



REPORT

Report Date: October 6, 2020
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Meeting Date: October 20, 2020
[Submit comments to Council](#)

TO: Vancouver City Council

FROM: General Manager of Planning, Urban Design and Sustainability,
General Manager of Development, Building and Licensing, and
General Manager of Arts, Culture and Community Services

SUBJECT: Cannabis as an Alternative to Opiates and More Dangerous Drugs on the
Downtown Eastside

RECOMMENDATION

THAT the following report be received for information.

REPORT SUMMARY

This report for information responds to Council's motion of June 26, 2019, directing staff to provide options and pathways for people to access cannabis in the Downtown Eastside (DTES), who want to use it as a harm-reduction alternative to opiates and more dangerous drugs.

Council directed staff to engage with the Vancouver Area Network of Drug Users (VANDU) and people who use drugs to consider what legislation could address their needs around cannabis. Staff heard from participants that the majority of people who use cannabis in the DTES use it for medical reasons including opioid use, alcohol addiction, less harmful alternative to pharmaceuticals, arthritis, anxiety, seasonal affective disorder, pain relief, and sleep. The group identified cost and accessibility as two key barriers that can prevent them from accessing cannabis. To improve access, the group recommended that a diversity of cannabis products be sold in the DTES by alternative retail models such as a co-op model that uses a sliding cost scale and takes a low barrier, community-oriented approach.

Staff reviewed federal, provincial and municipal cannabis regulations to determine what options exist for people to access low-cost cannabis in the DTES as a harm-reduction alternative to opiates and more dangerous drugs. Under the current federal and provincial laws, the City's role in legal non-medical cannabis retail outlets is limited to providing land use approvals, through a development permit, and upon a business obtaining a provincial retail licence, issuing a municipal business licence to operate. As licensing for the sale and distribution of any cannabis

is under provincial and federal jurisdiction, the City has no authority to issue exceptions in regards to how an operator is licensed that would allow for an alternate cannabis retail model.

Staff examined the Zoning and Development By-law to assess how this by-law could be amended to allow well-considered exceptions to the City's current regulations for cannabis stores in the Downtown Eastside. Staff found amendments to Section 11 could only affect cannabis store locations and would not enable improved access to lower cost cannabis as a form of harm prevention or reduction. If Council wishes to consider opportunities for additional cannabis retail stores in the DTES by amending section 11 of Zoning and Development By-law, such amendments would be subject to a public hearing.

As part of the Mayor's Overdose Emergency Task Force, the City continues to work with and seek advice from Dr. M-J Milloy, a research scientist at the British Columbia Centre on Substance Use (BCCSU) on the potentially positive impacts of cannabis on illicit drug users with respect to harm reduction and overdose prevention. This research will serve to inform all levels of government in their ongoing cannabis policy and regulatory work. Considering the urgent need for harm reduction approaches and access to safe supply in the DTES, staff will continue to explore the impacts of regulations on harm reduction as informed by Dr. Milloy's research and recommendations from the Mayor's Overdose Emergency Task Force.

The City can help to identify where there is a need for new legal options and pathways to increase access to cannabis in the DTES. Staff reached out to the Liquor and Cannabis Regulation Branch (LCRB) requesting their support in reviewing the regulatory processes for licensing cannabis retail stores. Should new operating models and/or pricing schemes be introduced by the Province, the City could review its own Zoning and Development By-law and License By-law and bring forward changes that complement new Provincial regulations.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The Vancouver Charter authorizes Council to regulate land use and licensing of businesses such as retail shops.

On June 24, 2015, Council approved amendments to the Zoning and Development By-law and License By-law to support regulation of Retail Dealers for Medical Marijuana-Related Use (MMRU) and Compassion Clubs through land use and licensing. MMRU was defined as a retail use in which the use of cannabis for medicinal purposes is advocated, and included compassion club as it was defined in the License By-law.

On June 26, 2018, Council approved amendments to the Zoning and Development By-law and License By-law to align with federal and provincial regulatory frameworks ahead of legalization of non-medical cannabis. MMRU was replaced with Cannabis Store and Compassion Club remained as a licence type for service only.

In November 2018, Council approved a motion for the appointment of the Mayor's Opioid Emergency Task Force, and for City staff to provide administrative and technical support to the work of the Task Force.

In December 2018, Council approved one-time funding of \$500,000 for the Mayor's Overdose Emergency Task Force including 31 recommendations to prevent further deaths. This included asking staff to seek advice from substance-use epidemiologist Dr. M-J Milloy, with the British

Columbia Centre on Substance Use (BCCSU), who is leading research to explore the role cannabis can play in helping people with opioid-use disorder.

On June 26, 2019, Council directed staff to make recommendations regarding Section 11 of the Zoning and Development By-law on how it could be amended to allow well-considered exceptions to the City's current cannabis regulations in the Downtown Eastside; to provide regulatory options and potential pathways to enable low-cost, legal cannabis options for the Downtown Eastside and to engage with the Liquor and Cannabis Regulation Branch (LCRB).

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager recommends that Council receive this report for information.

REPORT

Background/Context

On June 24, 2015, Council enacted amendments to the Zoning and Development By-law and License By-law to support the regulation of Retail Dealers for Medical Marijuana-Related Uses (MMRU). Restrictions on store locations were developed through a review of best practices and in consultation with key stakeholders: Vancouver School Board, Vancouver Coastal Health and Vancouver Police Department.

