

File ID: 2026-00585

3/3/2026

Extension of the Opportunity to Apply for and Operate a Storefront Cannabis Dispensary for the Cannabis Opportunity Reinvestment and Equity (CORE) Program

File ID: 2026-00585

Location: Citywide

Recommendation: Review and provide direction regarding extending the opportunity to apply for and operate a storefront cannabis dispensary (the “opportunity”) from the 2021 Request for Qualifications (RFQ) Process for the CORE Program, which expires on April 1, 2026, by either: 1) taking no action and allowing the opportunity to expire, giving the next highest-scoring RFQ participant the opportunity; or 2) adopt a **Resolution:** a) extending the opportunity by one year for a new expiration date of April 1, 2027; and b) extending the opportunity for any new applicant from five to six years.

Contact: Peter Coletto, Director, (916) 808-5416, pcoletto@cityofsacramento.org, Department of Finance; Al Romero-Gibu, Cannabis Manager, (916) 808-4772, aromerogibu@cityofsacramento.org; Fiona Mattson, Program Manager, (916) 808-8925, fmattson@cityofsacramento.org; Office of Cannabis Management

Presenter: Al Romero-Gibu, Cannabis Manager, (916) 808-4772, aromerogibu@cityofsacramento.org, Office of Cannabis Management

Attachments:

- 1-Description/Analysis
- 2-Resolution
- 3-Exhibit A - Resolution No. 2020-0338
- 4-Exhibit B - Resolution No. 2025-0067
- 5-Resolution No. 2025-0067
- 6-Ordinance No. 2025-0008
- 7-Ordinance No. 2020-0035
- 8-Resolution No. 2020-0338
- 9-Presentation

Description/Analysis

Issue Detail: On March 25, 2025, Council granted three of the highest-scoring participants (awardees) for the 2021 CORE Request for Qualifications (RFQ) with an additional one-year extension to apply for and operate a storefront cannabis dispensary (the opportunity), namely, April 1, 2026. Council also gave any new applicant five years to apply for the opportunity (Attachment 5). Since then, two of the three awardees have become operational. The remaining awardee has requested an additional one-year extension which can only be granted by Council action. An additional extension would further delay the opportunity for the next highest-scoring CORE Program participant (participant) on the RFQ list. Those next on the RFQ list have been contacting staff in anticipation of the availability of a permit opportunity. If Council does wish to grant the extension for this one opportunity, staff recommends giving all new applicants (including those that are currently in the process of obtaining a permit) with the same amount of time, six years.

Brief History on the CORE Storefront Dispensary Permit Process

In 2021, the City conducted a RFQ Process to offer the opportunity to apply for and operate 10 new storefront cannabis dispensary (storefront) business permits to the highest-scoring CORE Program participants (participants). The 10 top-scoring participants (awardees) were given three years to apply for and operate a storefront. The remaining applicants for the RFQ were placed on a list from the highest to lowest scoring participant. When a permit becomes available to apply for, the next highest-scoring participant on the list is offered the opportunity. The City's goal, as adopted by Council, is having 50% of all cannabis businesses in Sacramento be majority-CORE owned.

Originally, the top 10 awardees were given until April 1, 2024 to become operational. Since that time, Council has approved two extensions, resulting in a total of five years for participants to become operational, April 1, 2026.

Additional Storefront Permit Opportunities

Since then, four new storefront permit opportunities have become available. First, a permit opportunity became available when an RFQ awardee surrendered their opportunity. The City offered the opportunity to apply for this permit to the 11th highest-scoring participant. This participant is now operational.

Second, a permit opportunity became available when a non-CORE storefront closed. The City offered the opportunity to apply for this permit to the 12th highest-scoring participant. This participant has a deadline of August 29, 2029 to become operational or surrender their opportunity.

In addition, on March 25, 2025, Council directed staff to return with an ordinance to increase the total number of storefront dispensaries from 40 to 43 with the additional opportunities reserved for CORE participants (Attachment 6). The additional three permit opportunities were offered to the next

highest-scoring participants and those participants have until May 23, 2030, to become operational.

Current Status of Storefront Permits for CORE

There are currently 14 storefront opportunities that have been afforded to CORE participants:

- Nine are currently operational.
- One has a deadline of April 1, 2026, to become operational or surrender their permit opportunity.
- One has a deadline of August 29, 2029, to become operational or surrender their permit opportunity.
- Three have a deadline of May 23, 2030, to become operational or surrender their permit opportunity.

Status of Permit Process for April 1, 2026, Deadline

On October 14, 2025, Office of Cannabis Management (OCM) reported to Council that the remaining awardee (subject to the April 1, 2026 deadline) experienced significant damage to their proposed facility due to a fire in 2023. The participant subsequently notified OCM that they had secured a lease at a new location in September 2025. However, the Planning Division later informed the participant that the new site does not have zoning entitlement for a cannabis dispensary.

On December 18, 2025, the participant contacted OCM indicating their intent to locate at 135 Main Avenue in District 1. OCM met with the participant to assist with the Business Operating Permit (BOP) process. As of January 7, 2026, the participant reported that they are in the process of applying for a minor modification to an existing conditional use permit for a storefront, a BOP, and a license from the California Department of Cannabis Control (DCC). OCM has not received a BOP application from the participant.

Policy Considerations: The deadline associated with the RFQ permit opportunities was included to provide those farther down the list an opportunity if the original awardees could not become operational. The intent of the RFQ process was to ensure that permits are issued to businesses that were most ready to successfully operate within three years of the award. Two extensions have already been granted, resulting in five years to become operational.

Economic Impacts: None.

Environmental Considerations: The action is an administrative action that would not result in direct or indirect physical changes in the environment and is not a project as defined in CEQA. (CEQA Guidelines sections 15378(b)(4), 15060(c)(3)).

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Council action is required to provide additional time to apply for an operate a store front permit for one of the original awardees from the 2021 RFQ. Staff seeks direction from Council regarding the options outlined above.

Financial Considerations: Additional operational cannabis storefronts will generate additional cannabis business operations tax which supports the General Fund and Children's Fund.

Local Business Enterprise (LBE): Not applicable.

Background: Storefront dispensaries that were open prior to the development of regulations and who registered with the City in 2009 and 2010 and then applied for and successfully completed a two-part application process between roughly 2011 and 2015 were issued storefront dispensary permits. Changing state laws and federal directives, and the uncertainty created by these accounted for the length of time needed for this application process. The 30 who made it through that process became the only storefronts that were permitted.

In August 2018, the City Council created the CORE Program to address the impacts of disparate enforcement of cannabis offenses in Sacramento by creating resources to reduce barriers to entry into the regulated cannabis industry for the impacted community members. The CORE Guidelines express a goal of having 50% of all cannabis businesses in Sacramento be majority-CORE owned.

On October 13, 2020, the Council adopted an ordinance (Ordinance No. 2020-0035) amending Title 5 to add 10 new storefront dispensary permits through a RFQ Process (Attachment 7). The RFQ process is a competitive procedure wherein CORE participants were required to submit a Statement of Qualification (SOQ). A panel of non-staff scorers with expertise in business finance, cannabis equity, and operating an equity storefront assessed and scored the SOQs using a predefined scoring rubric.

The Council also adopted a resolution (Resolution No. 2020-0338) establishing the RFQ Process for issuing storefront cannabis dispensary permits, which required the 10 CORE storefront dispensary permit holders to have at least 51% of the ownership interest in the storefront cannabis dispensary and receive at least 51% of the storefront cannabis dispensary's profits for a period of ten years from the issuance of the permit (Attachment 8).

RESOLUTION NO. _____

Adopted by the Sacramento City Council

March 3, 2026

**THIRD EXTENSION OF THE OPPORTUNITY TO APPLY FOR AND OPERATE A
STOREFRONT CANNABIS DISPENSARY FOR THE 2021 REQUEST FOR
QUALIFICATIONS FOR THE CORE PROGRAM**

BACKGROUND

- A. In 2020, the City Council determined that: i) all available storefront cannabis dispensary (storefront) permits should be made available to participants in classifications 1 or 2 of the City's Cannabis Opportunity Reinvestment and Equity Program (CORE) through a competitive process; ii) the top-scoring 10 participants be given 3 years from selection announcement to apply for and operate a storefront; and iii) if any of the top-scoring participants were not able to apply for and operate a storefront within that time, the opportunity to apply would be given to the next top-scoring participant (Resolution No. 2020-0338).
- B. In early 2021, the Office of Cannabis Management (Office) conducted a competitive selection process through a request for qualifications and announced the 10 top-scoring participants (selected participants). The selected participants were required to apply for and operate a storefront by April 1, 2024, or forfeit their opportunity for an available permit.
- C. In early 2024, the Office provided a status report to the City Council during a regular meeting on the progress of the selected participants. Overall, the Office reported that 5 participants (in-process participants) were in various stages of the build-out process, including applying for a conditional use permit and a certificate of occupancy, reconfiguring the site to meet applicable requirements, and searching for a site to operate a storefront. As a result, Council adopted Resolution No. 2024-0049 extending the deadline to April 1, 2025.
- D. On March 25, 2025, the Office provided an update to Council wherein three of the in-process participants were in the final stages of applying for a storefront permit, getting their business operations started, and were searching for a new location properly zoned for a storefront dispensary. Council adopted Resolution No. 2025-0067 to extend the deadline to April 1, 2026.

- E. To date, two of the three remaining in-process participants have received a business operating permits and are now operational.
- F. On October 14, 2025, staff reported to Council that the remaining in-progress participant, participant 10, experienced significant damage to their proposed facility due to a fire in 2023. The participant subsequently notified the Office that they had secured a lease at a new location in September 2025. However, the Planning Division determined that the new site does not have zoning entitlement for a cannabis dispensary. The participant has been searching for a new location but has had little success given the limited inventory for storefront facilities in the proper zoning areas. On December 18, 2025, the participant contacted the Office indicating their intent to locate at 135 Main Avenue in District 1. City staff believes additional time would support this participant's success in obtaining a BOP.
- G. CORE is a program aimed to assist individuals who have been negatively impacted by the disproportionate enforcement of cannabis-related crimes by providing them with assistance and an opportunity to participate in the cannabis industry. Authorizing an additional one-year extension will assist the final in-process participant, who has invested significant time, money, and resources, to obtain a storefront.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. As for the final in-process participant, number 10, of the City's 2021 Request for Qualifications (RFQ) Process to Issue a Storefront Cannabis Dispensary Permit, the April 1, 2026 deadline to apply for and operate (the opportunity) a storefront cannabis dispensary (storefront) provided in Resolution No. 2025-0067 is hereby extended to April 1, 2027.
- Section 2. Notwithstanding the five-year timeframe provided in Resolution No. 2025-0067 and except as provided in Section 1, any applicant for a storefront that: a) is newly afforded the opportunity, or b) has been afforded the opportunity and is in the process of opening a storefront shall have six years from the date of the announcement of the applicant's opportunity to apply for and operate a storefront.

