

File No. 180616

Committee Item No. 1

Board Item No. 30

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Comm: Public Safety & Neighborhood Services  
Board of Supervisors Meeting:

Date: June 13, 2018  
Date: June 19, 2018

#### Cmte Board

- |                                     |                                     |  |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/>            | Motion                                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Resolution                                   |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance                                    |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Youth Commission Report                      |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form                            |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/>            | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Public Correspondence                        |

#### OTHER

- |                                     |                                     |                                    |
|-------------------------------------|-------------------------------------|------------------------------------|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Referral FYI - June 8, 2018</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Referral SBC - June 8, 2018</u> |
| <input type="checkbox"/>            | <input type="checkbox"/>            | _____                              |
| <input type="checkbox"/>            | <input type="checkbox"/>            | _____                              |
| <input type="checkbox"/>            | <input type="checkbox"/>            | _____                              |

Prepared by: John Carroll  
Prepared by: John Carroll

Date: June 8, 2018  
Date: June 14, 2018

1 [Health Code - Medical Cannabis Dispensaries - Extensions of Time to Sell Adult Use  
2 Cannabis]

3 **Ordinance amending the Health Code to allow the Director of the Department of Public**  
4 **Health to extend, for multiple 90-day periods rather than a single 90-day period, the**  
5 **120-day authorization for Medical Cannabis Dispensaries to sell adult use cannabis.**

6 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
7 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
8 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
9 **Board amendment additions** are in double-underlined Arial font.  
10 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
11 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
12 subsections or parts of tables.

13 Be it ordained by the People of the City and County of San Francisco:

14 Section 1. The Health Code is hereby amended by revising Section 3322, to read as  
15 follows:

16 **SEC. 3322. TRANSITION PROVISION.**

17 \* \* \* \*

18 (d) Notwithstanding any provision in this Article 33, starting on the effective date of the  
19 ordinance in Board File Number 171042 establishing Article 16 of the Police Code, a medical  
20 cannabis dispensary that meets the eligibility criteria set forth in subsection (e) of this Section  
21 3322 may Sell Adult Use Cannabis and Cannabis Products for a period of 120 days, provided  
22 the medical cannabis dispensary:

23 (1) Applies for and receives a State Cannabis License authorizing the retail  
24 Sale of Adult Use Cannabis;

25 (2) Receives a determination from the Planning Department that the Sale of  
Adult Cannabis on the Premises is in compliance with the Planning Code;

1 (3) Complies with all of the requirements and prohibitions imposed on Cannabis  
2 Retailers under Article 16 of the Police Code and its implementing rules and regulations, any  
3 violation of which shall be treated as a violation of this Article 33, subject to the penalties set  
4 forth in Sections 3314 and 3315;

5 (4) Complies with subsection (c) of Section 1605 of the Police Code;

6 (5) Submits to the Director a "Good Neighbor Policy," as described in  
7 subsection (b)(19) of Section 1609 of the Police Code, and a "Security Plan," as defined in  
8 Section 1602 of the Police Code, along with written verification from the Office of Cannabis  
9 that the Director of the Office of Cannabis, or ~~his or her~~ the Director's designee, has  
10 determined that the policy and plan are adequate to enhance public safety and neighborhood  
11 needs;

12 (6) For medical cannabis dispensaries that have more than 10 employees,  
13 demonstrates to the satisfaction of the Director that within 120 days of the effective date of the  
14 ordinance in Board File Number 171042 establishing Article 16 of the Police Code, at least  
15 30% of all Business Work Hours are performed by workers who meet at least three of the  
16 criteria set forth in subsection (b)(4) of Section 1604 of the Police Code; and

17 (7) Submits to the Director of the Office of Cannabis a written, actionable  
18 "Equity Plan" describing the concrete steps the medical cannabis dispensary will take to  
19 encourage and support the establishment and growth of Equity Operators, as defined in  
20 Section 1604 of the Police Code; provide employment opportunities to persons that have  
21 been disproportionately impacted by the criminalization of cannabis; and otherwise further the  
22 City's equity goals.

23 \* \* \* \*

1 (f) The Director may extend the authorization to Sell Adult Use Cannabis for ~~an~~  
2 additional 90-day~~s~~ periods beyond the 120-day period set forth in subsection (d) of this Section  
3 3322 upon a finding that:

4 (1) The Office of Cannabis has not had sufficient time to review and process  
5 applications for Cannabis Business Permits under Article 16 of the Police Code; and

6 (2) The medical cannabis dispensary has demonstrated good faith compliance  
7 with its Equity Plan to the satisfaction of the Director of the Office of Cannabis.

8 The Director's authority under this subsection (f) to extend 90-day periods for authorization to  
9 sell Adult Use Cannabis may be exercised only at intervals of approximately 90 days, as to each  
10 distinct 90-day period. Thus, for example, the Director may not simultaneously authorize two  
11 consecutive 90-day extensions for the same medical cannabis dispensary.

12  
13 Section 2. Effective Date; Retroactivity.

14 (a) This ordinance shall become effective 30 days after enactment. Enactment occurs  
15 when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not  
16 sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the  
17 Mayor's veto of the ordinance.

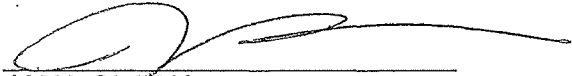
18 (b) The Board of Supervisors intends that no medical cannabis dispensary authorized  
19 to sell Adult Use Cannabis under Health Code Section 3322(f) be prevented from doing so by  
20 the 210-day limit (120 days from the effective date of Ordinance No. 230-17, plus an  
21 extension of 90 days which may be granted by the Director of the Office of Cannabis) under  
22 Section 3322(f), provided the Director determines, based on the standards in Section 3322(f),  
23 that the medical cannabis dispensary should be permitted additional time to sell Adult Use  
24 Cannabis. Accordingly, should the effective date of this ordinance occur after the 210-day  
25

1 limit, this ordinance shall be retroactive to the 211th day from the effective date of Ordinance  
2 No. 230-17.