In 2016, following a significant increase in opioid-related overdose deaths from drug poisoning, a public health emergency was declared in BC. Driven by an increasingly toxic illicit drug supply contaminated by fentanyl, carfentanil, and other contaminants, Vancouver is the epicentre of this public health emergency, with over 1,507 deaths from January 2016 to August 31, 2020. The overdose death rate in Vancouver has increased every year since 2014, and the number of deaths continues to surpass historical highs due to people's dependence on a poisoned, illicit, and unregulated supply.

Compounding the opioid crisis is the current global COVID-19 pandemic. Since the start of the pandemic, overdose deaths in the province have increased significantly with deaths caused by illicit drug toxicity reaching their highest monthly totals on record in May, June and July 2020.

As a municipality, the City has a limited but essential role to play in responding to the overdose crisis including partnering with Indigenous leaders; creating supportive built environments, including safe places and spaces; partnering with all levels of government on drug policy reform and adequate investments; and resourcing and staffing first responder services (Vancouver Fire and Rescue Services and Vancouver Police Department) and overdose response innovations.

The City also works in partnership with Vancouver Coastal Health, people with lived experience, and other partners to provide comprehensive supports for individuals and communities who need them the most, including services such as housing, food security, employment, and other neighbourhood resources. Stigma related to substance use has been identified as a key barrier that keeps people from accessing treatment, as well as contributes to the criminalization of substance users in the DTES. Over the past two decades, the City has supported a public health approach to mental health and substance use through evidence-based research and practice, as well as extensive community engagement and partnerships.

What we heard

At the direction of Council, staff met with some members of VANDU, the Community Action Team (CAT) Safe Supply Working Group and other people who use drugs including cannabis on November 28, 2019 to listen to their needs around cannabis as a harm-reduction alternative to opiates and more dangerous drugs. The session was structured as a focus group and asked participants about their perspectives on the role of cannabis on DTES residents' lives, as well as their perspectives on accessing and consuming cannabis in the DTES. A total of nine participants provided feedback.

Participants shared the following key points:

- The majority of people who use cannabis in the DTES use it for medical reasons
- Cannabis helps with a number of medical issues including: opioid use, alcohol addiction, less harmful alternative to pharmaceuticals, arthritis, anxiety, seasonal affective disorder, pain relief, and sleep
- A diversity of cannabis products and stores are needed in the DTES
- Alternative models such as a co-op model that use a sliding scale and have a low barrier, community-oriented approach would improve access

The group identified two key areas of concern:

1. **Cost** - People who use opioids may also buy cannabis, but if the price is too high, that option is not possible as an alternative. Edibles in particular were mentioned as being very effective for pain and used as an alternative to opioids; however, they are even more expensive and more difficult to access.
2. **Access** - People want to stay within a two-to-three block radius of where they live to access cannabis and do not want to leave their community. It was also noted that there are fewer stores since legalization, making it harder to access cannabis and that there is higher demand for non-profit cannabis stores because people do not want to see large corporations getting licences to operate in the DTES.

Strategic Analysis

Recent research suggests that cannabis can play a significant role in harm reduction related to substance use, including supporting people to reduce their use of illicit drugs that are highly toxic and the cause of many overdose deaths in the city and across the province. Since 1996, the British Columbia Centre on Substance Use (BCCSU) has operated cohort studies of people who use drugs in Vancouver. In the last few years, the BCCSU has started to focus on cannabis to research what role cannabis might play with the group of individuals participating in the cohort studies. The BCCSU's findings show that many people who use drugs, use cannabis for harm reduction, for example, by reducing use of riskier substances.

Dr. M-J Milloy's research study findings suggest that among people at high risk of opioid overdose:

1. Cannabis use is common and often with therapeutic intent, including to mitigate the risks of other drugs.

2. Cannabis use might convey specific benefits, especially to those at risk of beginning to inject drugs, those starting treatment of opioid-use disorder, and those with chronic pain.
3. Cannabis use might reduce frequency of illicit opioid use and lower the risk of exposure to fentanyl.

In 2019/2020, Dr. M-J Milloy and the research team at the BCCSU published a dozen studies in peer-reviewed journals on the role of cannabis in the health and well-being of marginalized people who use drugs in Vancouver. Notable findings include:

1. Among 2,459 people who inject drugs (PWID) interviewed from 2005 to 2018, periods of at least daily cannabis was associated with swifter rates of cessation of injection drug use¹
2. Cannabis for therapeutic purposes (e.g., manage pain, address withdrawal, and substitute for other drugs) was reported by the majority of 897 cannabis-using people who use drugs; those whose cannabis use was characterized by pain relief had a lower risk of experiencing a non-fatal overdose. Only a very small number of participants reported accessing cannabis through legal channels²
3. Community-based projects to distribute free cannabis in the Downtown Eastside play an important role in overcoming multiple overlapping barriers (e.g., programmatic, geographic, economic) to accessing cannabis from the legal medical or non-medical systems, according to in-depth interviews with 23 people who use drugs³

The City supports exploration of research programs, clinical trials and observational studies that look at the potential benefits and risks of cannabis as a harm-reduction measure for people who use opiates and more dangerous drugs on the DTES. This is one of the 31 action items in the Mayor's Overdose Emergency Task Force recommendations. On November 27, 2019, the Mayor sent a letter to the federal Minister of Health to express Council's commitment to address the opioid crisis in Vancouver. The Mayor also requested the Government of Canada's support for a clinical research study program, to supply and study medicinal cannabis as an alternative to opioids and other illicit drugs used by community members in the DTES. The letter is provided at the end of Appendix A.