Table of Contents:

- Exhibit A – Resolution No. 2020-0338
- Exhibit B – Resolution No. 2025-0067

RESOLUTION NO. 2020-0338

Adopted by the Sacramento City Council

October 13, 2020

Process to Issue Storefront Cannabis Dispensary Permits

BACKGROUND

- A. The City of Sacramento may have no more than 40 valid storefront cannabis dispensary (“storefront”) permits. (Sacramento City Code section 5.150.350)
- B. The City Manager may issue a storefront permit through a process that is established by resolution of the City Council. (Sacramento City Code section 5.150.350)
- C. The process must comply with the City Code and may evaluate an applicant’s ability to successfully apply for and operate a storefront and utilize criteria reasonably necessary to protect the public health, safety, and welfare. (Sacramento City Code section 5.150.350)
- D. The City’s Cannabis Opportunity Reinvestment and Equity (“CORE”) Program was established to reduce barriers of entry and participation to cannabis businesses for communities and individuals negatively impacted by the disproportionate enforcement of cannabis-related crimes. CORE Program participants are currently granted priority for any storefront permits. (Resolution 2018-0323.)
- E. On January 14, 2020, the City Council determined that: i) all storefront permits should be issued to an individual or a group of individuals in classifications 1 or 2 of the City’s CORE Program; ii) at least 51% of the ownership interest in and profits from these new storefronts must be allocated to participants that meet classifications 1 or 2 of the CORE Program for a period of 10 years from issuance of the permit; and iii) CORE Program participants be given three years from selection to apply for and operate a storefront dispensary.
- F. On September 1, 2020, the City Council determined that a storefront dispensary permit should be issued through a competitive process that weighs qualifications of CORE Program participants.
- G. A fair and equitable way to allocate a storefront permits, and ensure that the best qualified CORE Program participants are selected, is through a request for qualifications (“RFQ”) process that utilizes criteria that evaluate the ability for an individual or group of individuals in the CORE Program to successfully apply for and operate a storefront dispensary.

CITY OF SACRAMENTO
REQUEST FOR QUALIFICATIONS (“RFQ”) PROCESS TO ISSUE A
STOREFRONT CANNABIS DISPENSARY PERMIT

The following RFQ process is established pursuant to Sacramento City Code section 5.150.350, which provides that whenever the number of storefront cannabis dispensary permits falls below 40, the City may issue a permit to an applicant through a process that is consistent with the City Code and established by city council resolution. (Resolution No. _____)

A. Definitions.

The following definitions apply to this process:

1. “Applicant” means an individual or group of individuals in classification 1 or 2 of the CORE Program who submits a statement of qualifications in response to the City’s RFQ for issuance of a permit.
2. “Cannabis dispensary, storefront” has the same meaning as in City Code section 5.150.020.
3. “Classification 1” means classification 1 of the CORE Program as described in City Council resolution 2018-0323.
4. “Classification 2” means classification 2 of the CORE Program as described in City Council resolution 2018-0323.
5. “City Attorney” means the City Attorney or the City Attorney’s designee.
6. “City Manager” means the City Manager or the City Manager’s designee.
7. “CORE Program participant” has the same meaning as described in City Council resolution 2018-0323.
8. “CORE Program” means the City’s Cannabis Opportunity Reinvestment and Equity Program, adopted by City Council resolution 2018-0323.

9. "Individual" means a sole, natural person.
10. "OCM" means the City's Office of Cannabis Management.
11. "Ownership interest" has the same meaning as in City Code section 5.150.020.
12. "Permit" means a business operations permit issued by the City to operate a storefront cannabis dispensary.
13. "Permit application process" means the City's process for an applicant to obtain a permit in accordance with applicable state law and City Code. It includes, at a minimum, obtaining a certificate of occupancy, conditional use permit, and a business operating permit.
14. "Request for Qualifications" or "RFQ" means a written request for the submission of qualifications to successfully apply for and operate a storefront cannabis dispensary.
15. "Statement of Qualifications" or "SOQs" means the written document submitted in response to a RFQ.

B. Process.

1. **Who May Apply?** The RFQ is open to all individuals who are CORE Program participants in classification 1 or 2.
2. **Advertising.** When a permit becomes available, OCM will advertise the RFQ for 10 calendar days on the City's website and through other industry appropriate means.
3. **RFQ Requirements.**
 - a. The RFQ will be used solely to identify CORE Program participants with the highest scoring SOQs to successfully apply for and operate

a storefront cannabis dispensary within three years of being awarded the opportunity to apply for the permit.

- b. OCM will prepare the RFQ. The RFQ must be in the City's standard RFQ format.

4. RFQ Evaluation Criteria.

- a. The RFQ shall utilize criteria that comply with the City Code and all applicable City procurement policies and procedures; are reasonably necessary to protect the public health, safety, and welfare; and evaluate the experience and training of applicants to determine which applicants will be the most successful at applying for and operating a storefront cannabis dispensary including:
 - i. A description of classes, trainings, and workshops completed to prepare the applicant for operating a successful cannabis business in the city of Sacramento.
 - ii. A business plan that includes a detailed timeline, budget, and a plan to achieve success and sustainability.
- b. In developing the RFQ criteria, OCM must consider input of CORE Program participants.
- c. The criteria for the RFQ are subject to the approval of the City Manager and the City Attorney.

5. Statement of Qualifications.

- a. To respond to the RFQ, CORE Program participants must submit a SOQ in writing to OCM by the due date indicated in the advertisement.
- b. A SOQ may be submitted by one CORE Program participant or by a group of participants. No individual may be identified in any capacity in more than one SOQ. Such a duplicate submission will result in the

subject SOQs being deemed nonresponsive and disqualified from review.

6. Required Certifications in SOQs.

- a. Applicants must certify in their SOQ that for a period of 10 years from the issuance of the permit that:
 - i. At least 51% of the ownership interest in the storefront cannabis dispensary will be held by one or more CORE Program participants in classifications 1 or 2, and
 - ii. Owner(s) of the dispensary who are CORE Program participants will receive at least 51% of the storefront cannabis dispensary's profits.
- b. The certification of ownership and profits will be a condition on the permit.

7. SOQ Acceptance and Evaluation.

- a. SOQs shall not be altered after opening.
- b. No criteria may be used in evaluating a SOQ that are not specified in the RFQ or in applicable City Code or other applicable laws or regulations.
- c. All responsive SOQs shall be reviewed and scored by an unbiased and neutral review panel who possess the relevant knowledge or experience to evaluate the SOQs. Members of the review panel may consist of individuals who:
 - i. Have some level of expertise in economic or business development;
 - ii. Have an active involvement in social equity matters; or
 - iii. Are cannabis business regulators from another jurisdiction.

- d. Under no circumstances will a member of the review panel be an employee or a contractor of the City or affiliated in any way with the cannabis industry in the city of Sacramento.
- e. No member of the review panel may discuss the SOQ with applicants for any purpose other than administrative clarification after the submission of SOQ, except during the presentation phase, if any.
- f. Once OCM has received and calculated all the reviewing panels' scores, the top scoring SOQs shall be awarded the opportunity to apply for a permit, until all available permits have been issued.
- g. OCM will notify all applicants of the status of their SOQs through award announcements and publish the scores for all SOQs on its website as soon as reasonably possible.

8. Late and Nonresponsive SOQs.

- a. A SOQ is late if it is received at the location designated in the RFQ after the deadline specified in the RFQ. A late SOQ shall be rejected and not considered, regardless of the reason for the lateness, including circumstances beyond the control of the individual or group that submits the SOQ. A late SOQ may only be opened for identification purposes.
- b. A SOQ is nonresponsive if it does not comply with requirements of the RFQ or if it is submitted in accordance with section 5(b).
- c. Late and nonresponsive SOQs will be returned.
- d. OCM shall have the authority to reject SOQs that are late or nonresponsive.

9. **Public Disclosure.** SOQs submitted in response to the RFQ will be made available in response to a request for public records in accordance with the California Public Records Act.
10. **Timeframe for Opportunity to Apply for a Permit.** It is imperative that permits are actually issued to businesses that will successfully operate within a reasonable period of time. Therefore, any opportunity to apply for a permit shall become void and of no effect if the awarded applicant surrenders the opportunity to apply in writing or the storefront cannabis dispensary is not operating after a period of three years from the date of the applicant's award announcement.
11. **Conditions on Permits.** By responding to the RFQ, applicants understand and agree that in addition to all other applicable permit conditions, the City will place the following conditions on their permit for 10 years starting from its issuance: at least 51% of the ownership of the permitted storefront cannabis dispensary must be held by one or more CORE Program participants in classifications 1 or 2; and at least 51% of the profits of the dispensary must be allocated to the CORE Program participant owner(s).
12. **Tied Scores.** If there are tied top scoring SOQs and there are more tied scores than permits, then the City will use a process to randomly select an applicant from among those tied SOQs.

RESOLUTION 2025-0067

Adopted by the Sacramento City Council

March 25, 2025

Extending the Opportunity to Apply for and Operate a Storefront Cannabis Dispensary for the Core Program**BACKGROUND**

- A. In 2020, the City Council determined that: i) all available storefront cannabis dispensary (storefront) permits should be made available to participants in classifications 1 or 2 of the City's Cannabis Opportunity Reinvestment and Equity Program (CORE) through a competitive process; ii) the top-scoring 10 participants be given 3 years from selection announcement to apply for and operate a storefront; and iii) if any of the top-scoring participants were not able to apply for and operate a storefront within that time, the opportunity to apply would be given to the next top-scoring participant (Resolution No. 2020-0338).
- B. In early 2021, the Office of Cannabis Management (Office) conducted a competitive selection process through a request for qualifications.
- C. On April 1, 2021, the Office announced the 10 top-scoring participants (selected participants). The selected participants must apply for and operate a storefront by April 1, 2024, or forfeit their opportunity for an available permit.
- D. On January 23, 2024, as directed, the Office provided a status report to the City Council during a regular meeting on the progress of the selected participants. Overall, the Office reported that 5 out of the 10 selected participants successfully applied for an available storefront permit. The other 5 participants (in-process participants) were in various stages of the build-out process, including applying for a conditional use permit and a certificate of occupancy, reconfiguring the site to meet applicable requirements, and searching for a site to operate a storefront. Three of the in-process participants requested additional time to become operational. The Office identified several factors that may have challenged the business development climate (e.g., the 2020 global pandemic, lack of access to funding, overcoming barriers noted in the City's Cannabis Equity Study, maintaining a lease for a site while obtaining land-use approvals, and predatory partners/investors); and reported that the in-process participants invested significant time, money, and resources into the opportunity to apply for and operate a storefront.