3  
4 Section 3. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
5 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
6 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
7 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
8 additions, and Board amendment deletions in accordance with the "Note" that appears under  
9 the official title of the ordinance.

10  
11  
12 APPROVED AS TO FORM:  
13 DENNIS J. HERRERA, City Attorney

14 By:

  
15 JANA CLARK  
Deputy City Attorney

16 n:\legan\as2018\1800597\01280377.docx  
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23  
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25

**LEGISLATIVE DIGEST**

[Health Code - Medical Cannabis Dispensaries - Extensions of Time to Sell Adult Use Cannabis]

**Ordinance amending the Health Code to allow the Director of the Department of Public Health to extend, for multiple 90-day periods rather than a single 90-day period, the 120-day authorization for Medical Cannabis Dispensaries to sell adult use cannabis.**

Existing Law

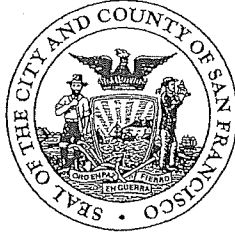
Under existing law, the Department of Public Health Director may authorize Medical Cannabis Dispensaries to sell Adult Use Cannabis for 180 days, and may extend that period for 90 additional days upon a finding that the Office of Cannabis has not had sufficient time to review and process applications for Cannabis Business Permits under Article 16 of the Police Code and that the Medical Cannabis Dispensary has demonstrated good faith compliance with its Equity Plan.

Amendments to Current Law

This ordinance would allow the Director of the Department of Public Health to extend, for multiple 90-day periods rather than a single 90-day period, the 120-day authorization for Medical Cannabis Dispensaries to Sell Adult Use Cannabis.

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BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

## MEMORANDUM

TO: Barbara Garcia, Director, Department of Public Health

FROM: John Carroll, Assistant Clerk,  
Public Safety and Neighborhood Services Committee,  
Board of Supervisors

DATE: June 8, 2018

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Public Safety and Neighborhood Services Committee has received the following proposed legislation, introduced by Supervisor Cohen on June 5, 2018:

**File No. 180616**

**Ordinance amending the Health Code to allow the Director of the Department of Public Health to extend, for multiple 90-day periods rather than a single 90-day period, the 120-day authorization for Medical Cannabis Dispensaries to sell adult use cannabis.**

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Greg Wagner, Department of Public Health  
Dr. Naveena Bobba, Department of Public Health  
Sneha Patil, Department of Public Health

BOARD of SUPERVISORS



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1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

## MEMORANDUM

TO: Regina Dick-Endrizzi, Director  
Small Business Commission, City Hall, Room 448

FROM: John Carroll, Assistant Clerk, Public Safety and Neighborhood Services  
Committee, Board of Supervisors

DATE: June 8, 2018

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS  
Public Safety and Neighborhood Services Committee

The Board of Supervisors' Public Safety and Neighborhood Services Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 180616

Ordinance amending the Health Code to allow the Director of the Department of Public Health to extend, for multiple 90-day periods rather than a single 90-day period, the 120-day authorization for Medical Cannabis Dispensaries to sell adult use cannabis.

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102.

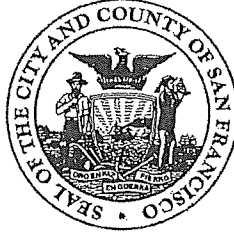
\*\*\*\*\*  
RESPONSE FROM SMALL BUSINESS COMMISSION - Date: \_\_\_\_\_

\_\_\_\_\_ No Comment  
\_\_\_\_\_ Recommendation Attached

\_\_\_\_\_  
Chairperson, Small Business Commission



President, District 5  
BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-7630  
Fax No. 554-7634  
TDD/TTY No. 544-5227

205-11  
COB, Aides,  
PSNS, Clerk,  
Mayor's Office  
Dep. City Mgr

London Breed

**PRESIDENTIAL ACTION**

Date: 6/7/18  
To: Angela Calvillo, Clerk of the Board of Supervisors

2018 JUN -7 PM 12:13  
AK  
RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO

Madam Clerk,  
Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No. 180616 Cohen  
(Primary Sponsor)

Title. Health Code - Medical Cannabis Dispensaries - Extensions of Time to Sell Adult Use Cannabis

Transferring (Board Rule No 3.3)

File No. \_\_\_\_\_  
(Primary Sponsor)

Title. \_\_\_\_\_

From: \_\_\_\_\_ Committee

To: \_\_\_\_\_ Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor \_\_\_\_\_

Replacing Supervisor \_\_\_\_\_

For: \_\_\_\_\_ Meeting  
(Date) (Committee)

London Breed, President  
Board of Supervisors

Print Form

# Introduction Form

By a Member of the Board of Supervisors or Mayor

RECEIVED  
 BOARD OF SUPERVISORS  
 2018 JUN -5 PM 4:43  
 Time stamp  
 or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor [ ] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [ ] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. [ ]
- 9. Reactivate File No. [ ]
- 10. Topic submitted for Mayoral Appearance before the BOS on [ ]

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

**Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.**

Sponsor(s):

Cohen

Subject:

[Health Code - Medical Cannabis Dispensaries - Extensions of Time to Sell Adult Use Cannabis]

The text is listed:

Ordinance amending the Health Code to allow the Director of the Department of Public Health to extend, for multiple 90-day periods rather than a single 90-day period, the 120-day authorization for Medical Cannabis Dispensaries to Sell Adult Use Cannabis.

Signature of Sponsoring Supervisor:

For Clerk's Use Only