Dr. M-J Milloy will be piloting experimental trials entitled the *Generalizable Experiments in Medical Marijuana and Addiction (GEMMA)* to investigate the potential of cannabis and cannabinoids to mitigate the risk of overdose. The objective of GEMMA is to replicate positive associations seen in observational studies through controlled administration of cannabis and cannabinoids in both clinical and community settings.⁴ The study will be overseen by an advisory board made up of researchers, clinicians, policymakers, people with lived experience and their families. Staff asked Dr. M-J Milloy if the City could be a member of the advisory board.

The City can support researchers such as Dr. M-J Milloy in addressing any land use or building requirements needed to operate a research study. The City can also support any observational

¹ <https://pubmed.ncbi.nlm.nih.gov/32816538/>

² <https://pubmed.ncbi.nlm.nih.gov/32437443/>

³ <https://pubmed.ncbi.nlm.nih.gov/32289590/>

⁴ Source: Cannabis Science Symposium 2019 - Session 4: Clinical Trials in Cannabis, Dr. M-J Milloy, [youtube.com/watch?v=w0hNSM9i7rc&feature=emb_title](https://www.youtube.com/watch?v=w0hNSM9i7rc&feature=emb_title)

studies that other researchers and organizations like the BC Centre on Substance Use (BCCSU) may undertake to explore the potential benefits of cannabis for opioid-use disorder.

Options and pathways to medical and non-medical cannabis

Staff reviewed federal, provincial and municipal cannabis regulations to determine what options exist for people to access low-cost cannabis in the DTES as a harm-reduction alternative to opiates and more dangerous drugs. Currently there are two pathways for people to buy cannabis in British Columbia, they can purchase it from a non-medical cannabis retail store or the Province's online store, or, if the cannabis is being used for medical purposes and they have a prescription, they can purchase it directly from a federally licensed seller online.

Staff assessed whether a community cannabis store or compassion club with a social enterprise, medicinal or research focus could be permitted in Vancouver, and whether amendments could be made to the Zoning and Development By-law Section 11 to improve access to affordable cannabis.

Legal Access to Non-Medical Cannabis

1. Pricing/low-cost cannabis

The provincial *Cannabis Control and Licensing Act* stipulates how non-medical cannabis can be distributed and sold in British Columbia. Under the framework, all non-medical cannabis distribution is under the purview of the Provincial government through the Liquor Distribution Branch (LDB) and retail sales are allowed in both privately and publicly owned stores, licensed by the Liquor and Cannabis Regulation Branch (LCRB).

The LCRB regulates who can operate a licence, the price non-medical cannabis can be sold at and the store's access to supply. The Province also requires minimum pricing to be set for product at either the wholesale price the licensee paid to the LDB to purchase the cannabis or the current LDB wholesale price, whichever is lower.

Staff heard during the consultation that the provincial policy requiring a set price for cannabis creates a barrier to access for people who need cannabis and cannot afford it.

One potential option to address this barrier could be for a funding source (i.e. non-profit organization or an individual) to purchase pre-loaded gift cards to distribute to a select number of pre-screened individuals wanting to use cannabis as a harm-reduction alternative to opiates and more dangerous drugs. While loyalty programs of any kind are not permitted, an operator is permitted to sell gift cards with an amount up to \$300 to an individual on a single day that can be used at any of their licensed non-medical cannabis retail store locations or through their online system.⁵ This option presents a potential way to subsidize and make available, low to no cost non-medical cannabis for people in the DTES should a funding source be identified to purchase pre-loaded gift cards.

⁵ Source: Cannabis Retail Store Terms and Conditions handbook

2. Community Cannabis Store/Compassion Club

During consultation, staff heard feedback from people who live in the DTES that they would prefer to see community run or non-profit stores, not “big corporations” within the area and that there is an emerging demand for an alternate cannabis retail model in the DTES.

Staff researched the feasibility of a “compassion club” or “community cannabis store” with a social enterprise, medicinal or research focus. Compassion clubs can be licensed in Vancouver; however per provincial regulations, these businesses can only provide health services such as counselling services. They are not permitted to sell cannabis.

A community cannabis store focused on medicinal cannabis or research would not be aligned with existing provincial and federal cannabis retail legislation. Provincial regulations only allow for the sale of non-medical cannabis at cannabis retail stores. Furthermore, no additional activity or services (i.e. research) can take place at the same location as cannabis retail. Health Canada is the authority for medical cannabis policy in Canada and oversees quality control, seed-to-sale tracking, and issuing licences for cultivation, processing, testing, research and sale for medical purposes.

LCRB has confirmed that an applicant would not be successful in obtaining a provincial cannabis licence with a different operating model than is prescribed in the provincial Cannabis Retail Store Terms and Conditions Handbook, specifically with product pricing and staffing requirements.⁶

Staff sent a letter to the Liquor & Cannabis Regulation Branch (LCRB) requesting their support in reviewing the regulatory processes for licensing cannabis retail stores. Should new operating models and/or pricing schemes be introduced by the Province, the City could review its own Zoning and Development By-law and License By-law and bring forward changes that complement new Provincial regulations. See letter from the City to the LCRB in Appendix A.

3. Amending Section 11 of the Zoning and Development By-law

In response to the Council Motion, staff analyzed removing the DTES restriction that cannabis stores must be located on a site with a property line on Hastings Street or Main Street.