- E. After consideration of public comments and discussion on the matter during the meeting, the City Council directed that the in-process participants should be given one additional year to apply for and operate a storefront.
- F. On February 27, 2024, the Council adopted Resolution No. 2024-0049 extending the deadline to April 1, 2025.
- G. As the April 1, 2025 deadline approaches, there are three selected participants (#4, #6, and #10) who are either in the final stages of applying for a storefront permit or getting their business operations started. Specifically, one of the participants obtained a BOP on December 10, 2024, and anticipates becoming operational as soon as some internal business matters are resolved. The participant is currently working with the City's CORE Program facilitator to resolve the matter. OCM staff anticipates a speedy resolution. The second participant has obtained building permits and construction is in progress aligning the building with City Code requirements to operate a storefront. Staff anticipate that the second participant will be able to obtain a BOP within the next few months. The final participant has suffered fire damage to their previous location, making the building no longer conducive for establishing storefront. The participant has been searching for a new location but has had little success given the limited inventory for storefront facilities in the proper zoning areas. Staff believe additional time would support this participant's success in obtaining a BOP.
- H. CORE is a program aimed to assist individuals who have been negatively impacted by the disproportionate enforcement of cannabis-related crimes by providing them with assistance and an opportunity to participate in the cannabis industry. Authorizing an additional one-year extension will provide an equal opportunity to assist the three in-process participants, who have invested significant time, money, and resources, to complete the permitting process and operate a storefront. This extension will further drive the mission of the CORE program and the goal of parity between non-CORE (50%) and CORE (50%) permit ownership.
- I. Given the difficulty the selected participants have had in applying for and operating a storefront as outlined herein, additional time is needed for a newly selected CORE participant to apply for and operate a storefront.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

SECTION 1.

As for the final in-process participants, numbers 4, 6, and 10 winners, of the City’s 2021 Request for Qualifications (RFQ) Process to Issue a Storefront Cannabis Dispensary Permit, the April 1, 2025 deadline to apply for and operate a storefront cannabis dispensary provided in Resolution No. 2024-0049 is hereby extended to April 1, 2026.

SECTION 2.

Notwithstanding the three-year timeframe provided in section B (10) of the Request for Qualifications (RFQ) Process to Issue a Storefront Cannabis Dispensary Permit, Resolution No. 2020-0338, any applicant that is awarded an opportunity to apply for and operate a storefront cannabis dispensary after the adoption of this Resolution shall be given five years from the date of the award to apply for and operate a storefront.

TABLE OF CONTENTS:

Exhibit A – Resolution No. 2020-0338

Exhibit B – Resolution No. 2024-0049

Adopted by the City of Sacramento City Council on March 25, 2025, by the following vote:

Ayes: Members Dickinson, Guerra, Jennings, Kaplan, Maple, Pluckebaum, Talamantes, Vang, and Mayor McCarty

Noes: None

Abstain: None

Absent: None

Attest:  04/01/2025
Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.

RESOLUTION NO. 2020-0338

Adopted by the Sacramento City Council

October 13, 2020

Process to Issue Storefront Cannabis Dispensary Permits

BACKGROUND

- A. The City of Sacramento may have no more than 40 valid storefront cannabis dispensary (“storefront”) permits. (Sacramento City Code section 5.150.350)
- B. The City Manager may issue a storefront permit through a process that is established by resolution of the City Council. (Sacramento City Code section 5.150.350)
- C. The process must comply with the City Code and may evaluate an applicant’s ability to successfully apply for and operate a storefront and utilize criteria reasonably necessary to protect the public health, safety, and welfare. (Sacramento City Code section 5.150.350)
- D. The City’s Cannabis Opportunity Reinvestment and Equity (“CORE”) Program was established to reduce barriers of entry and participation to cannabis businesses for communities and individuals negatively impacted by the disproportionate enforcement of cannabis-related crimes. CORE Program participants are currently granted priority for any storefront permits. (Resolution 2018-0323.)
- E. On January 14, 2020, the City Council determined that: i) all storefront permits should be issued to an individual or a group of individuals in classifications 1 or 2 of the City’s CORE Program; ii) at least 51% of the ownership interest in and profits from these new storefronts must be allocated to participants that meet classifications 1 or 2 of the CORE Program for a period of 10 years from issuance of the permit; and iii) CORE Program participants be given three years from selection to apply for and operate a storefront dispensary.
- F. On September 1, 2020, the City Council determined that a storefront dispensary permit should be issued through a competitive process that weighs qualifications of CORE Program participants.
- G. A fair and equitable way to allocate a storefront permits, and ensure that the best qualified CORE Program participants are selected, is through a request for qualifications (“RFQ”) process that utilizes criteria that evaluate the ability for an individual or group of individuals in the CORE Program to successfully apply for and operate a storefront dispensary.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The RFQ Process for issuing storefront cannabis dispensary permits to individuals or groups of individuals in classifications 1 or 2 of the CORE Program is hereby adopted. (Exhibit A).

Section 2. Exhibit A is a part of this Resolution.

Table of Contents:

Exhibit A - Request for Qualifications (“RFQ”) Process to Issue a Storefront Cannabis Dispensary Permit

Adopted by the City of Sacramento City Council on October 13, 2020, by the following vote:

Ayes: Members Ashby, Carr, Guerra, Hansen, Harris, Jennings, Schenirer, Warren and Mayor Steinberg

Noes: None

Abstain: None

Absent: None

Attest:


Mindy Cuppy Date: 2020-10-13 10:03:54 -0700
Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.

CITY OF SACRAMENTO
REQUEST FOR QUALIFICATIONS (“RFQ”) PROCESS TO ISSUE A
STOREFRONT CANNABIS DISPENSARY PERMIT

The following RFQ process is established pursuant to Sacramento City Code section 5.150.350, which provides that whenever the number of storefront cannabis dispensary permits falls below 40, the City may issue a permit to an applicant through a process that is consistent with the City Code and established by city council resolution. (Resolution No. _____)

A. Definitions.

The following definitions apply to this process:

1. “Applicant” means an individual or group of individuals in classification 1 or 2 of the CORE Program who submits a statement of qualifications in response to the City’s RFQ for issuance of a permit.
2. “Cannabis dispensary, storefront” has the same meaning as in City Code section 5.150.020.
3. “Classification 1” means classification 1 of the CORE Program as described in City Council resolution 2018-0323.
4. “Classification 2” means classification 2 of the CORE Program as described in City Council resolution 2018-0323.
5. “City Attorney” means the City Attorney or the City Attorney’s designee.
6. “City Manager” means the City Manager or the City Manager’s designee.
7. “CORE Program participant” has the same meaning as described in City Council resolution 2018-0323.
8. “CORE Program” means the City’s Cannabis Opportunity Reinvestment and Equity Program, adopted by City Council resolution 2018-0323.

9. "Individual" means a sole, natural person.
10. "OCM" means the City's Office of Cannabis Management.
11. "Ownership interest" has the same meaning as in City Code section 5.150.020.
12. "Permit" means a business operations permit issued by the City to operate a storefront cannabis dispensary.
13. "Permit application process" means the City's process for an applicant to obtain a permit in accordance with applicable state law and City Code. It includes, at a minimum, obtaining a certificate of occupancy, conditional use permit, and a business operating permit.
14. "Request for Qualifications" or "RFQ" means a written request for the submission of qualifications to successfully apply for and operate a storefront cannabis dispensary.
15. "Statement of Qualifications" or "SOQs" means the written document submitted in response to a RFQ.

B. Process.

1. **Who May Apply?** The RFQ is open to all individuals who are CORE Program participants in classification 1 or 2.
2. **Advertising.** When a permit becomes available, OCM will advertise the RFQ for 10 calendar days on the City's website and through other industry appropriate means.
3. **RFQ Requirements.**
 - a. The RFQ will be used solely to identify CORE Program participants with the highest scoring SOQs to successfully apply for and operate

a storefront cannabis dispensary within three years of being awarded the opportunity to apply for the permit.

- b. OCM will prepare the RFQ. The RFQ must be in the City's standard RFQ format.

4. RFQ Evaluation Criteria.

- a. The RFQ shall utilize criteria that comply with the City Code and all applicable City procurement policies and procedures; are reasonably necessary to protect the public health, safety, and welfare; and evaluate the experience and training of applicants to determine which applicants will be the most successful at applying for and operating a storefront cannabis dispensary including:
 - i. A description of classes, trainings, and workshops completed to prepare the applicant for operating a successful cannabis business in the city of Sacramento.
 - ii. A business plan that includes a detailed timeline, budget, and a plan to achieve success and sustainability.
- b. In developing the RFQ criteria, OCM must consider input of CORE Program participants.
- c. The criteria for the RFQ are subject to the approval of the City Manager and the City Attorney.

5. Statement of Qualifications.

- a. To respond to the RFQ, CORE Program participants must submit a SOQ in writing to OCM by the due date indicated in the advertisement.
- b. A SOQ may be submitted by one CORE Program participant or by a group of participants. No individual may be identified in any capacity in more than one SOQ. Such a duplicate submission will result in the

subject SOQs being deemed nonresponsive and disqualified from review.

6. Required Certifications in SOQs.

- a. Applicants must certify in their SOQ that for a period of 10 years from the issuance of the permit that:
 - i. At least 51% of the ownership interest in the storefront cannabis dispensary will be held by one or more CORE Program participants in classifications 1 or 2, and
 - ii. Owner(s) of the dispensary who are CORE Program participants will receive at least 51% of the storefront cannabis dispensary's profits.
- b. The certification of ownership and profits will be a condition on the permit.

7. SOQ Acceptance and Evaluation.

- a. SOQs shall not be altered after opening.
- b. No criteria may be used in evaluating a SOQ that are not specified in the RFQ or in applicable City Code or other applicable laws or regulations.
- c. All responsive SOQs shall be reviewed and scored by an unbiased and neutral review panel who possess the relevant knowledge or experience to evaluate the SOQs. Members of the review panel may consist of individuals who:
 - i. Have some level of expertise in economic or business development;
 - ii. Have an active involvement in social equity matters; or
 - iii. Are cannabis business regulators from another jurisdiction.

