



News Release

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San Luis Obispo Grants Third Commercial Cannabis Permit

SAN LUIS OBISPO – The City of San Luis Obispo has completed the review process for two additional cannabis businesses that applied for permits under the City’s new cannabis regulations. Natural Healing Center, LLC, was granted a Commercial Cannabis Operator Permit to open a retail storefront business. An Operator Permit for Elemental Wellness, another retail storefront applicant, was not approved, although the company is eligible to reapply in the future.

Coastal Delivery SLO and Megan’s Organic Market SLO were the first two cannabis businesses to complete the background process, receiving their operating permits in September.

“We appreciate the cooperation of all of the applicants as we have worked our way through the approval process,” said the City’s Economic Development Manager Charlene Rosales. “The standards we have in place were established through a collaborative process with the City and community. They’re designed to help ensure permitted cannabis businesses are set up for success in our city.”

Of the 11 businesses that applied for permits earlier this year, the city issued Contingent Operator Permits for three retail storefronts, one delivery service (non-storefront) and one microbusiness (non-storefront) on March 28. The City’s commercial cannabis law allows up to three retail storefronts and has no limit on the number of non-storefront businesses, such as delivery, cultivation, manufacturing and other small businesses.

The five businesses that received Contingent Operator Permits moved on to the next stage of the process, which includes extensive background checks for all partners and principals for each of the businesses.

During the extensive application review and background check, it was determined information submitted by Elemental Wellness did not satisfy certain required components. According to Rosales, City staff discussed its detailed findings with the applicant to support their understanding of what would be needed for a future application to be approved.

As a result of Elemental Wellness not being granted a permit, the next eligible applicant, SloCal Roots, LLC, will now proceed with a background screening. The City will announce additional selected businesses as they are approved.



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The San Luis Obispo City Council approved an ordinance May 22, 2018 allowing commercial cannabis businesses to operate in the city. That was followed in late 2018 by the development of a cannabis business operator permit process. The first permit application period opened in January 2019.

The first phase of applicant screening includes City staff scoring each company according to merit-based criteria developed with input from the community. These include:

- community benefit
- experience
- equity and labor
- financial investment
- a commitment to medical cannabis

The next application period for new permits will take place in January 2020. Businesses that have been granted a permit must apply to have their permit renewed annually.

To read more about the process for permitting cannabis businesses in the City of San Luis Obispo, visit the City's website, which has links to the ordinances, evaluation criteria, steps in the process and other background at www.slocity.org/cannabis.

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