Within the Zoning and Development By-Law, the locational constraints regarding Cannabis Stores are set out under section 11.6.2, included below:

“A cannabis store is not permitted:

- a) within 300 m of the nearest property line of a site containing another cannabis store;*
- b) within 300 m of the nearest property line of a site containing a school – elementary or secondary, or community centre or neighbourhood house;*
- c) within the area outlined on the map attached to this section 11 as Figure 1, except for sites with a property line on Hastings Street or Main Street;*
- d) on any site with a property line on Granville Street between Robson Street and Pacific Boulevard;*

⁶ Source: Cannabis Retail Store Terms and Conditions Handbook

- e) on any site other than a site located on a block where all or part of the street in that block has a painted centre line;
- f) in conjunction with any other use; or
- g) in conjunction with an automated banking machine.”

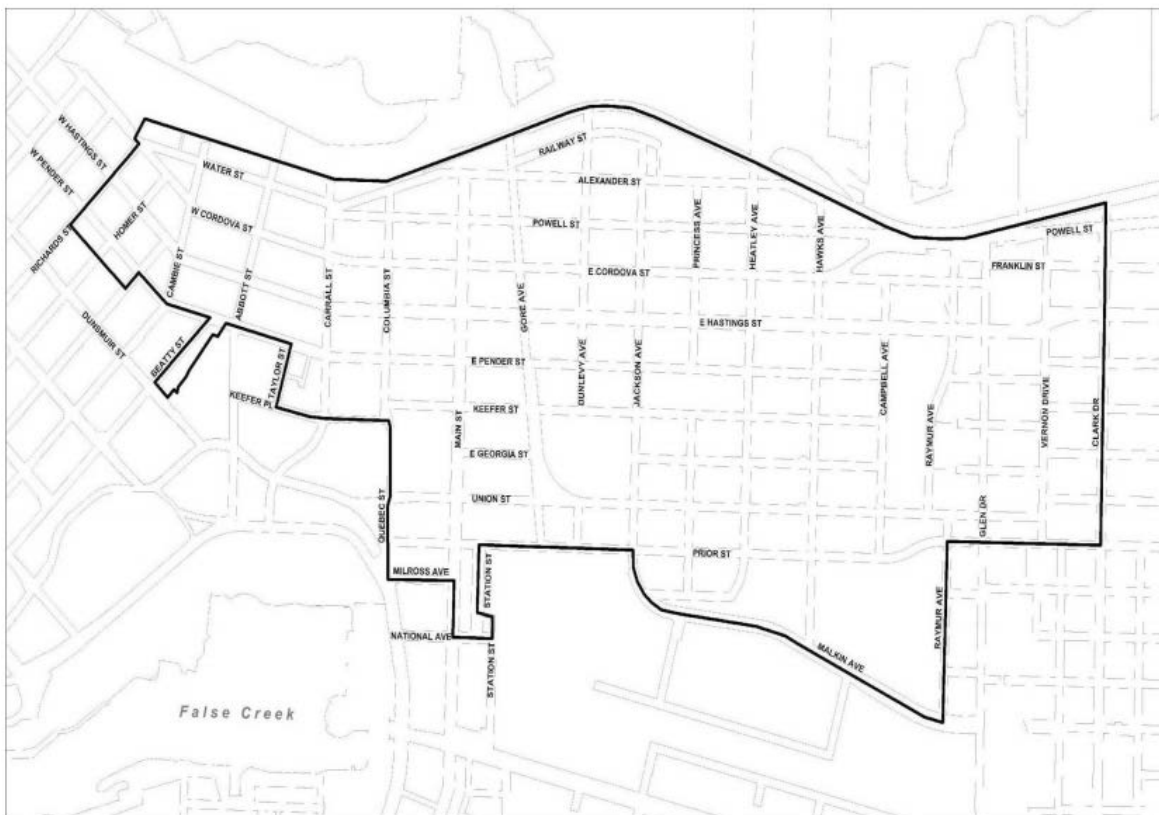


Figure 1: Zoning and Development By-law Section 11 Figure 1

Despite the above constraints and through existing City processes, four cannabis retail stores have been permitted within the Downtown Eastside to date through approval from the Board of Variance. The Board of Variance may consider exceptions to the locational constraints listed under section 11.6.2, provided the applicant has proven that undue or unnecessary hardship has arisen.

At the community meeting with members of VANDU, the CAT Safe Supply Working Group and other people with lived experience, it was noted that they would like to see better access to low-cost cannabis retail stores on Hastings Street, from Columbia to Main Streets (within one block of the Overdose Prevention Site or DTES Market). The four cannabis retail stores approved through the Board of Variance are within four blocks of Main and Hastings and two of these stores are located within the key blocks of Hastings Street as shown on Figure 2.