- d. Under no circumstances will a member of the review panel be an employee or a contractor of the City or affiliated in any way with the cannabis industry in the city of Sacramento.
- e. No member of the review panel may discuss the SOQ with applicants for any purpose other than administrative clarification after the submission of SOQ, except during the presentation phase, if any.
- f. Once OCM has received and calculated all the reviewing panels' scores, the top scoring SOQs shall be awarded the opportunity to apply for a permit, until all available permits have been issued.
- g. OCM will notify all applicants of the status of their SOQs through award announcements and publish the scores for all SOQs on its website as soon as reasonably possible.

8. Late and Nonresponsive SOQs.

- a. A SOQ is late if it is received at the location designated in the RFQ after the deadline specified in the RFQ. A late SOQ shall be rejected and not considered, regardless of the reason for the lateness, including circumstances beyond the control of the individual or group that submits the SOQ. A late SOQ may only be opened for identification purposes.
- b. A SOQ is nonresponsive if it does not comply with requirements of the RFQ or if it is submitted in accordance with section 5(b).
- c. Late and nonresponsive SOQs will be returned.
- d. OCM shall have the authority to reject SOQs that are late or nonresponsive.

9. **Public Disclosure.** SOQs submitted in response to the RFQ will be made available in response to a request for public records in accordance with the California Public Records Act.

10. **Timeframe for Opportunity to Apply for a Permit.** It is imperative that permits are actually issued to businesses that will successfully operate within a reasonable period of time. Therefore, any opportunity to apply for a permit shall become void and of no effect if the awarded applicant surrenders the opportunity to apply in writing or the storefront cannabis dispensary is not operating after a period of three years from the date of the applicant's award announcement.

11. **Conditions on Permits.** By responding to the RFQ, applicants understand and agree that in addition to all other applicable permit conditions, the City will place the following conditions on their permit for 10 years starting from its issuance: at least 51% of the ownership of the permitted storefront cannabis dispensary must be held by one or more CORE Program participants in classifications 1 or 2; and at least 51% of the profits of the dispensary must be allocated to the CORE Program participant owner(s).

12. **Tied Scores.** If there are tied top scoring SOQs and there are more tied scores than permits, then the City will use a process to randomly select an applicant from among those tied SOQs.

RESOLUTION 2024-0049

Adopted by the Sacramento City Council

February 27, 2024

One-Year Extension of the Opportunity to Apply for and Operate a Storefront Cannabis Dispensary for the 2021 Request for Qualifications - Permit Process for the Core Program**BACKGROUND**

- A. In 2020, the City Council determined that: i) all available storefront cannabis dispensary (“storefront”) permits should be made available to participants in classifications 1 or 2 of the City’s Cannabis Opportunity Reinvestment and Equity Program (“CORE”) through a competitive process; ii) the 10 top-scoring participants be given 3 years from selection announcement to apply for and operate a storefront; and iii) if any of the top-scoring participants were not able to apply for and operate a storefront within that time, the opportunity to apply would be given to the next top-scoring participant (Resolution No. 2020-0338) (Exhibit A). The Council also directed staff to return with a report on the status of the process and 10 top-scoring participants.
- B. In early 2021, the Office of Cannabis Management (“Office”) conducted a competitive selection process through a request for qualifications.
- C. On April 1, 2021, the Office announced the 10 top-scoring participants (“selected participants”). The selected participants must apply for and operate a storefront by April 1, 2024, or forfeit their opportunity for an available permit.
- D. On January 23, 2024, as directed, the Office provided a status report to the City Council during a regular meeting on the progress of the selected participants. Overall, the Office reported that 5 out of the 10 selected participants successfully applied for an available storefront permit. The other 5 participants (“in-process participants”) were in various stages of the build-out process, including applying for a conditional use permit and a certificate of occupancy, reconfiguring the site to meet applicable requirements, and searching for a site to operate a storefront. Three of the in-process participants requested additional time to become operational. The Office identified several factors that may have challenged the business development climate (e.g., the 2020 global pandemic, lack of access to funding, overcoming barriers noted in the City’s Cannabis Equity Study, maintaining a lease for a site while obtaining land-use approvals, and predatory partners/investors); and reported that the in-process participants invested significant time, money, and resources into the opportunity to apply for and operate a storefront.

E. After consideration of public comment and discussion on the matter during the meeting, the City Council directed that the in-process participants should be given an additional year to apply for and operate a storefront.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

SECTION 1.

Notwithstanding section 10 of the City’s Request for Qualifications (RFQ) Process to Issue a Storefront Cannabis Dispensary Permit (Resolution No. 2020-0338), the April 1, 2024 deadline to apply for and operate a storefront cannabis dispensary for the 2021 RFQ Process is hereby extended to April 1, 2025.

TABLE OF CONTENTS:

Exhibit A – Resolution No. 2020-0338

Adopted by the City of Sacramento City Council on February 27, 2024, by the following vote:

Ayes: Members Guerra, Jennings, Kaplan, Maple, Talamantes, Valenzuela, Vang, and Mayor Steinberg

Noes: None

Abstain: None

Absent: None

Attest:  03/04/2024
Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.

RESOLUTION NO. 2020-0338

Adopted by the Sacramento City Council

October 13, 2020

Process to Issue Storefront Cannabis Dispensary Permits

BACKGROUND

- A. The City of Sacramento may have no more than 40 valid storefront cannabis dispensary (“storefront”) permits. (Sacramento City Code section 5.150.350)
- B. The City Manager may issue a storefront permit through a process that is established by resolution of the City Council. (Sacramento City Code section 5.150.350)
- C. The process must comply with the City Code and may evaluate an applicant’s ability to successfully apply for and operate a storefront and utilize criteria reasonably necessary to protect the public health, safety, and welfare. (Sacramento City Code section 5.150.350)
- D. The City’s Cannabis Opportunity Reinvestment and Equity (“CORE”) Program was established to reduce barriers of entry and participation to cannabis businesses for communities and individuals negatively impacted by the disproportionate enforcement of cannabis-related crimes. CORE Program participants are currently granted priority for any storefront permits. (Resolution 2018-0323.)
- E. On January 14, 2020, the City Council determined that: i) all storefront permits should be issued to an individual or a group of individuals in classifications 1 or 2 of the City’s CORE Program; ii) at least 51% of the ownership interest in and profits from these new storefronts must be allocated to participants that meet classifications 1 or 2 of the CORE Program for a period of 10 years from issuance of the permit; and iii) CORE Program participants be given three years from selection to apply for and operate a storefront dispensary.
- F. On September 1, 2020, the City Council determined that a storefront dispensary permit should be issued through a competitive process that weighs qualifications of CORE Program participants.
- G. A fair and equitable way to allocate a storefront permits, and ensure that the best qualified CORE Program participants are selected, is through a request for qualifications (“RFQ”) process that utilizes criteria that evaluate the ability for an individual or group of individuals in the CORE Program to successfully apply for and operate a storefront dispensary.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The RFQ Process for issuing storefront cannabis dispensary permits to individuals or groups of individuals in classifications 1 or 2 of the CORE Program is hereby adopted. (Exhibit A).
- Section 2. Exhibit A is a part of this Resolution.

Table of Contents:

Exhibit A - Request for Qualifications (“RFQ”) Process to Issue a Storefront Cannabis Dispensary Permit

Adopted by the City of Sacramento City Council on October 13, 2020, by the following vote:

- Ayes: Members Ashby, Carr, Guerra, Hansen, Harris, Jennings, Schenirer, Warren and Mayor Steinberg
- Noes: None
- Abstain: None
- Absent: None

Attest: Mindy Cuppy digital signature created by Mindy Cuppy on 10/13/2020 10:14:00 AM
Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.

CITY OF SACRAMENTO
REQUEST FOR QUALIFICATIONS (“RFQ”) PROCESS TO ISSUE A
STOREFRONT CANNABIS DISPENSARY PERMIT

The following RFQ process is established pursuant to Sacramento City Code section 5.150.350, which provides that whenever the number of storefront cannabis dispensary permits falls below 40, the City may issue a permit to an applicant through a process that is consistent with the City Code and established by city council resolution. (Resolution No. _____)

A. Definitions.

The following definitions apply to this process:

1. “Applicant” means an individual or group of individuals in classification 1 or 2 of the CORE Program who submits a statement of qualifications in response to the City’s RFQ for issuance of a permit.
2. “Cannabis dispensary, storefront” has the same meaning as in City Code section 5.150.020.
3. “Classification 1” means classification 1 of the CORE Program as described in City Council resolution 2018-0323.
4. “Classification 2” means classification 2 of the CORE Program as described in City Council resolution 2018-0323.
5. “City Attorney” means the City Attorney or the City Attorney’s designee.
6. “City Manager” means the City Manager or the City Manager’s designee.
7. “CORE Program participant” has the same meaning as described in City Council resolution 2018-0323.
8. “CORE Program” means the City’s Cannabis Opportunity Reinvestment and Equity Program, adopted by City Council resolution 2018-0323.

9. "Individual" means a sole, natural person.
10. "OCM" means the City's Office of Cannabis Management.
11. "Ownership interest" has the same meaning as in City Code section 5.150.020.
12. "Permit" means a business operations permit issued by the City to operate a storefront cannabis dispensary.
13. "Permit application process" means the City's process for an applicant to obtain a permit in accordance with applicable state law and City Code. It includes, at a minimum, obtaining a certificate of occupancy, conditional use permit, and a business operating permit.
14. "Request for Qualifications" or "RFQ" means a written request for the submission of qualifications to successfully apply for and operate a storefront cannabis dispensary.
15. "Statement of Qualifications" or "SOQs" means the written document submitted in response to a RFQ.

B. Process.

1. **Who May Apply?** The RFQ is open to all individuals who are CORE Program participants in classification 1 or 2.
2. **Advertising.** When a permit becomes available, OCM will advertise the RFQ for 10 calendar days on the City's website and through other industry appropriate means.
3. **RFQ Requirements.**
 - a. The RFQ will be used solely to identify CORE Program participants with the highest scoring SOQs to successfully apply for and operate

a storefront cannabis dispensary within three years of being awarded the opportunity to apply for the permit.

- b. OCM will prepare the RFQ. The RFQ must be in the City's standard RFQ format.

4. RFQ Evaluation Criteria.

- a. The RFQ shall utilize criteria that comply with the City Code and all applicable City procurement policies and procedures; are reasonably necessary to protect the public health, safety, and welfare; and evaluate the experience and training of applicants to determine which applicants will be the most successful at applying for and operating a storefront cannabis dispensary including:
 - i. A description of classes, trainings, and workshops completed to prepare the applicant for operating a successful cannabis business in the city of Sacramento.
 - ii. A business plan that includes a detailed timeline, budget, and a plan to achieve success and sustainability.
- b. In developing the RFQ criteria, OCM must consider input of CORE Program participants.
- c. The criteria for the RFQ are subject to the approval of the City Manager and the City Attorney.

5. Statement of Qualifications.

- a. To respond to the RFQ, CORE Program participants must submit a SOQ in writing to OCM by the due date indicated in the advertisement.
- b. A SOQ may be submitted by one CORE Program participant or by a group of participants. No individual may be identified in any capacity in more than one SOQ. Such a duplicate submission will result in the

subject SOQs being deemed nonresponsive and disqualified from review.

6. Required Certifications in SOQs.

- a. Applicants must certify in their SOQ that for a period of 10 years from the issuance of the permit that:
 - i. At least 51% of the ownership interest in the storefront cannabis dispensary will be held by one or more CORE Program participants in classifications 1 or 2, and
 - ii. Owner(s) of the dispensary who are CORE Program participants will receive at least 51% of the storefront cannabis dispensary's profits.
- b. The certification of ownership and profits will be a condition on the permit.

7. SOQ Acceptance and Evaluation.

- a. SOQs shall not be altered after opening.
- b. No criteria may be used in evaluating a SOQ that are not specified in the RFQ or in applicable City Code or other applicable laws or regulations.
- c. All responsive SOQs shall be reviewed and scored by an unbiased and neutral review panel who possess the relevant knowledge or experience to evaluate the SOQs. Members of the review panel may consist of individuals who:
 - i. Have some level of expertise in economic or business development;
 - ii. Have an active involvement in social equity matters; or
 - iii. Are cannabis business regulators from another jurisdiction.

- d. Under no circumstances will a member of the review panel be an employee or a contractor of the City or affiliated in any way with the cannabis industry in the city of Sacramento.
- e. No member of the review panel may discuss the SOQ with applicants for any purpose other than administrative clarification after the submission of SOQ, except during the presentation phase, if any.
- f. Once OCM has received and calculated all the reviewing panels' scores, the top scoring SOQs shall be awarded the opportunity to apply for a permit, until all available permits have been issued.
- g. OCM will notify all applicants of the status of their SOQs through award announcements and publish the scores for all SOQs on its website as soon as reasonably possible.

8. Late and Nonresponsive SOQs.

- a. A SOQ is late if it is received at the location designated in the RFQ after the deadline specified in the RFQ. A late SOQ shall be rejected and not considered, regardless of the reason for the lateness, including circumstances beyond the control of the individual or group that submits the SOQ. A late SOQ may only be opened for identification purposes.
- b. A SOQ is nonresponsive if it does not comply with requirements of the RFQ or if it is submitted in accordance with section 5(b).
- c. Late and nonresponsive SOQs will be returned.
- d. OCM shall have the authority to reject SOQs that are late or nonresponsive.

9. **Public Disclosure.** SOQs submitted in response to the RFQ will be made available in response to a request for public records in accordance with the California Public Records Act.

10. **Timeframe for Opportunity to Apply for a Permit.** It is imperative that permits are actually issued to businesses that will successfully operate within a reasonable period of time. Therefore, any opportunity to apply for a permit shall become void and of no effect if the awarded applicant surrenders the opportunity to apply in writing or the storefront cannabis dispensary is not operating after a period of three years from the date of the applicant's award announcement.

11. **Conditions on Permits.** By responding to the RFQ, applicants understand and agree that in addition to all other applicable permit conditions, the City will place the following conditions on their permit for 10 years starting from its issuance: at least 51% of the ownership of the permitted storefront cannabis dispensary must be held by one or more CORE Program participants in classifications 1 or 2; and at least 51% of the profits of the dispensary must be allocated to the CORE Program participant owner(s).

12. **Tied Scores.** If there are tied top scoring SOQs and there are more tied scores than permits, then the City will use a process to randomly select an applicant from among those tied SOQs.

RESOLUTION 2025-0067

Adopted by the Sacramento City Council

March 25, 2025

Extending the Opportunity to Apply for and Operate a Storefront Cannabis Dispensary for the Core Program**BACKGROUND**

- A. In 2020, the City Council determined that: i) all available storefront cannabis dispensary (storefront) permits should be made available to participants in classifications 1 or 2 of the City's Cannabis Opportunity Reinvestment and Equity Program (CORE) through a competitive process; ii) the top-scoring 10 participants be given 3 years from selection announcement to apply for and operate a storefront; and iii) if any of the top-scoring participants were not able to apply for and operate a storefront within that time, the opportunity to apply would be given to the next top-scoring participant (Resolution No. 2020-0338).
- B. In early 2021, the Office of Cannabis Management (Office) conducted a competitive selection process through a request for qualifications.
- C. On April 1, 2021, the Office announced the 10 top-scoring participants (selected participants). The selected participants must apply for and operate a storefront by April 1, 2024, or forfeit their opportunity for an available permit.
- D. On January 23, 2024, as directed, the Office provided a status report to the City Council during a regular meeting on the progress of the selected participants. Overall, the Office reported that 5 out of the 10 selected participants successfully applied for an available storefront permit. The other 5 participants (in-process participants) were in various stages of the build-out process, including applying for a conditional use permit and a certificate of occupancy, reconfiguring the site to meet applicable requirements, and searching for a site to operate a storefront. Three of the in-process participants requested additional time to become operational. The Office identified several factors that may have challenged the business development climate (e.g., the 2020 global pandemic, lack of access to funding, overcoming barriers noted in the City's Cannabis Equity Study, maintaining a lease for a site while obtaining land-use approvals, and predatory partners/investors); and reported that the in-process participants invested significant time, money, and resources into the opportunity to apply for and operate a storefront.

- E. After consideration of public comments and discussion on the matter during the meeting, the City Council directed that the in-process participants should be given one additional year to apply for and operate a storefront.
- F. On February 27, 2024, the Council adopted Resolution No. 2024-0049 extending the deadline to April 1, 2025.
- G. As the April 1, 2025 deadline approaches, there are three selected participants (#4, #6, and #10) who are either in the final stages of applying for a storefront permit or getting their business operations started. Specifically, one of the participants obtained a BOP on December 10, 2024, and anticipates becoming operational as soon as some internal business matters are resolved. The participant is currently working with the City's CORE Program facilitator to resolve the matter. OCM staff anticipates a speedy resolution. The second participant has obtained building permits and construction is in progress aligning the building with City Code requirements to operate a storefront. Staff anticipate that the second participant will be able to obtain a BOP within the next few months. The final participant has suffered fire damage to their previous location, making the building no longer conducive for establishing storefront. The participant has been searching for a new location but has had little success given the limited inventory for storefront facilities in the proper zoning areas. Staff believe additional time would support this participant's success in obtaining a BOP.
- H. CORE is a program aimed to assist individuals who have been negatively impacted by the disproportionate enforcement of cannabis-related crimes by providing them with assistance and an opportunity to participate in the cannabis industry. Authorizing an additional one-year extension will provide an equal opportunity to assist the three in-process participants, who have invested significant time, money, and resources, to complete the permitting process and operate a storefront. This extension will further drive the mission of the CORE program and the goal of parity between non-CORE (50%) and CORE (50%) permit ownership.
- I. Given the difficulty the selected participants have had in applying for and operating a storefront as outlined herein, additional time is needed for a newly selected CORE participant to apply for and operate a storefront.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

SECTION 1.

As for the final in-process participants, numbers 4, 6, and 10 winners, of the City’s 2021 Request for Qualifications (RFQ) Process to Issue a Storefront Cannabis Dispensary Permit, the April 1, 2025 deadline to apply for and operate a storefront cannabis dispensary provided in Resolution No. 2024-0049 is hereby extended to April 1, 2026.

SECTION 2.

Notwithstanding the three-year timeframe provided in section B (10) of the Request for Qualifications (RFQ) Process to Issue a Storefront Cannabis Dispensary Permit, Resolution No. 2020-0338, any applicant that is awarded an opportunity to apply for and operate a storefront cannabis dispensary after the adoption of this Resolution shall be given five years from the date of the award to apply for and operate a storefront.

TABLE OF CONTENTS:

Exhibit A – Resolution No. 2020-0338

Exhibit B – Resolution No. 2024-0049

Adopted by the City of Sacramento City Council on March 25, 2025, by the following vote:

Ayes: Members Dickinson, Guerra, Jennings, Kaplan, Maple, Pluckebaum, Talamantes, Vang, and Mayor McCarty

Noes: None

Abstain: None

Absent: None

Attest:  04/01/2025
Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.

RESOLUTION NO. 2020-0338

Adopted by the Sacramento City Council

October 13, 2020

Process to Issue Storefront Cannabis Dispensary Permits

BACKGROUND

- A. The City of Sacramento may have no more than 40 valid storefront cannabis dispensary (“storefront”) permits. (Sacramento City Code section 5.150.350)
- B. The City Manager may issue a storefront permit through a process that is established by resolution of the City Council. (Sacramento City Code section 5.150.350)
- C. The process must comply with the City Code and may evaluate an applicant’s ability to successfully apply for and operate a storefront and utilize criteria reasonably necessary to protect the public health, safety, and welfare. (Sacramento City Code section 5.150.350)
- D. The City’s Cannabis Opportunity Reinvestment and Equity (“CORE”) Program was established to reduce barriers of entry and participation to cannabis businesses for communities and individuals negatively impacted by the disproportionate enforcement of cannabis-related crimes. CORE Program participants are currently granted priority for any storefront permits. (Resolution 2018-0323.)
- E. On January 14, 2020, the City Council determined that: i) all storefront permits should be issued to an individual or a group of individuals in classifications 1 or 2 of the City’s CORE Program; ii) at least 51% of the ownership interest in and profits from these new storefronts must be allocated to participants that meet classifications 1 or 2 of the CORE Program for a period of 10 years from issuance of the permit; and iii) CORE Program participants be given three years from selection to apply for and operate a storefront dispensary.
- F. On September 1, 2020, the City Council determined that a storefront dispensary permit should be issued through a competitive process that weighs qualifications of CORE Program participants.
- G. A fair and equitable way to allocate a storefront permits, and ensure that the best qualified CORE Program participants are selected, is through a request for qualifications (“RFQ”) process that utilizes criteria that evaluate the ability for an individual or group of individuals in the CORE Program to successfully apply for and operate a storefront dispensary.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The RFQ Process for issuing storefront cannabis dispensary permits to individuals or groups of individuals in classifications 1 or 2 of the CORE Program is hereby adopted. (Exhibit A).

Section 2. Exhibit A is a part of this Resolution.

