



To: The Standing Senate Committee on Social Affairs, Science and Technology
Bill C-45, *The Cannabis Act*

From: Rent2Grow Canada Inc.

May 15, 2018

Re: Personal cultivation under the *Cannabis Act*

This submission contains forward looking statements and legislative proposals.

Rent2Grow Canada Inc. (“R2G”) is forward-thinking company looking to provide personal gardening pods (“Pods”) for use in homes, condominiums, apartments and/or out-of-home aggregate cultivation facilities, under the proposed *Cannabis Act*. Our technologically advanced, self-contained Pods allow space for up to four plants in an environment that controls air flow, temperature, light, and water. These closed Pods are designed to protect buildings from common hazards such as mould, electrical fires, and flooding, while controlling and restricting access. It is a health and safety appliance with a user-friendly interface that we anticipate will find appeal with home growers, home owners and landlords.

R2G is a small Canadian company, bringing together engineering craftsmanship, technology, innovation and compliance to seize opportunities in the emerging cannabis sector. Through leveraging experience from legalization hurdles faced in Colorado, and assembling a team of professionals from across established industries, R2G is poised to enter the legal recreational market in Canada.

We are pleased with the regulatory framework and the opportunities available to R2G, but believe it is missing an innovative regulatory opportunity for Canada – **licensed out-of-home personal cultivation**.

Issue

The proposed *Cannabis Act* limitation on personal recreational growing restricts the right to an individual’s “dwelling house”. This current restriction is poised to create a socio-economic disparity in its implementation for the 32.2% of Canadians who rent, as well as the 8.9% of Canadians who own the condominiums they live in (Stats Canada, 2016).

The restriction has been criticised by homeowners, insurers, both landlords and tenants, as well as police and fire officials and municipalities. Litigation challenging the imbalanced effect of the application of the proposed legislation should be anticipated.

Further, there is inter-jurisdictional discord between the Federal government and some Provincial and First Nations governments. Quebec and Manitoba have announced their intentions to fully ban home growing, in recognition of some stakeholder concerns, but in opposition to the proposed *Cannabis Act*’s provisions. Through our off-site cultivation model, R2G offers a common ground solution that will allow all levels of government to exercise jurisdictional rights.

Resolution

Use sections 61 & 62 of the *Cannabis Act* to enable the Minister to establish a new class of licensing applications regulating off-site personal cultivation, and/or amend the proposed definitions within the *Cannabis Act* currently with the Senate, to include a “designated dwelling house.”

Proposed Legislative Amendments

Definitions:

dwelling-house means the whole or any part of a building or structure that is kept or occupied as a permanent or temporary residence, and includes

(a) a building within the curtilage of a dwelling-house that is connected to it by a doorway or by a covered and enclosed passage-way, and

(b) a unit that is designed to be mobile and to be used as a permanent or temporary residence and that is being used as such a residence; (*maison d'habitation*) *or*,

(c) a “*designated dwelling-house*,” as defined under this Act

“Designated dwelling-house” means a facility licensed under this Act for the purpose of enabling personal production in a secure off-site location. An individual may assign the rights attached to personal production at their Dwelling-house to a Designated dwelling-house. An individual may only produce cannabis at one location, either in their Dwelling-house or at a Designated dwelling-house.

...

s. 12 (8) For the purposes of this section, dwelling-house, in respect of an individual, means the dwelling-house where the individual is ordinarily resident and includes

(a) any land that is subjacent to it and the immediately contiguous land that is attributable to it, including a yard, garden or any similar land; and

(b) any building or structure on any land referred to in paragraph (a). *or*

(c) a “*designated dwelling house*”

Proposed Regulation

Option 1: Municipalities to license, including requiring facilities to retain proof of customer’s designated dwelling house assignment. Facility must comply with restrictions against organizations in *Cannabis Act*. This would be the truest application of an individual assigning their home-growing rights to an off-site location. It would also be respectful of the municipal policing, enforcement, density and location concerns, and allow municipalities to set their own restrictions on Designated dwelling-house size and concentrations.

Option 2: Facilities can be licensed as “Designated Dwelling houses” under regulations similar to the proposed craft micro production license category. This would establish a higher barrier to

entry for corporations, and create an additional scope of regulation for Health Canada not currently envisioned for home-growing. However, it could provide a national oversight lens to this new model of facility. It would ensure appropriate security and seed to sale measures were followed, and enable review of facility ownership.

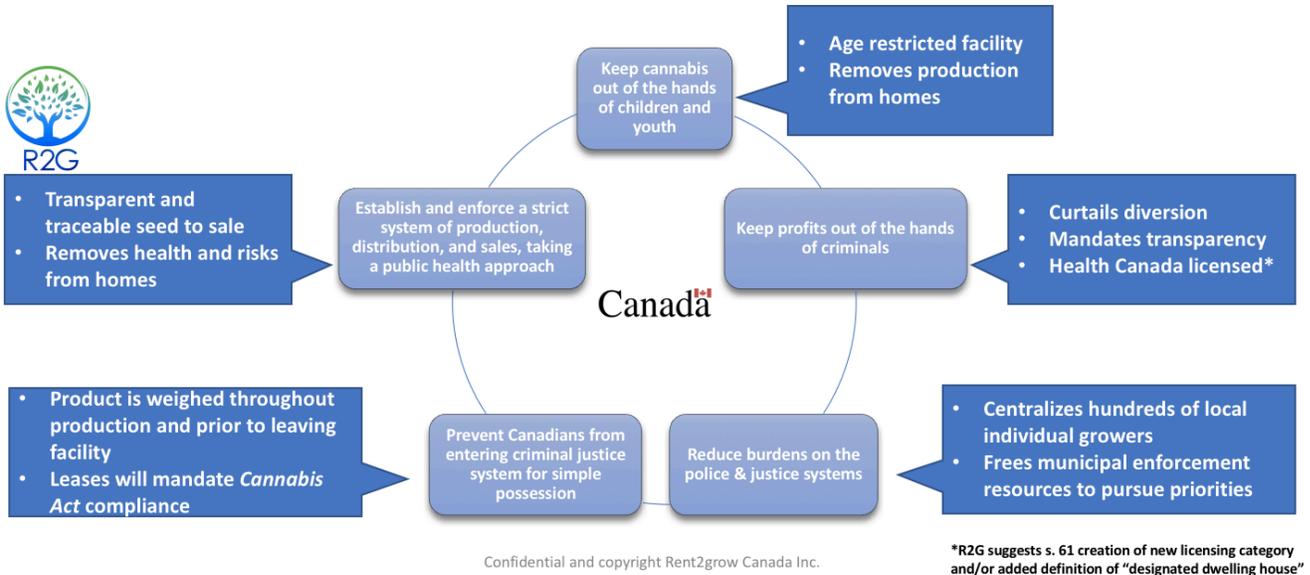
Option 3: A combination of Options 1 & 2, where Health Canada established centralized licensing, compliance and tracking, while Municipalities govern location and enforcement.

Off-site Recreational Home Growing

- The R2G model allows an individual to utilize their own production rights, at one registered location.
- These licensed facilities will be secure, discrete, apartment or storage-unit style buildings, with rows of individually assigned, locked, video monitored, gardening pods.
- According to Stats Canada, 32.2% of Canadians do not own their homes. Landlord associations are announcing plans to prohibit growing and smoking in rental units.
- In high-density cities, rental populations are even higher. Statistics Canada notes in the 2016 Census that Montreal, Vancouver and Quebec City as having the highest apartment rates in Canada. Toronto has the highest condo occupancy.
- Landlords, neighbours, condo-boards, insurers and spouses have been set up for conflict.
- Police, fire departments and homeowners have health and safety concerns including exposure to children in the home, neighbours and pets. Further, many homes and apartments were not built with appropriate water, air circulation or electrical supply to support home cultivation.

- This model not only provides an option for renters facing space or landlord restrictions, it has the additional benefit of providing an alternative for home owners and parents who want to remove the health and safety concerns from their homes.
- Within the Designated dwelling-house, each appliance-grade pod (picture a large refrigerator) is equipped as a self-contained garden plot, with individual air, water, light and temperature controls. The pods are housed in a space with appropriate utilities and HVAC. Controls are programmable and electronically monitored. Trimming rooms and personal locked storage will be available on-site.
- Each pod is rented or leased to an individual adult (also available for purchase for in-home use.)
- Leases require documentation (and record retention) of the person’s age and identity, residential address, and a formal designation that the facility is their “designated dwelling-house”
- Product is weighed along the personal production process, which ensures personal carry limitations are respected when an individual leaves the designated dwelling-house.
- **This model is traceable and transparent, and attracts users who are willing to be both.**
- First Nations and Provinces will be able to regulate whether they can be co-located with consumption spaces
- Municipalities would be able to determine density and location
- An individual only designates the production portion of their “dwelling house” rights.

Federal Policy Objectives & the R2G Model



We understand the intent of the “dwelling-house” restriction is intended (in part) to prevent groupings of personal grows, leading to diversion and unregulated, untraceable supply. The model does not support growers sharing, pooling overage, or distributing. Appropriate destruction equipment, for any individual’s personal overage growth, will be available at the facility.

The *Cannabis Act* prevents the formation of companies or organizations that mimic commercial LP’s without adhering to seed-to-sale and other Health Canada requirements. Our proposed model respects these concerns. Depending on municipal zoning, each unit could be tied to a mailing address, allowing direct shipping of starting materials from LPs to an identifiable individual.

This model provides a personal cultivation option for the nearly one-third of Canadians who are not home owners. It effectively reduces exposure to children and youth by removing the activity from homes, and significantly reduces the municipal costs of enforcement by concentrating

personal grows in a licensed facility. It also allows landlords an opportunity to point to an off-site location, or install safe growing spaces in their buildings (removing the issue from inside the individual units to a designated zone in the building (under s. 12 (8)(b)).

The Pods and R2G Facilities

The R2G cultivation Pods have are designed to be effective for every stage of the agricultural process—all within one efficient, integrated and highly secure solution. The R2G Pods empower urban cultivators to grow, harvest and store their produce in an environment with the optimal temperature, humidity, airflow, watering and fertigation systems.

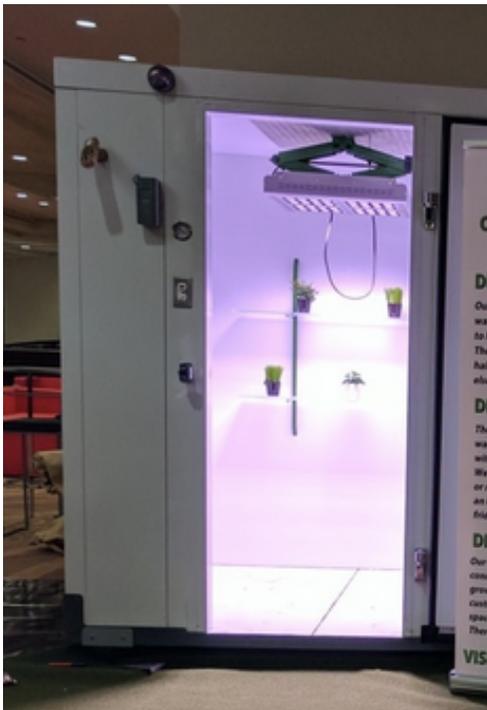


R2G Facility in Denver, 2015. Older model Pods shown.

The conditions for each stage of crop development can be controlled on-site or remotely, from anywhere in the world, using R2G's secure app. The Pod environment is enhanced by the latest LED lighting solutions with a very low heat footprint.



The Pods are engineered to be both light and air tight, with minimized combustibile material in each Pod.



Early home Pod model, with internal and external cameras

R2G is an innovative answer to the challenges facing the budding home-growing agriculture sector. Backed by significant research and development, coupled with an innovative business model, R2G will be helping individuals exercise safety-first control of the cannabis experience.

R2G facilities are age restricted, in addition to each Pod being individually assigned to an adult who has shown proof of age. Facilities have appropriate electrical and water utilities, and can be located in areas zoned for such use.



Draft rendering of proposed Canadian R2G facility

Compliance Monitoring

Each Pod is monitored with an HD camera. R2G will perform ongoing reviews of the R2G Pods to ensure compliance. If a leaseholder violates their allotted plant count, the lease will be automatically terminated.

The leaseholder will be informed that they have violated their lease, and that water and power have been cut off. The plants stop receiving water and light until they are dead, then ground up with soil and disposed of in a legal manner. A report and record will be added to the compliance database, along with a picture of the plants, showing more than three in flowering and validating the infraction, along with employee notes.

Our lease holders are clearly informed that they will be held accountable by R2G for compliance with their lease – which requires compliance with the *Cannabis Act*. Leases would be tied to all levels of government jurisdiction in the communities where a facility is located. Further, individuals would be prevented from renting more than one Pod (for example, if Health Canada were to create an appropriate licensing category, facilities would be required to register and maintain records of customers.) R2G’s internal registration allows tracking across facilities to prevent multiple registrations by an individual.

Security

Growers will be able to monitor their Pods remotely through the R2G App. One of the multiple Pod sensors is connected to the Pod’s locking mechanism. Each Pod is individually locked, and connect to sensors that trigger a warning when an attempt to open the Pod occurs.



This feature, as with the sophisticated environmental monitoring within the Pod, appeals to home users as well as proposed off-site users. Whether viewed as traditional security, or as parental controls, the Pods security features offer reassurance to the end user as well as allowing compliance monitoring by R2G. Possession restrictions are also respected in this model. Storage is available on-site, and dried cannabis must be weighed before leaving the facility.

Support

“I have seen the proposal for the Rent2grow model and I believe this is a viable option for residents. It will reduce the risk of home invasions and robberies from people stealing other people’s drugs, it will prevent mould and other potential Property Standards issues from people growing marijuana in their homes and it should reduce the number of neighbour complaints because of the growing activity that impact neighbourhoods.”

- Ken Leendertse, Director, Licensing and By-law Services, Planning & Economic Development Department, City of Hamilton. (Retired Deputy Chief of Police, City of Hamilton)

Conclusion

Canadians and Canadian business are ready for the recreational cannabis market. Innovation and industry are eagerly anticipating the coming into force of legalization. Canada is poised to leverage the foundations established though over 15 years of regulated medical cannabis into a position of international leadership and excellence. While stakeholders from across the spectrum have voiced both concerns and support regarding the specifics of legalization, Canadian civil servants have been quietly and arduously adapting stakeholder input into sensible licensing categories, social responsibility messaging and opportunities for participation in the legal cannabis industry. R2G appreciates this opportunity to participate in the cannabis discourse, and to offer our proposal of a nuanced variation of the proposed *Cannabis Act*. The expansion of personal cultivation to include an off-site “Designated dwelling house” would satisfy numerous conflicting stakeholder needs, and R2G is pleased to be submitting this proposed amendment for consideration.

Sincerely,

Claire MacDougall Sadava
COO Rent2Grow Canada Inc.