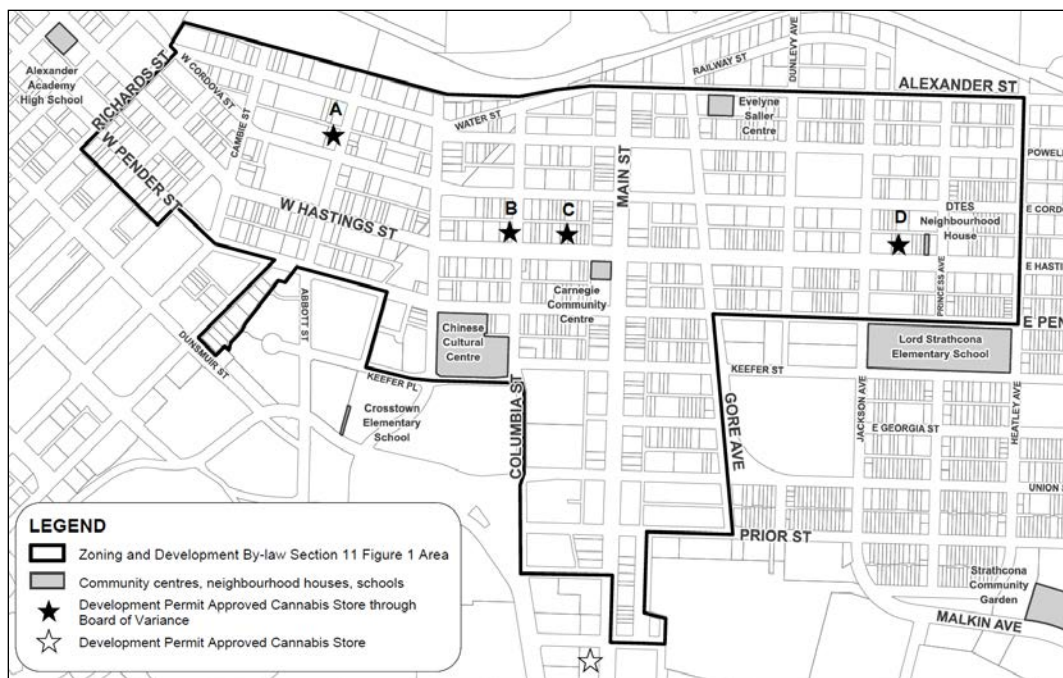


Figure 2: Location of existing stores

Based on the availability of retail cannabis stores in the area and comments from people with lived experience, the current model of retail stores permissible through provincial legislation does not meet community needs in terms of access to low cost cannabis. It is staff interpretation, based on feedback from the community and the overall intent of the motion, that “well considered exceptions” means a legal social enterprise or cannabis retail store, selling cannabis at a price below the minimum price set by the Province where it enables an alternative to opioids and other harmful drugs.

As noted under ‘2. Community Cannabis Store/Compassion Club’ of this report, it is currently not permissible to operate such a cannabis retail store model under provincial regulations. A licensed cannabis retail store cannot sell cannabis at a price lower than the price purchased from the LDB or the current LDB wholesale price, whichever is lower. Accordingly, amendments to Section 11 could only affect cannabis store locations and would not enable improved access to lower cost cannabis as a form of harm prevention or reduction.

Organisations that wish to operate through a different model would not fall under the cannabis retail store use category and Section 11.6.2 of the Zoning and Development By-law would not apply. Further details relating to operations, location and building requirements would be needed to determine how the Zoning and Development By-law would apply. Staff will work proactively with such proponents to advise on any land use or building requirements once details of their location and viable operating model are known.

Staff considered the removal of the Section 11.6.2 (c) map reference to allow for increased cannabis retail access. This research considered existing restrictions within section 11.6 and identified that two additional locations could be created for the establishment of cannabis retail stores.

Staff note this amendment may have the following impacts:

- a) The operating model of cannabis stores, as regulated by provincial legislation, would not meet the intent of the motion and could not provide cannabis at a price below the minimum price set by the Province.
- b) It was noted during the consultation with people with lived experience that they would prefer to see community run or non-profit stores, not “big corporations” within the area. Removing the restriction at this point in time would add the potential for two locations for any market operators. Changes would need to be made at a provincial level to enable the store types the community wishes to see.
- c) Additional stores outside of these locations within the DTES can be considered by the Board of Variance and, as per the four existing stores today, the applicants’ appeal must demonstrate undue or unnecessary hardship.

If Council wishes to amend Section 11 of the Zoning and Development By-law to create opportunities for two potential cannabis retail store locations it would be necessary to direct staff to prepare a report for referral to public hearing for the proposed amendments. Staff would also recommend additional consultation, including engagement with:

- a) Gastown BIA
- b) VANDU
- c) Chinatown Historic Area Planning Committee
- d) Vancouver Chinatown Merchants Association
- e) Vancouver Chinatown BIA
- f) Chinatown Legacy Stewardship Group

The work associated with this change is additional to current work programs. The work would need to be prioritised over existing work programs and may impact other work streams.

Based on the information provided, no amendments to the Zoning and Development By-Law are proposed to be brought forward at this time. Staff will continue to work with proponents who propose viable models for cannabis distribution that are consistent with the City’s commitment to a comprehensive approach to illicit substance use, including prevention and harm reduction. Such enterprises may be in the form of cannabis retail stores, public health programs or enabled through changes in legislation at a federal or provincial level. Staff will keep Council informed of such opportunities as they develop. Should provincial changes come into effect, the Zoning and Development By-law could be reviewed to complement potential new regulations. Staff will also continue to explore the impacts of regulations on harm reduction as informed by Dr. Milloy’s study and recommendations from the Mayor’s Overdose Emergency Task Force.

Legal Access to Medical Cannabis

The federal *Cannabis Act* and its Regulations provide the framework for legal access to medical cannabis for adults. The framework sets out the rules for production, distribution and sale.⁷

⁷ Source: Health Canada canada.ca/en/health-canada/services/drugs-medication/cannabis/laws-regulations/regulations-support-cannabis-act.html

Under this framework, a person is required to obtain a licence issued by Health Canada to sell or access medical cannabis. Individuals with a medical document signed by a healthcare practitioner can purchase cannabis for medical purposes directly from a federally licensed seller. Individuals may also register with Health Canada to produce a limited amount of cannabis for their own medical purposes or to designate someone to produce it on their behalf.