Table of Contents:

Exhibit A - Request for Qualifications (“RFQ”) Process to Issue a Storefront Cannabis Dispensary Permit

Adopted by the City of Sacramento City Council on October 13, 2020, by the following vote:

Ayes: Members Ashby, Carr, Guerra, Hansen, Harris, Jennings, Schenirer, Warren and Mayor Steinberg

Noes: None

Abstain: None

Absent: None

Attest:


Mindy Cuppy Date: 2020-10-13 10:03:54 -0700
Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.

CITY OF SACRAMENTO
REQUEST FOR QUALIFICATIONS (“RFQ”) PROCESS TO ISSUE A
STOREFRONT CANNABIS DISPENSARY PERMIT

The following RFQ process is established pursuant to Sacramento City Code section 5.150.350, which provides that whenever the number of storefront cannabis dispensary permits falls below 40, the City may issue a permit to an applicant through a process that is consistent with the City Code and established by city council resolution. (Resolution No. _____)

A. Definitions.

The following definitions apply to this process:

1. “Applicant” means an individual or group of individuals in classification 1 or 2 of the CORE Program who submits a statement of qualifications in response to the City’s RFQ for issuance of a permit.
2. “Cannabis dispensary, storefront” has the same meaning as in City Code section 5.150.020.
3. “Classification 1” means classification 1 of the CORE Program as described in City Council resolution 2018-0323.
4. “Classification 2” means classification 2 of the CORE Program as described in City Council resolution 2018-0323.
5. “City Attorney” means the City Attorney or the City Attorney’s designee.
6. “City Manager” means the City Manager or the City Manager’s designee.
7. “CORE Program participant” has the same meaning as described in City Council resolution 2018-0323.
8. “CORE Program” means the City’s Cannabis Opportunity Reinvestment and Equity Program, adopted by City Council resolution 2018-0323.

9. "Individual" means a sole, natural person.
10. "OCM" means the City's Office of Cannabis Management.
11. "Ownership interest" has the same meaning as in City Code section 5.150.020.
12. "Permit" means a business operations permit issued by the City to operate a storefront cannabis dispensary.
13. "Permit application process" means the City's process for an applicant to obtain a permit in accordance with applicable state law and City Code. It includes, at a minimum, obtaining a certificate of occupancy, conditional use permit, and a business operating permit.
14. "Request for Qualifications" or "RFQ" means a written request for the submission of qualifications to successfully apply for and operate a storefront cannabis dispensary.
15. "Statement of Qualifications" or "SOQs" means the written document submitted in response to a RFQ.

B. Process.

1. **Who May Apply?** The RFQ is open to all individuals who are CORE Program participants in classification 1 or 2.
2. **Advertising.** When a permit becomes available, OCM will advertise the RFQ for 10 calendar days on the City's website and through other industry appropriate means.
3. **RFQ Requirements.**
 - a. The RFQ will be used solely to identify CORE Program participants with the highest scoring SOQs to successfully apply for and operate

a storefront cannabis dispensary within three years of being awarded the opportunity to apply for the permit.

- b. OCM will prepare the RFQ. The RFQ must be in the City's standard RFQ format.

4. RFQ Evaluation Criteria.

- a. The RFQ shall utilize criteria that comply with the City Code and all applicable City procurement policies and procedures; are reasonably necessary to protect the public health, safety, and welfare; and evaluate the experience and training of applicants to determine which applicants will be the most successful at applying for and operating a storefront cannabis dispensary including:
 - i. A description of classes, trainings, and workshops completed to prepare the applicant for operating a successful cannabis business in the city of Sacramento.
 - ii. A business plan that includes a detailed timeline, budget, and a plan to achieve success and sustainability.
- b. In developing the RFQ criteria, OCM must consider input of CORE Program participants.
- c. The criteria for the RFQ are subject to the approval of the City Manager and the City Attorney.

5. Statement of Qualifications.

- a. To respond to the RFQ, CORE Program participants must submit a SOQ in writing to OCM by the due date indicated in the advertisement.
- b. A SOQ may be submitted by one CORE Program participant or by a group of participants. No individual may be identified in any capacity in more than one SOQ. Such a duplicate submission will result in the

subject SOQs being deemed nonresponsive and disqualified from review.

6. Required Certifications in SOQs.

- a. Applicants must certify in their SOQ that for a period of 10 years from the issuance of the permit that:
 - i. At least 51% of the ownership interest in the storefront cannabis dispensary will be held by one or more CORE Program participants in classifications 1 or 2, and
 - ii. Owner(s) of the dispensary who are CORE Program participants will receive at least 51% of the storefront cannabis dispensary's profits.
- b. The certification of ownership and profits will be a condition on the permit.

7. SOQ Acceptance and Evaluation.

- a. SOQs shall not be altered after opening.
- b. No criteria may be used in evaluating a SOQ that are not specified in the RFQ or in applicable City Code or other applicable laws or regulations.
- c. All responsive SOQs shall be reviewed and scored by an unbiased and neutral review panel who possess the relevant knowledge or experience to evaluate the SOQs. Members of the review panel may consist of individuals who:
 - i. Have some level of expertise in economic or business development;
 - ii. Have an active involvement in social equity matters; or
 - iii. Are cannabis business regulators from another jurisdiction.

- d. Under no circumstances will a member of the review panel be an employee or a contractor of the City or affiliated in any way with the cannabis industry in the city of Sacramento.
- e. No member of the review panel may discuss the SOQ with applicants for any purpose other than administrative clarification after the submission of SOQ, except during the presentation phase, if any.
- f. Once OCM has received and calculated all the reviewing panels' scores, the top scoring SOQs shall be awarded the opportunity to apply for a permit, until all available permits have been issued.
- g. OCM will notify all applicants of the status of their SOQs through award announcements and publish the scores for all SOQs on its website as soon as reasonably possible.

8. Late and Nonresponsive SOQs.

- a. A SOQ is late if it is received at the location designated in the RFQ after the deadline specified in the RFQ. A late SOQ shall be rejected and not considered, regardless of the reason for the lateness, including circumstances beyond the control of the individual or group that submits the SOQ. A late SOQ may only be opened for identification purposes.
- b. A SOQ is nonresponsive if it does not comply with requirements of the RFQ or if it is submitted in accordance with section 5(b).
- c. Late and nonresponsive SOQs will be returned.
- d. OCM shall have the authority to reject SOQs that are late or nonresponsive.

9. **Public Disclosure.** SOQs submitted in response to the RFQ will be made available in response to a request for public records in accordance with the California Public Records Act.

10. **Timeframe for Opportunity to Apply for a Permit.** It is imperative that permits are actually issued to businesses that will successfully operate within a reasonable period of time. Therefore, any opportunity to apply for a permit shall become void and of no effect if the awarded applicant surrenders the opportunity to apply in writing or the storefront cannabis dispensary is not operating after a period of three years from the date of the applicant's award announcement.

11. **Conditions on Permits.** By responding to the RFQ, applicants understand and agree that in addition to all other applicable permit conditions, the City will place the following conditions on their permit for 10 years starting from its issuance: at least 51% of the ownership of the permitted storefront cannabis dispensary must be held by one or more CORE Program participants in classifications 1 or 2; and at least 51% of the profits of the dispensary must be allocated to the CORE Program participant owner(s).

12. **Tied Scores.** If there are tied top scoring SOQs and there are more tied scores than permits, then the City will use a process to randomly select an applicant from among those tied SOQs.

RESOLUTION 2024-0049

Adopted by the Sacramento City Council

February 27, 2024

One-Year Extension of the Opportunity to Apply for and Operate a Storefront Cannabis Dispensary for the 2021 Request for Qualifications - Permit Process for the Core Program**BACKGROUND**

- A. In 2020, the City Council determined that: i) all available storefront cannabis dispensary (“storefront”) permits should be made available to participants in classifications 1 or 2 of the City’s Cannabis Opportunity Reinvestment and Equity Program (“CORE”) through a competitive process; ii) the 10 top-scoring participants be given 3 years from selection announcement to apply for and operate a storefront; and iii) if any of the top-scoring participants were not able to apply for and operate a storefront within that time, the opportunity to apply would be given to the next top-scoring participant (Resolution No. 2020-0338) (Exhibit A). The Council also directed staff to return with a report on the status of the process and 10 top-scoring participants.
- B. In early 2021, the Office of Cannabis Management (“Office”) conducted a competitive selection process through a request for qualifications.
- C. On April 1, 2021, the Office announced the 10 top-scoring participants (“selected participants”). The selected participants must apply for and operate a storefront by April 1, 2024, or forfeit their opportunity for an available permit.
- D. On January 23, 2024, as directed, the Office provided a status report to the City Council during a regular meeting on the progress of the selected participants. Overall, the Office reported that 5 out of the 10 selected participants successfully applied for an available storefront permit. The other 5 participants (“in-process participants”) were in various stages of the build-out process, including applying for a conditional use permit and a certificate of occupancy, reconfiguring the site to meet applicable requirements, and searching for a site to operate a storefront. Three of the in-process participants requested additional time to become operational. The Office identified several factors that may have challenged the business development climate (e.g., the 2020 global pandemic, lack of access to funding, overcoming barriers noted in the City’s Cannabis Equity Study, maintaining a lease for a site while obtaining land-use approvals, and predatory partners/investors); and reported that the in-process participants invested significant time, money, and resources into the opportunity to apply for and operate a storefront.

E. After consideration of public comment and discussion on the matter during the meeting, the City Council directed that the in-process participants should be given an additional year to apply for and operate a storefront.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

SECTION 1.

Notwithstanding section 10 of the City’s Request for Qualifications (RFQ) Process to Issue a Storefront Cannabis Dispensary Permit (Resolution No. 2020-0338), the April 1, 2024 deadline to apply for and operate a storefront cannabis dispensary for the 2021 RFQ Process is hereby extended to April 1, 2025.

TABLE OF CONTENTS:

Exhibit A – Resolution No. 2020-0338

Adopted by the City of Sacramento City Council on February 27, 2024, by the following vote:

Ayes: Members Guerra, Jennings, Kaplan, Maple, Talamantes, Valenzuela, Vang, and Mayor Steinberg

Noes: None

Abstain: None

Absent: None

Attest:  03/04/2024
Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.

