

BOARD of SUPERVISORS



City Hall
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MEMORANDUM

TO: Regina Dick-Endrizzi, Director
Small Business Commission, City Hall, Room 448
FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee
DATE: August 3, 2021
SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Land Use and Transportation Committee

The Board of Supervisors' Land Use and Transportation 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. 210865

Ordinance amending the Health Code, Planning Code, and Police Code to extend the sunset date for provisions governing Medical Cannabis Dispensaries from December 31, 2021, to December 31, 2022; to extend the sunset date for allowing the conversion of Medical Cannabis Dispensaries with Planning Commission approval to a Cannabis Retail Use from January 1, 2022, to January 1, 2023; to allow the extension of Temporary Cannabis Business Permits for additional 120-day terms through December 31, 2022, rather than December 31, 2021; and to allow the extension of the Cannabis Event Permit pilot program through December 31, 2023, rather than December 31, 2021; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

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, CA 94102.

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

\_\_\_ No Comment

\_\_\_ Recommendation Attached

Chairperson, Small Business Commission

1 [Health, Planning, Police Codes - Various Cannabis Sunset Dates]

2  
3 **Ordinance amending the Health Code, Planning Code, and Police Code to extend the**  
4 **sunset date for provisions governing Medical Cannabis Dispensaries from December**  
5 **31, 2021, to December 31, 2022; to extend the sunset date for allowing the conversion**  
6 **of Medical Cannabis Dispensaries with Planning Commission approval to a Cannabis**  
7 **Retail Use from January 1, 2022, to January 1, 2023; to allow the extension of**  
8 **Temporary Cannabis Business Permits for additional 120-day terms through December**  
9 **31, 2022, rather than December 31, 2021; and to allow the extension of the Cannabis**  
10 **Event Permit pilot program through December 31, 2023, rather than December 31, 2021;**  
11 **affirming the Planning Department’s determination under the California Environmental**  
12 **Quality Act; and making findings of consistency with the General Plan, and the eight**  
13 **priority policies of Planning Code, Section 101.1.**

14 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
15 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
16 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
17 **Board amendment additions** are in double-underlined Arial font.  
18 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
19 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
20 subsections or parts of tables.

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

22 Section 1. Findings.

23 (a) The Planning Department has determined that the actions contemplated in this  
24 ordinance comply with the California Environmental Quality Act (California Public Resources  
25 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of

1 Supervisors in File No. \_\_\_\_ and is incorporated herein by reference. The Board affirms this  
2 determination.

3 (b) On \_\_\_\_\_, the Planning Commission waived its authority to review this  
4 ordinance. The Board hereby finds that the actions contemplated in this ordinance are  
5 consistent, on balance, with the City's General Plan and eight priority policies of Planning  
6 Code Section 101.1.

7

8 Section 2. Article 33 of the Health Code is hereby amended by revising Section 3323,  
9 to read as follows:

10 **SEC. 3323. SUNSET PROVISION.**

11 This Article 33 shall expire by operation of law on December 31, ~~2021~~2022. All permits  
12 authorizing the operation of a Medical Cannabis Dispensary issued under this Article 33 shall  
13 be rendered invalid after December 31, 2018, except for those permits issued under this  
14 Article 33 where the permit holder has applied for a Police Code Article 16 permit, which shall  
15 be rendered invalid on December 31, ~~2021~~2022. Upon expiration of the Article, the City  
16 Attorney shall cause it to be removed from the Health Code.

17

18 Section 3. Article 1.7 of the Planning Code is hereby amended by revising Section  
19 190, to read as follows:

20 **SEC. 190. CONVERSION OF MEDICAL CANNABIS DISPENSARIES TO**  
21 **CANNABIS RETAIL ESTABLISHMENTS.**

22 \* \* \* \*

23 (d) This Section 190 shall expire by operation of law on January 1, ~~2022~~2023. Upon  
24 its expiration, the City Attorney shall cause this Section 190 to be removed from the Planning  
25 Code.

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Section 4. Article 16 of the Police Code is hereby amended by revising Sections 1605 and 1621.5, to read as follows:

**SEC. 1605. TRANSITION PROVISION.**

\* \* \* \*

(h) **Duration.** A Temporary Cannabis Business Permit issued under this Section 1605 shall be valid for a period of 120 days and may be extended for additional 120-day periods at the discretion of the Director. Notwithstanding the prior sentence, the Director shall not issue a new temporary permit after January 1, 2019, and shall not extend the term of a Temporary Cannabis Business Permit issued to an applicant for a Cannabis Business Permit under this Article 16 past December 31, ~~2021~~2022.