Under the *Cannabis Act*, municipalities have no authority to regulate medical cannabis. Health Canada is the authority for medical cannabis policy in Canada and oversees quality control, seed-to-sale tracking, and issuing licences for cultivation, processing, testing, research and sale for medical purposes.

Staff heard during consultation that people living in the DTES who want to access medical cannabis often do not have a credit card or a doctor through which they can get an authorization and this creates barriers for them. Many people in the DTES also experience stigma, discrimination and racism in the health care system, especially Indigenous and racialized people, creating additional barriers to accessing cannabis through the medical system.

1. Sale for Medical Purposes Licence

Anyone who wants to sell medical cannabis products to medical patients must apply for a Sale for Medical Purposes Licence with Health Canada. The Sale for Medical Purposes Licence permits the holder to possess cannabis products and to conduct online sales and distribution to medical patients (upon successful registration and proof of medical document) as well as to other federal cannabis licence holders. Sale for Medical Purposes licence holders are not permitted to grow or produce cannabis, and are not authorized to supply the general public with any kind of access to the cannabis in their possession.

2. Federally licensed producers

Under the *Cannabis Act* and its Regulations, producers may apply to Health Canada and obtain a licence to grow and produce medical cannabis. They may then distribute the product to patients and medical clinics. In most cases, patients will deal directly with the licensed producer after obtaining an authorization for medical cannabis from a medical professional, including dosage and duration of treatment. Patients need to register with the licensed producer.

Many federally licensed producers offer compassionate pricing to patients and Veterans authorized by their health care provider to obtain medical cannabis and who need financial assistance. Compassionate pricing can range from 15 to 20 per cent off per order. The City does not have jurisdiction to regulate the price of medical cannabis.

3. Cannabis production for personal use

Patients approved for medical cannabis are able to register with Health Canada to grow a limited amount of cannabis for their own medical purposes as part of the Cannabis Regulations. A patient may also designate another person to produce cannabis on their behalf.

Unregulated Cannabis Distribution Programs

Currently in the DTES, unregulated cannabis distribution programs like those operated by High Hopes Research Society (HHRHS) and Serious Hope Society (SHS)/Healing Wave, provide

cannabis and cannabis products at low or no cost to people who want to use cannabis as a harm-reduction alternative to opiates and more dangerous drugs.

Research findings show that there is a demand for cannabis through these types of unregulated distribution models⁸ and based on feedback from people with lived experience of opioid-use disorder, there is an emerging demand to access cannabis through an alternate cannabis retail/distribution model.

Recent research findings also suggest that cannabis distribution programs like those in the DTES “play an important role in bridging access to cannabis for people who use drugs in a structurally disadvantaged neighbourhood. These programs bridge access by implementing few restrictions on who can access, as well as distributing cannabis for free. For many, these programs filled a gap as the new regulatory framework for cannabis is implemented across Canada and legal cannabis remains inaccessible to this population both through medical and non-medical regimes.”⁹

Based on ongoing staff conversations with BC’s Cannabis Secretariat and Health Canada, the federal government has not established a clear option for a medical cannabis retail store at this point in time. Health Canada has the authority to grant exemptions to the Cannabis Act if they are deemed to be in the public interest, but cannot authorize activity that is typically prohibited. Those exemptions are rare, granted at the sole discretion of the federal government, and include clear operating terms and conditions.

As licensing for the sale and distribution of any cannabis is under provincial and federal jurisdiction, the City has no authority to issue exceptions regarding how an operator is licensed that would allow for an alternate cannabis retail model.

Staff continue to actively engage in dialogue with the BC Cannabis Secretariat and Health Canada to build awareness of the Vancouver community needs and desires. Staff have requested that the Liquor and Cannabis Regulation Branch (LCRB) review their regulatory processes for licensing a cannabis retail store, in a letter found in Appendix A.

CONCLUSION

More than 1,507 people have lost their lives to overdoses in Vancouver since January 2016. Research is emerging to suggest and support the benefits and potential opportunities of cannabis as a harm reduction strategy. Feedback from members of VANDU, the CAT Safe Supply Working Group, and people who use drugs indicates that cannabis serves a valuable purpose as an alternative for those who use opioids and other harmful drugs, but barriers exist for them to access it.

Staff explored whether amendments to the Zoning and Development By-law could improve access to cannabis for such purposes but due to provincial limitations on pricing and operating models, no changes are proposed to be brought forward at this time.

⁸ The emergence of innovative cannabis distribution projects in the Downtown Eastside of Vancouver, Canada Valleriani et al., 2020

⁹ The emergence of innovative cannabis distribution projects in the Downtown Eastside of Vancouver, Canada Valleriani et al., 2020

Should alternative provincial or federal retail models become available, the City could review its zoning and licensing by-laws and how best to complement potential new regulations.

Staff will continue to support clinical trial/research programs and observational studies that look at the potential benefits and risks of cannabis as a harm-reduction measure for people who use opioids. Staff will work with proponents who propose viable models for cannabis distribution that are consistent with the City's responsibilities under cannabis regulations and its commitment to a comprehensive approach to illicit substance use, including prevention and harm reduction.

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Letter to the Liquor and Cannabis Regulation Branch



Development, Buildings and Licensing
Licensing & Community Standards

September 30, 2020

Mary Sue Maloughney, General Manager and Assistant Deputy Minister
Liquor & Cannabis Regulation Branch
PO Box 9292 Stn Prov Govt
Victoria, BC V8W 9J8

Dear Mary Sue Maloughney:

**RE: Cannabis as an Alternative to Opiates and more dangerous drugs on the
Downtown Eastside**

On June 26, 2019, Vancouver City Council approved the motion Cannabis as an Alternative to Opiates and more dangerous drugs on the Downtown Eastside.

The motion directed staff to engage with the Liquor & Cannabis Regulation Branch (LCRB) to indicate City Council's interest in facilitating well-considered exceptions in relation to cannabis stores in Vancouver that could improve legal access for people who choose to use cannabis as a harm-reduction measure, but cannot afford the current market retail prices.

Driven by an increasingly toxic, illicit drug supply contaminated by fentanyl, carfentanil, and other contaminants, Vancouver has been the epicenter of a public health emergency, with over 1,507 deaths from January 2016 to August 31, 2020. The overdose death rate in Vancouver has increased every year since 2014, and the number of deaths continues to surpass historical highs due to people's dependence on a poisoned, illicit, and unregulated supply.

Compounding the crisis is the current global COVID-19 pandemic. Since the start of the pandemic, overdose deaths in the province have increased significantly with deaths caused by illicit drug toxicity reaching their highest monthly totals on record in May, June and July 2020.

Cannabis research

While evidence that cannabis can reduce the risk of overdose for people who use drugs is still being gathered, recent findings suggest that there may be a possibility that cannabis could have a beneficial role to play in the overdose crisis.

As part of the Mayor's Overdose Emergency Task Force, the City is following research led by Dr. M-J Milloy, a research scientist at the British Columbia Centre on Substance Use (BCCSU) on the potentially positive impacts of cannabis on illicit drug users with respect to harm reduction and overdose prevention. Through BCCSU, Dr. M-J Milloy is leading observational and experimental research and conducting cohort studies of people who use drugs (PWUD) in Vancouver. Findings published in August 2020 from the BCCSU and the University of British

Columbia indicate that people who use cannabis every day for six months are 16 per cent more likely to cease injecting opioids than those who do not.¹

This research, along with other studies that have been published by the BCCSU in recent years, suggest that among people at high risk of opioid overdose, cannabis use is common and often used with therapeutic intent, including mitigating the risks of other drugs. It might convey specific benefits, especially to those at risk of beginning to inject drugs, those starting treatment of opioid-use disorder, and those with chronic pain. Cannabis use might also reduce frequency of illicit opioid use and lower the risk of exposure to fentanyl.

The City is monitoring this research as it will serve to inform all levels of government in their ongoing cannabis policy and regulatory work.

Community feedback

Council also directed staff to meet with some members of the Vancouver Area Network of Drug Users (VANDU), and the Vancouver Community Action Team (CAT). The CAT is a provincially supported coalition of people who use drugs, representatives from the medical community, policing, fire and ambulance, and non-profit organizations such as VANDU and housing groups with a mandate to collaborate and innovate on collectively addressing the overdose crisis in Vancouver. The CAT is co-chaired by the City of Vancouver and Vancouver Coastal Health, and priorities include supporting initiatives focused on overdose prevention, harm reduction, cultural safety, and safe supply. The CAT recognizes the importance of low barrier access to a range of safe drugs, especially in the DTES, considering the urgent state of the crisis and overdose deaths.

A focus group was held with CAT members and other DTES residents who have lived experience of substance use, and the group identified cost and access as barriers to using cannabis. They also indicated that people who use drugs prefer to see community run or non-profit stores, not “big corporations” and that there is an emerging demand for a legal, alternate cannabis retail model in the DTES.

Cannabis retail stores

Through their motion (outlined in Appendix A), City Council has expressed interest in supporting a model of a legal community cannabis store or compassion club with a social enterprise, medicinal, and research focus, for those people who may want to use cannabis as an alternative to opiates and more dangerous drugs, but cannot afford the market retail prices stipulated by provincial regulations.

In addition, the Mayor sent a letter to the Federal Minister of Health indicating support for a clinical research program, which would supply medical cannabis as an alternative to opioids and other illicit drugs used by community members of the DTES (Appendix B).

¹ Frequent Cannabis Use and Cessation of Injection of Opioids, Vancouver, Canada, 2005–2018 (<https://pubmed.ncbi.nlm.nih.gov/32816538/>)

As licensing for the sale and distribution of any cannabis is under provincial and federal jurisdiction, the City has no authority to issue exceptions in regards to how an operator is licensed that would allow for an alternate cannabis retail model.

Under the current federal and provincial laws, the City's role in legal cannabis retail outlets is limited to providing land use approvals, through a development permit, and upon a business obtaining a provincial retail licence, issuing a municipal business licence to operate.

Review of Provincial regulations

The Provincial Cannabis Retail Store Terms and Conditions handbook clearly outlines that no other activity can occur, concurrent with a cannabis retail outlet. For example, having research take place at the same location as a retail cannabis store is not permitted.

The handbook also stipulates that the minimum retail price that a cannabis retail store licensee can sell non-medical cannabis is either the wholesale price they paid to the Liquor Distribution Branch to purchase the non-medical cannabis or the current Liquor Distribution Branch wholesale price, whichever is lower.

On behalf of the City, I am requesting your support in reviewing the regulatory processes for licensing cannabis retail stores and helping to provide another option for people struggling with addiction to an illicit, poisoned drug supply. Should new operating models and/or pricing schemes be introduced by the Province, the City could review its own Zoning and Development By-law and License By-law and bring forward changes that complement new Provincial regulations.

The City looks forward to future discussions and building on the strong existing relationship it has with the LCRB.

Kind regards,



Kathryn Holm
Chief Licence Inspector
Development, Buildings, & Licensing
Phone: 604.873-7545
kathryn.holm@vancouver.ca

cc: Via email:
Sandra Singh, General Manager, Arts, Culture and Community Services
Jessie Adcock, General Manager, Development, Buildings & Licensing
Gil Kelley, General Manager, Planning, Urban Design & Sustainability

Appendix A: Standing Committee on City Finance and Services, June 26 and 27, 2019
Motion from Vancouver City Council

THEREFORE BE IT RESOLVED

- A. THAT Vancouver City Council direct staff to make recommendations to Council with respect to Section 11 of the City of Vancouver Zoning and Development By-law with proposals on how this zoning by-law could be amended to allow well-considered exceptions to the City's current prohibition on Cannabis Stores in the Downtown Eastside exclusion zone, consistent with the City's commitment to a comprehensive approach to illicit substance use, including prevention, harm reduction;

FURTHER THAT Vancouver City Council direct staff to engage with the Liquor and Cannabis Regulation Branch (LCRB) to indicate Vancouver City Council's interest to address unintended aspects of the City's current Zoning and Development By-law as it pertains to facilitating well-considered exceptions to

Standing Committee of Council on City Finance and Services
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the City's Zoning and Development By-law in relation to cannabis Stores in the city, as well as engagement around the province's regulatory processes for licensing cannabis retail stores; and

FURTHER THAT Vancouver city council direct staff to engage with VANDU and people who use drugs to consider what kinds of laws are best for implementing their needs around cannabis.

- B. THAT Vancouver City Council direct staff to make recommendations to Council with respect to regulatory options and potential pathways that could enable low-cost, legal, medicinal cannabis options for the Downtown Eastside (potentially on the model of a community cannabis store or compassion club with a social enterprise, medicinal, and research focus; consistent with Health Canada's Access to Cannabis for Medical Purposes Regulations) for those people who may want to use cannabis as an alternative to opiates and more dangerous drugs but cannot afford the market retail prices stipulated by provincial regulations for a cannabis retail store, as well as enabling and supporting ongoing research and data collection into the potential relationship and benefits of cannabis on the reduction of opioid use, associated harms and overdoses.
- C. THAT the Mayor on behalf of Council write to The Honourable Ginette Petitpas Taylor, Minister of Health expressing an interest in supporting a clinical research program to supply and study medicinal cannabis as an alternative to opiates and more dangerous drugs on the Downtown Eastside, pursuant to Mayor's Overdose Emergency Task Force and Recommendations for Immediate Action on the Overdose Crisis, item F. Secure Space for a Clean Supply project.

Appendix B: Letter from Mayor to Federal Health Minister



MAYOR KENNEDY STEWART

November 27, 2019

The Honourable Patty Hajdu M.P.
Minister of Health
House of Commons
Ottawa, Ontario
11A 0A6

Dear Minister Hajdu:

RE: Cannabis as an Alternative to Opioids in the Downtown Eastside,

I am writing to request the Government of Canada's support for a clinical research program, to supply and study medicinal cannabis as an alternative to opioids and other illicit drugs used by community members in the Downtown Eastside.

More than 1,100 people have lost their lives to overdoses in Vancouver since April 14, 2016, when British Columbia's provincial health officer declared a public health emergency in response to the rise in drug overdoses and deaths. We are still in a state of emergency, as our City Council continues to search for ways to reduce the devastating impact that this crisis is having on our residents, particularly people living in the Downtown Eastside.

Recent scientific findings have raised the possibility that cannabis might have a beneficial role to play in the overdose crisis. Preliminary evidence has been found linking cannabis to reductions in the risk of experiencing drug-related harms, notably through research conducted by University of British Columbia Professor, Dr. Michael Milloy. Dr. Milloy's research showed that among 2,500 people who use addictive drugs such as opioids, which often contain fentanyl and other contaminants, cannabis helped 20 per cent to stay on their treatment programs after a six-month period.

City Council is interested in supporting a community cannabis store with a social enterprise, medicinal, and research focus, which is consistent with Health Canada's Access to Cannabis for Medical Purposes Regulations. Council believes that using this type of model to supply cannabis to people in the Downtown Eastside who use opioids may benefit people who are at risk for overdose and overdose death but cannot afford the market retail prices stipulated by provincial regulations for a cannabis retail store. This type of model will also enable and support ongoing research and data collection into the potential relationship and benefits of cannabis on the reduction of opioid use, associated harms, overdoses, and overdose deaths.

Vancouver City Council is committed to addressing the opioid crisis in Vancouver. Our commitment includes supporting a clinical research program located in the Downtown Eastside to supply and study medicinal cannabis as an alternative to opioids and other illicit drugs often containing fentanyl and other contaminants. I hope we can count on your support and look forward to future discussions on how we can work together to further study the potential relationship and benefits of cannabis in keeping people on treatment and reducing the use of illegal opioids that are contributing to overdose deaths.

Sincerely,

A handwritten signature in blue ink, appearing to read "Eckert", written over a circular stamp or seal.

Kennedy Stewart
Mayor, City of Vancouver