RESOLUTION NO. 2020-0338

Adopted by the Sacramento City Council

October 13, 2020

Process to Issue Storefront Cannabis Dispensary Permits

BACKGROUND

- A. The City of Sacramento may have no more than 40 valid storefront cannabis dispensary (“storefront”) permits. (Sacramento City Code section 5.150.350)
- B. The City Manager may issue a storefront permit through a process that is established by resolution of the City Council. (Sacramento City Code section 5.150.350)
- C. The process must comply with the City Code and may evaluate an applicant’s ability to successfully apply for and operate a storefront and utilize criteria reasonably necessary to protect the public health, safety, and welfare. (Sacramento City Code section 5.150.350)
- D. The City’s Cannabis Opportunity Reinvestment and Equity (“CORE”) Program was established to reduce barriers of entry and participation to cannabis businesses for communities and individuals negatively impacted by the disproportionate enforcement of cannabis-related crimes. CORE Program participants are currently granted priority for any storefront permits. (Resolution 2018-0323.)
- E. On January 14, 2020, the City Council determined that: i) all storefront permits should be issued to an individual or a group of individuals in classifications 1 or 2 of the City’s CORE Program; ii) at least 51% of the ownership interest in and profits from these new storefronts must be allocated to participants that meet classifications 1 or 2 of the CORE Program for a period of 10 years from issuance of the permit; and iii) CORE Program participants be given three years from selection to apply for and operate a storefront dispensary.
- F. On September 1, 2020, the City Council determined that a storefront dispensary permit should be issued through a competitive process that weighs qualifications of CORE Program participants.
- G. A fair and equitable way to allocate a storefront permits, and ensure that the best qualified CORE Program participants are selected, is through a request for qualifications (“RFQ”) process that utilizes criteria that evaluate the ability for an individual or group of individuals in the CORE Program to successfully apply for and operate a storefront dispensary.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The RFQ Process for issuing storefront cannabis dispensary permits to individuals or groups of individuals in classifications 1 or 2 of the CORE Program is hereby adopted. (Exhibit A).
- Section 2. Exhibit A is a part of this Resolution.

Table of Contents:

Exhibit A - Request for Qualifications (“RFQ”) Process to Issue a Storefront Cannabis Dispensary Permit

Adopted by the City of Sacramento City Council on October 13, 2020, by the following vote:

- Ayes: Members Ashby, Carr, Guerra, Hansen, Harris, Jennings, Schenirer, Warren and Mayor Steinberg
- Noes: None
- Abstain: None
- Absent: None

Attest:


Mindy Cuppy
Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.

CITY OF SACRAMENTO
REQUEST FOR QUALIFICATIONS (“RFQ”) PROCESS TO ISSUE A
STOREFRONT CANNABIS DISPENSARY PERMIT

The following RFQ process is established pursuant to Sacramento City Code section 5.150.350, which provides that whenever the number of storefront cannabis dispensary permits falls below 40, the City may issue a permit to an applicant through a process that is consistent with the City Code and established by city council resolution. (Resolution No. _____)

A. Definitions.

The following definitions apply to this process:

1. “Applicant” means an individual or group of individuals in classification 1 or 2 of the CORE Program who submits a statement of qualifications in response to the City’s RFQ for issuance of a permit.
2. “Cannabis dispensary, storefront” has the same meaning as in City Code section 5.150.020.
3. “Classification 1” means classification 1 of the CORE Program as described in City Council resolution 2018-0323.
4. “Classification 2” means classification 2 of the CORE Program as described in City Council resolution 2018-0323.
5. “City Attorney” means the City Attorney or the City Attorney’s designee.
6. “City Manager” means the City Manager or the City Manager’s designee.
7. “CORE Program participant” has the same meaning as described in City Council resolution 2018-0323.
8. “CORE Program” means the City’s Cannabis Opportunity Reinvestment and Equity Program, adopted by City Council resolution 2018-0323.

9. "Individual" means a sole, natural person.
10. "OCM" means the City's Office of Cannabis Management.
11. "Ownership interest" has the same meaning as in City Code section 5.150.020.
12. "Permit" means a business operations permit issued by the City to operate a storefront cannabis dispensary.
13. "Permit application process" means the City's process for an applicant to obtain a permit in accordance with applicable state law and City Code. It includes, at a minimum, obtaining a certificate of occupancy, conditional use permit, and a business operating permit.
14. "Request for Qualifications" or "RFQ" means a written request for the submission of qualifications to successfully apply for and operate a storefront cannabis dispensary.
15. "Statement of Qualifications" or "SOQs" means the written document submitted in response to a RFQ.

B. Process.

1. **Who May Apply?** The RFQ is open to all individuals who are CORE Program participants in classification 1 or 2.
2. **Advertising.** When a permit becomes available, OCM will advertise the RFQ for 10 calendar days on the City's website and through other industry appropriate means.
3. **RFQ Requirements.**
 - a. The RFQ will be used solely to identify CORE Program participants with the highest scoring SOQs to successfully apply for and operate

a storefront cannabis dispensary within three years of being awarded the opportunity to apply for the permit.

- b. OCM will prepare the RFQ. The RFQ must be in the City's standard RFQ format.

4. RFQ Evaluation Criteria.

- a. The RFQ shall utilize criteria that comply with the City Code and all applicable City procurement policies and procedures; are reasonably necessary to protect the public health, safety, and welfare; and evaluate the experience and training of applicants to determine which applicants will be the most successful at applying for and operating a storefront cannabis dispensary including:
 - i. A description of classes, trainings, and workshops completed to prepare the applicant for operating a successful cannabis business in the city of Sacramento.
 - ii. A business plan that includes a detailed timeline, budget, and a plan to achieve success and sustainability.
- b. In developing the RFQ criteria, OCM must consider input of CORE Program participants.
- c. The criteria for the RFQ are subject to the approval of the City Manager and the City Attorney.

5. Statement of Qualifications.

- a. To respond to the RFQ, CORE Program participants must submit a SOQ in writing to OCM by the due date indicated in the advertisement.
- b. A SOQ may be submitted by one CORE Program participant or by a group of participants. No individual may be identified in any capacity in more than one SOQ. Such a duplicate submission will result in the

subject SOQs being deemed nonresponsive and disqualified from review.

6. Required Certifications in SOQs.

- a. Applicants must certify in their SOQ that for a period of 10 years from the issuance of the permit that:
 - i. At least 51% of the ownership interest in the storefront cannabis dispensary will be held by one or more CORE Program participants in classifications 1 or 2, and
 - ii. Owner(s) of the dispensary who are CORE Program participants will receive at least 51% of the storefront cannabis dispensary's profits.
- b. The certification of ownership and profits will be a condition on the permit.

7. SOQ Acceptance and Evaluation.

- a. SOQs shall not be altered after opening.
- b. No criteria may be used in evaluating a SOQ that are not specified in the RFQ or in applicable City Code or other applicable laws or regulations.
- c. All responsive SOQs shall be reviewed and scored by an unbiased and neutral review panel who possess the relevant knowledge or experience to evaluate the SOQs. Members of the review panel may consist of individuals who:
 - i. Have some level of expertise in economic or business development;
 - ii. Have an active involvement in social equity matters; or
 - iii. Are cannabis business regulators from another jurisdiction.

- d. Under no circumstances will a member of the review panel be an employee or a contractor of the City or affiliated in any way with the cannabis industry in the city of Sacramento.
- e. No member of the review panel may discuss the SOQ with applicants for any purpose other than administrative clarification after the submission of SOQ, except during the presentation phase, if any.
- f. Once OCM has received and calculated all the reviewing panels' scores, the top scoring SOQs shall be awarded the opportunity to apply for a permit, until all available permits have been issued.
- g. OCM will notify all applicants of the status of their SOQs through award announcements and publish the scores for all SOQs on its website as soon as reasonably possible.

8. Late and Nonresponsive SOQs.

- a. A SOQ is late if it is received at the location designated in the RFQ after the deadline specified in the RFQ. A late SOQ shall be rejected and not considered, regardless of the reason for the lateness, including circumstances beyond the control of the individual or group that submits the SOQ. A late SOQ may only be opened for identification purposes.
- b. A SOQ is nonresponsive if it does not comply with requirements of the RFQ or if it is submitted in accordance with section 5(b).
- c. Late and nonresponsive SOQs will be returned.
- d. OCM shall have the authority to reject SOQs that are late or nonresponsive.

9. **Public Disclosure.** SOQs submitted in response to the RFQ will be made available in response to a request for public records in accordance with the California Public Records Act.
10. **Timeframe for Opportunity to Apply for a Permit.** It is imperative that permits are actually issued to businesses that will successfully operate within a reasonable period of time. Therefore, any opportunity to apply for a permit shall become void and of no effect if the awarded applicant surrenders the opportunity to apply in writing or the storefront cannabis dispensary is not operating after a period of three years from the date of the applicant's award announcement.
11. **Conditions on Permits.** By responding to the RFQ, applicants understand and agree that in addition to all other applicable permit conditions, the City will place the following conditions on their permit for 10 years starting from its issuance: at least 51% of the ownership of the permitted storefront cannabis dispensary must be held by one or more CORE Program participants in classifications 1 or 2; and at least 51% of the profits of the dispensary must be allocated to the CORE Program participant owner(s).
12. **Tied Scores.** If there are tied top scoring SOQs and there are more tied scores than permits, then the City will use a process to randomly select an applicant from among those tied SOQs.

ORDINANCE 2025-0008

Adopted by the Sacramento City Council

April 22, 2025

**An Ordinance Amending Section 5.150.350 of the Sacramento City Code,
Relating to Limit on Storefront Cannabis Dispensary Permits**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Section 5.150.350 of the Sacramento City Code is hereby amended to read as follows:

5.150.350 Limit on storefront cannabis dispensary permits.

- A. Notwithstanding any contrary provision in this chapter, the city shall not issue a new storefront cannabis dispensary permit if there are 43 or more valid storefront cannabis dispensary permits at the time an application is submitted.
- B. Whenever the number of valid storefront cannabis dispensary permits falls below 43, the city manager may issue a storefront cannabis dispensary permit to an applicant through a process that is established by city council resolution. The process must, at a minimum, be consistent with the code and may:
 - 1. Evaluate whether applicants will be able to successfully submit a complete application for a storefront cannabis dispensary permit;
 - 2. Evaluate whether applicants will be able to successfully operate a storefront cannabis dispensary; and
 - 3. Utilize criteria reasonably necessary to protect the public health, safety, and welfare.

Adopted by the City of Sacramento City Council on April 22, 2025, by the following vote:

Ayes: Members Dickinson, Guerra, Jennings, Kaplan, Maple, Pluckebaum, Talamantes, Vang, and Mayor McCarty

Noes: None

Abstain: None

Absent: None

Attest:  04/24/2025
Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.

Passed for Publication: Not applicable.

Published: Published in full pursuant to Sacramento City Charter, § 32(d).