\* \* \* \*

**SEC. 1621.5. EVENTS.**

\* \* \* \*

(k) **Pilot Program.** Prior to January 1, 2020, the Director may issue Cannabis Event Permits only in connection with events that meet all the following criteria:

- (1) The event has previously been held on a regular basis;
- (2) The event, in prior years, has received a City-issued permit; and
- (3) At the event, in prior years, there has been significant unregulated cannabis sales or consumption, which the Director determines could be reduced or eliminated at the event by the issuance of a Cannabis Events Permit. Except as stated in the following paragraph, the restrictions imposed by this subsection (k) on the operation of this Section 1621.5 shall become inoperative on January 1, 2020.

1           The Director may extend the pilot program set forth in this subsection (k) one or  
2 more times, up to December 31, ~~2021~~2023, such that no Cannabis Event Permit may issue  
3 except as provided under this subsection (k) prior to the date the Director’s extension of the  
4 pilot program, if any, ends. The Director may extend the pilot program as provided herein only  
5 upon the Director’s written determination that, in light of other duties imposed on the Office of  
6 Cannabis, the Office lacks sufficient resources to process additional Cannabis Event Permit  
7 applications or to otherwise effectively regulate cannabis-related events.

8           \* \* \* \*

9  
10           Section 5. Effective Date. This ordinance shall become effective 30 days after  
11 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
12 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
13 of Supervisors overrides the Mayor’s veto of the ordinance.

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15           Section 6. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
16 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
17 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
18 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
19 additions, and Board amendment deletions in accordance with the “Note” that appears under  
20 the official title of the ordinance.

21  
22 APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

23 By: **/S/ Sarah Crowley**  
24       **SARAH CROWLEY**  
      Deputy City Attorney

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**LEGISLATIVE DIGEST**

[Health, Planning, Police Codes - Various Cannabis Sunset Dates]

**Ordinance amending the Health Code, Planning Code, and Police Code to extend the sunset date for provisions governing Medical Cannabis Dispensaries from December 31, 2021, to December 31, 2022; to extend the sunset date for allowing the conversion of Medical Cannabis Dispensaries with Planning Commission approval to a Cannabis Retail Use from January 1, 2022, to January 1, 2023; to allow the extension of Temporary Cannabis Business Permits for additional 120-day terms through December 31, 2022, rather than December 31, 2021; and to allow the extension of the Cannabis Event Permit pilot program through December 31, 2023, rather than December 31, 2021; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.**

Amendments to Current Law

This ordinance would extend the date beyond which Medical Cannabis Dispensary Permits (issued under Article 33 of the Health Code) can no longer be effective from December 31, 2021, to December 31, 2022.

This ordinance would extend the date beyond which Medical Cannabis Dispensaries with Planning Commission approval may no longer be converted to a Cannabis Retail Use without being subject to applicable Conditional Use Authorization requirements or locational restrictions for Cannabis Retail, from January 1, 2022, to January 1, 2023.

This ordinance would extend the date beyond which Temporary Cannabis Business Permits (issued under Article 16 of the Police Code) can no longer be effective from December 31, 2021, to December 31, 2022.

This ordinance would extend the date beyond which the pilot program for Cannabis Event Permits (issued under Article 16 of the Police Code) can no longer be extended from December 31, 2021, to December 31, 2023.

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# Introduction Form

By a Member of the Board of Supervisors or Mayor

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):

Subject:

The text is listed:

Ordinance amending the Health Code, Planning Code, and Police Code to extend the sunset date for provisions governing Medical Cannabis Dispensaries from December 31, 2021, to December 31, 2022; to extend the sunset date for allowing the conversion of Medical Cannabis Dispensaries with Planning Commission approval to a Cannabis Retail Use from January 1, 2022, to January 1, 2023; to allow the extension of Temporary Cannabis Business Permits for additional 120-day terms through December 31, 2022, rather than December 31, 2021; and to allow the extension of the Cannabis Event Permit pilot program through December 31, 2023, rather than December 31, 2021; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan and the eight priority policies of Planning Code, Section 101.1.

Signature of Sponsoring Supervisor: