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**Date:** 11/1/2017 4:33:55 PM  
**Subject:** Memo to Province on Cannabis Regulation  
**Attachments:** Provincial Cannabis Regulation Engagement Memo - 2017.11.01 - signed by SJ.pdf

Dear Mayor and Council,

As you may know, the Province launched an aggressive schedule for collecting feedback on what they should consider as they pursue legalizing cannabis within the forthcoming federal legalization framework. Based on Council direction to date, as well as feedback from external partners and an initial public survey, staff have prepared the attached memo, which addresses the specific questions posed by the Province that relate to municipal jurisdiction.

Given the short window of time to collect feedback and the fact that staff expect that this is the beginning of a multi-month process to hold engaged dialog with the Province on their approach to legalization, staff did not seek formal Council endorsement on this initial submission to the Province. Staff expect to bring forward to Council more detailed and comprehensive considerations over the course of the next few months, particularly after we receive more direction from the Province on their ideas.

Staff have submitted this feedback today (the deadline) and will work closely with Council over the next few months to review the current marijuana dispensary framework and develop a revised municipal regime in partnership and in alignment with the Province.

Please contact me or Kaye Krishna if you have questions about the attached or would like to further discuss our approach to moving forward with the Province.

Best,  
Sadhu

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## MEMORANDUM

November 1, 2017

TO: Hon. Mike Farnworth, Minister of Public Safety and Solicitor General

CC: Lisa Anderson, Executive Director, Cannabis Legalization & Regulation Secretariat  
Hon. Gregor Robertson, Mayor  
Kevin Quinlan, Chief of Staff, Mayor's Office  
Paul Mochrie, Deputy City Manager  
Kaye Krishna, General Manager, Development, Buildings and Licensing  
Francie Connell, Director, Legal Services  
Gil Kelley, General Manager, Planning, Urban Design and Sustainability  
Kathleen Llewellyn-Thomas, General Manager, Community Services  
Kathryn Holm, Chief Licence Inspector  
Patrick Ryan, Chief Building Official  
Rena Kendall-Craden, Director, Communications

FROM: Sadhu A. Johnston, City Manager

SUBJECT: BC Cannabis Regulation Engagement

### INTRODUCTION

Please accept this submission to the Provincial *Cannabis Regulation Engagement* process on behalf of staff within the City of Vancouver.

Due to the abbreviated engagement window, staff were unable to collect detailed feedback or gain formal endorsement from City Council on this submission and so the material held herein reflects staff research and input from various city departments. While this submission is on behalf of the City<sup>1</sup>, staff did engage external partners and conducted a public survey to inform the City's positions.

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<sup>1</sup> Note: The Vancouver Police Department (VPD), Vancouver School Board (VSB), and Vancouver Coastal Health Authority (VCH) participated in City of Vancouver meetings, but each have prepared a separate submission to the *Cannabis Regulation Engagement* process. The City also requested feedback from all the Business Improvement Areas (BIA's).  
Document5

The City has been working for several years to address the reality of the cannabis market, and welcomes supporting Federal and Provincial regulation to help protect the health and safety of our residents. We look forward to working collaboratively with our partners to implement appropriate regulations for non-medical cannabis by July 1, 2018.

**SUMMARY OF CITY OF VANCOUVER POSITION ON CANNABIS LEGALIZATION**

In preparation for the legalization of non-medical cannabis, the City is currently reviewing four key areas: personal cultivation, public consumption, distribution/retail, and taxation and revenue-sharing.

**Personal Cultivation**

The City supports the Federal policy to allow personal cultivation of non-medical cannabis, and supports the Federally proposed restriction of up to four non-medical cannabis plants per household (indoors or outdoors) subject to compliance with the Building and Fire Code and By-laws. The City also expects Provincial regulations prohibiting *commercial* cannabis cultivation in residential dwelling units or community gardens.<sup>2</sup>

The City anticipates that personal cultivation would be permitted in all residential dwelling units under the Zoning and Development By-law, but that Strata Councils or property owners would be able to establish building-specific or tenant-specific rules to prohibit cannabis cultivation. The City expects guidelines from the Residential Tenancy Branch regarding personal cultivation in rental housing.

The City expects the Province to take on enforcement responsibility of all non-criminal personal cultivation infractions within the City of Vancouver. VPD would have enforcement responsibility for all criminal offences related to personal cultivation within the City of Vancouver. City staff will work closely with the Province and VPD to support compliance with regulations governing personal cultivation.

The City does not propose a Provincial registry of home-based growers of non-medical cannabis, as we feel this would be administratively burdensome and challenging to maintain and enforce over time.

**Public Consumption**

The City expects cannabis smoking will be regulated similarly to tobacco. Anywhere residents are currently prohibited from smoking/vaping tobacco (e.g. parks, near entrances/exits, bus stops, etc.), they would also be prohibited from smoking/vaping medical or non-medical cannabis. The City expects review and amendment of the Vancouver Smoking By-law and the Provincial Tobacco and Vapour Products Control Act to reflect this principle.

As with tobacco smoking/vaping, Strata Councils or property owners would be able to establish rules to prohibit cannabis smoking/vaping. The City expects guidelines from the Residential Tenancy Branch regarding cannabis consumption in rental housing.

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<sup>2</sup> The existing City Licence By-law would also prohibit commercial cannabis cultivation in residential dwelling units, community gardens, or in urban farms (class A or B).

The City anticipates the need for broader dialog and analysis on whether to allow cannabis smoking or vaping cafés or lounges. In addition to collecting general feedback on the concept, additional research and consultation is needed regarding health impacts and licensing, zoning and building conditions and requirements.

Once legalized, the City expects edible cannabis products to be subject to Federal and/or Provincial regulations including product standards, quality assurance, and testing. While the City does not anticipate regulations prohibiting public consumption of these products, staff expect the Province to consider cannabis-specific regulations related to public intoxication.

The City has concerns regarding the potential for drug-impaired driving, and would support additional Provincial road safety regulations.

The City recognizes the need for effective public communication related to non-medical cannabis consumption, and supports the Province building a comprehensive education campaign, starting with school-aged children, focused on clarifying health and safety risks, improving health outcomes, and fostering compliance.

### **Distribution and Retail**

The City believes that storefront retail of non-medical cannabis should be allowed, subject to appropriate regulations, and that municipalities should be able to control factors such as retailer location, size, and concentration via land use rules as well as business operating conditions via municipal licensing.

While the existing non-medical cannabis retail sector in Vancouver is currently comprised exclusively of private organizations, the City envisions a mixed model of public and private organizations retailing cannabis, similar to the current framework for wine and liquor stores in Vancouver. Under this model, that City expects retailers would be subject to Provincial regulations including but not limited to licences, advertisement controls, staff training requirements, and pricing controls. The City would require all retailers, public or private, to follow municipal zoning and licensing regulations. Based on consultation with public health experts, the City does not support cannabis sales in liquor stores.

The City also requests that the Province establish a robust regulatory framework for distribution of non-medical cannabis, including operating requirements, compliance monitoring, and oversight, regardless of whether distribution is conducted by public or private enterprises. Distributors should be subject to Provincial regulations including licences, integration with production licences, product safety measures, staff training requirements, and pricing controls. The City would require all distributors, public or private, to follow municipal zoning and licensing regulations.

The City expects enforcement of Provincial retail and distribution regulations to fall under Provincial purview unless it involves a criminal offence, in which case VPD would be responsible. The City would regulate enforcement of Zoning and Development By-laws (i.e. for location, size, concentration, separation from other uses, nuisances, etc.), Licence By-law (i.e. to establish licence conditions), Fire and Building By-laws, and other municipal regulations.

The City expects Provincial regulations prohibiting home-based commercial distribution or retail of non-medical cannabis.<sup>3</sup>

### Taxation and Revenue Sharing


The City anticipates sales tax(es) on non-medical cannabis would be used to fund regulatory administration, compliance and enforcement, and public education and communications.

The City foresees significant local responsibilities post-legalization related to business licensing, property-use inspections, building and fire safety, supplemental education, enforcement and prosecution, police services, park rangers, and other municipal services. As part of the ongoing inter-jurisdictional work towards legalizing cannabis, the City of Vancouver expects a financial review of all associated costs, and the development of a strategy for allocating cannabis-related tax revenue to support the required municipal functions.

The City anticipates full cost-recovery from revenues generated by the cannabis-related sales tax(es), and does not expect to absorb any net costs related to fulfilling required municipal responsibilities.

Please do not hesitate to contact me for further discussion.

Yours truly,



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City Manager

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<sup>3</sup> The existing City Licence By-law would also prohibit commercial distribution or retail in residential dwelling units or community gardens.