Effective: May 22, 2025

ORDINANCE NO. 2020-0035

Adopted by the Sacramento City Council

October 13, 2020

**An Ordinance Amending Section 5.150.350 of the Sacramento City Code, Relating to
Storefront Cannabis Dispensaries**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Section 5.150.350 of the Sacramento City Code is amended to read as follows:

5.150.350 Limit on storefront cannabis dispensary permits.

- A. Notwithstanding any contrary provision in this chapter, the city shall not issue a new storefront cannabis dispensary permit if there are 40 or more valid storefront cannabis dispensary permits at the time an application is submitted.
- B. Whenever the number of valid storefront cannabis dispensary permits is less than 40, the city manager may issue an available permit through a process that is established by city council resolution. The process must, at a minimum, be consistent with this code and may:
 - 1. Evaluate whether applicants will be able to successfully submit a complete application for a storefront cannabis dispensary permit;
 - 2. Evaluate whether applicants will be able to successfully operate a storefront cannabis dispensary; and
 - 3. Utilize criteria reasonably necessary to protect the public health, safety, and welfare.

Adopted by the City of Sacramento City Council on October 13, 2020, by the following vote:

Ayes: Members Ashby, Carr, Guerra, Hansen, Harris, Jennings, Schenirer, Warren and Mayor Steinberg

Noes: None

Abstain: None

Absent: None

Attest: **Mindy Cuppy** Digitally signed by Mindy Cuppy
Date: 2020.10.16 09:30:05
-07'00'

Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.

Passed for Publication: Not applicable
Published: To be published in its entirety
Effective: November 12, 2020

RESOLUTION NO. 2020-0338

Adopted by the Sacramento City Council

October 13, 2020

Process to Issue Storefront Cannabis Dispensary Permits**BACKGROUND**

- A. The City of Sacramento may have no more than 40 valid storefront cannabis dispensary (“storefront”) permits. (Sacramento City Code section 5.150.350)
- B. The City Manager may issue a storefront permit through a process that is established by resolution of the City Council. (Sacramento City Code section 5.150.350)
- C. The process must comply with the City Code and may evaluate an applicant’s ability to successfully apply for and operate a storefront and utilize criteria reasonably necessary to protect the public health, safety, and welfare. (Sacramento City Code section 5.150.350)
- D. The City’s Cannabis Opportunity Reinvestment and Equity (“CORE”) Program was established to reduce barriers of entry and participation to cannabis businesses for communities and individuals negatively impacted by the disproportionate enforcement of cannabis-related crimes. CORE Program participants are currently granted priority for any storefront permits. (Resolution 2018-0323.)
- E. On January 14, 2020, the City Council determined that: i) all storefront permits should be issued to an individual or a group of individuals in classifications 1 or 2 of the City’s CORE Program; ii) at least 51% of the ownership interest in and profits from these new storefronts must be allocated to participants that meet classifications 1 or 2 of the CORE Program for a period of 10 years from issuance of the permit; and iii) CORE Program participants be given three years from selection to apply for and operate a storefront dispensary.
- F. On September 1, 2020, the City Council determined that a storefront dispensary permit should be issued through a competitive process that weighs qualifications of CORE Program participants.
- G. A fair and equitable way to allocate a storefront permits, and ensure that the best qualified CORE Program participants are selected, is through a request for qualifications (“RFQ”) process that utilizes criteria that evaluate the ability for an individual or group of individuals in the CORE Program to successfully apply for and operate a storefront dispensary.

CITY OF SACRAMENTO
REQUEST FOR QUALIFICATIONS (“RFQ”) PROCESS TO ISSUE A
STOREFRONT CANNABIS DISPENSARY PERMIT

The following RFQ process is established pursuant to Sacramento City Code section 5.150.350, which provides that whenever the number of storefront cannabis dispensary permits falls below 40, the City may issue a permit to an applicant through a process that is consistent with the City Code and established by city council resolution. (Resolution No. _____)

A. Definitions.

The following definitions apply to this process:

1. “Applicant” means an individual or group of individuals in classification 1 or 2 of the CORE Program who submits a statement of qualifications in response to the City’s RFQ for issuance of a permit.
2. “Cannabis dispensary, storefront” has the same meaning as in City Code section 5.150.020.
3. “Classification 1” means classification 1 of the CORE Program as described in City Council resolution 2018-0323.
4. “Classification 2” means classification 2 of the CORE Program as described in City Council resolution 2018-0323.
5. “City Attorney” means the City Attorney or the City Attorney’s designee.
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7. “CORE Program participant” has the same meaning as described in City Council resolution 2018-0323.
8. “CORE Program” means the City’s Cannabis Opportunity Reinvestment and Equity Program, adopted by City Council resolution 2018-0323.

9. "Individual" means a sole, natural person.
10. "OCM" means the City's Office of Cannabis Management.
11. "Ownership interest" has the same meaning as in City Code section 5.150.020.
12. "Permit" means a business operations permit issued by the City to operate a storefront cannabis dispensary.
13. "Permit application process" means the City's process for an applicant to obtain a permit in accordance with applicable state law and City Code. It includes, at a minimum, obtaining a certificate of occupancy, conditional use permit, and a business operating permit.
14. "Request for Qualifications" or "RFQ" means a written request for the submission of qualifications to successfully apply for and operate a storefront cannabis dispensary.
15. "Statement of Qualifications" or "SOQs" means the written document submitted in response to a RFQ.

B. Process.

1. **Who May Apply?** The RFQ is open to all individuals who are CORE Program participants in classification 1 or 2.
2. **Advertising.** When a permit becomes available, OCM will advertise the RFQ for 10 calendar days on the City's website and through other industry appropriate means.
3. **RFQ Requirements.**
 - a. The RFQ will be used solely to identify CORE Program participants with the highest scoring SOQs to successfully apply for and operate

a storefront cannabis dispensary within three years of being awarded the opportunity to apply for the permit.

- b. OCM will prepare the RFQ. The RFQ must be in the City's standard RFQ format.

4. RFQ Evaluation Criteria.

- a. The RFQ shall utilize criteria that comply with the City Code and all applicable City procurement policies and procedures; are reasonably necessary to protect the public health, safety, and welfare; and evaluate the experience and training of applicants to determine which applicants will be the most successful at applying for and operating a storefront cannabis dispensary including:
 - i. A description of classes, trainings, and workshops completed to prepare the applicant for operating a successful cannabis business in the city of Sacramento.
 - ii. A business plan that includes a detailed timeline, budget, and a plan to achieve success and sustainability.
- b. In developing the RFQ criteria, OCM must consider input of CORE Program participants.
- c. The criteria for the RFQ are subject to the approval of the City Manager and the City Attorney.

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subject SOQs being deemed nonresponsive and disqualified from review.

6. Required Certifications in SOQs.

- a. Applicants must certify in their SOQ that for a period of 10 years from the issuance of the permit that:
 - i. At least 51% of the ownership interest in the storefront cannabis dispensary will be held by one or more CORE Program participants in classifications 1 or 2, and
 - ii. Owner(s) of the dispensary who are CORE Program participants will receive at least 51% of the storefront cannabis dispensary's profits.
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- b. No criteria may be used in evaluating a SOQ that are not specified in the RFQ or in applicable City Code or other applicable laws or regulations.
- c. All responsive SOQs shall be reviewed and scored by an unbiased and neutral review panel who possess the relevant knowledge or experience to evaluate the SOQs. Members of the review panel may consist of individuals who:
 - i. Have some level of expertise in economic or business development;
 - ii. Have an active involvement in social equity matters; or
 - iii. Are cannabis business regulators from another jurisdiction.

- d. Under no circumstances will a member of the review panel be an employee or a contractor of the City or affiliated in any way with the cannabis industry in the city of Sacramento.
- e. No member of the review panel may discuss the SOQ with applicants for any purpose other than administrative clarification after the submission of SOQ, except during the presentation phase, if any.
- f. Once OCM has received and calculated all the reviewing panels' scores, the top scoring SOQs shall be awarded the opportunity to apply for a permit, until all available permits have been issued.
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- a. A SOQ is late if it is received at the location designated in the RFQ after the deadline specified in the RFQ. A late SOQ shall be rejected and not considered, regardless of the reason for the lateness, including circumstances beyond the control of the individual or group that submits the SOQ. A late SOQ may only be opened for identification purposes.
- b. A SOQ is nonresponsive if it does not comply with requirements of the RFQ or if it is submitted in accordance with section 5(b).
- c. Late and nonresponsive SOQs will be returned.
- d. OCM shall have the authority to reject SOQs that are late or nonresponsive.

9. **Public Disclosure.** SOQs submitted in response to the RFQ will be made available in response to a request for public records in accordance with the California Public Records Act.
10. **Timeframe for Opportunity to Apply for a Permit.** It is imperative that permits are actually issued to businesses that will successfully operate within a reasonable period of time. Therefore, any opportunity to apply for a permit shall become void and of no effect if the awarded applicant surrenders the opportunity to apply in writing or the storefront cannabis dispensary is not operating after a period of three years from the date of the applicant's award announcement.
11. **Conditions on Permits.** By responding to the RFQ, applicants understand and agree that in addition to all other applicable permit conditions, the City will place the following conditions on their permit for 10 years starting from its issuance: at least 51% of the ownership of the permitted storefront cannabis dispensary must be held by one or more CORE Program participants in classifications 1 or 2; and at least 51% of the profits of the dispensary must be allocated to the CORE Program participant owner(s).
12. **Tied Scores.** If there are tied top scoring SOQs and there are more tied scores than permits, then the City will use a process to randomly select an applicant from among those tied SOQs.

City Council
March 3, 2026

A dark blue silhouette of the Sacramento skyline is positioned horizontally across the middle of the slide. It includes various building shapes and the two towers of the Golden Gate Bridge on the right side.

**Storefront Dispensary Permit Opportunities for the Cannabis Opportunity
Reinvestment and Equity (CORE) Program**

Background

Storefront dispensaries are the only cannabis permit type with a cap:

- 43 permit opportunities
- Storefront permits issued only to CORE participants, awarded by an RFQ process from 2021 (“the list”)
- 5 years to become operational
- Once a permit opportunity expires, the next person on the list receives an opportunity

One CORE permit opportunity expires on April 1, 2026:

- The CORE participant informed the City that he would not be able to meet the deadline
- He has requested the City an additional one-year extension to complete the project

Option 1 – No Extension

- Permit opportunity expires
- Next highest scoring CORE participant on the RFQ list receives opportunity

Option 2 – One-Year Extension

- Permit opportunity is extended to April 1, 2027
- Next highest scoring CORE participant on the RFQ list must wait until another opportunity becomes available

If Council grants an extension (total of 6 years), staff recommends this also apply to all new CORE permit opportunities moving forward.

Questions & Discussion

