permit inspections</p> <p>B) Permit renewal inspections.</p> <p>C) Compliance inspections in response to complaints from other enforcing agencies (e.g. SFDPH).</p>	<p>A) Identify applicants in the permit pipeline to prep inspections.</p> <p>B) Identify permitted operators to prep yearly renewal inspection.</p> <p>C) Hold meetings and 1:1 training for staff members.</p>	<p>A) By 2028, increase its issuance of cannabis business permits by 5%.</p> <p>B) By 2028, increase by 10% the number of inspections for cannabis business operators.</p> <p>C) Train staff to equip personnel with skills to conduct these inspections.</p>	<p>A) Increase frequency of pre-permit inspections</p> <p>B) Increase frequency of permit renewal inspections.</p> <p>C) OOC staff to be equipped with skills to conduct inspections to ensure operational continuity.</p>
<u>Planned Work</u>		<u>Intended Result</u>		

Logic Model: PPA 3

Project Goals:

<u>Goal 1:</u> Increase investigations associated with illicit activity complaints.
<u>Goal 2:</u> Train staff to support investigations.

Inputs ➡	Activities ➡	Outputs ➡	Outcomes ➡	Impacts
<p>* Staff time for program development and monitoring.</p> <p>* Train staff to competently navigate cannabis complaints and investigating the illicit market.</p> <p>*Evaluation support to document and review program administration and outcomes.</p>	<p>A) Streamline the cannabis complaint system to ensure relevant complaints are received by the OOC.</p> <p>B) Address cannabis-related complaints regarding illicit activity.</p> <p>C) Train staff.</p>	<p>A) Identify illicit activities for inspection follow up.</p> <p>B) Identify and respond to applicable complaints or facilitate referral to appropriate agency.</p> <p>C) Hold meetings and 1:1 training for staff members.</p>	<p>A) By 2028, increase the identification of unpermitted commercial cannabis sites.</p> <p>B) By 2028, increase by 10% the rate of inspecting or referring cannabis complaints associated with the illicit market.</p> <p>C) Train staff to equip personnel with skills to conduct these inspections.</p>	<p>A) Mitigate illicit cannabis activity and deter bad actors.</p> <p>B) Heightened responsiveness to complaints may encourage additional tips to the OOC.</p> <p>C) OOC staff to be equipped with skills to address illicit cannabis activity.</p>
<u>Planned Work</u>		<u>Intended Result</u>		