

1 [Health Code - Approving a New Location for a Permittee’s Medical Cannabis Dispensary
2 Permit]

3 **Ordinance amending the Health Code to authorize the Director of the Department of**
4 **Public Health to allow an existing Medical Cannabis Dispensary permittee to operate**
5 **under that permit at a new location, provided the permittee has been verified by the**
6 **Office of Cannabis as an Equity Applicant under the Police Code, the permittee, if a**
7 **natural person, or a natural person who is a verified Equity Applicant, was identified as**
8 **an applicant or as a person who would be “engaged in the management of the medical**
9 **cannabis dispensary,” on the original Article 33 permit application submitted on or**
10 **before January 5, 2018,** the permittee has been evicted from the location associated
11 with the permit or been notified by the landlord that the lease would be terminated or
12 not renewed, the new location has an existing authorization for Medical Cannabis
13 Dispensary Use, the permittee has complied with all requirements of Article 33 of the
14 Health Code (the Medical Cannabis Act) with respect to the new location, and the
15 permittee satisfies the provisions of Article 33 regarding authorization by the Office of
16 Cannabis to sell Adult Use Cannabis; and affirming the Planning Department’s
17 determination under the California Environmental Quality Act.

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

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

25 Section 1. Environmental Findings.

1 The Planning Department has determined that the actions contemplated in this
2 ordinance comply with the California Environmental Quality Act (California Public Resources
3 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of
4 Supervisors in File No. 190973 and is incorporated herein by reference. The Board affirms
5 this determination.

6
7 Section 2. Article 33 of the Health Code is hereby amended by revising Section 3311,
8 to read as follows:

9 **SEC. 3311. TRANSFER OF PERMIT; CHANGE IN OWNERSHIP; RELOCATION OF**
10 **PERMIT.**

11 * * * *

12 **(c) Permits Portable.**

13 (1) The Director shall amend an Article 33 permit to allow an Article 33 permittee
14 operating as a Grandfathered MCD pursuant to Planning Code Section 190 (“Grandfathered MCD
15 Permittee”) to operate as a Medical Cannabis Dispensary under that permit at a different location,
16 provided all the following criteria are met:

17 (A) The Grandfathered MCD Permittee submits a written request to the Director seeking
18 a change in location for the permit and identifying the new proposed location (the “New Location”).

19 (B) The Grandfathered MCD Permittee has been verified by the Office of Cannabis as
20 an Equity Applicant under the criteria set forth in Police Code Section 1604(b). If the Grandfathered
21 MCD Permittee is a corporation or other non-natural person, it must establish that a natural person
22 who has been verified by the Office of Cannabis as an Equity Applicant exercises ownership and/or
23 control with respect to the Grandfathered MCD Permittee in accordance with one of the criteria
24 enumerated in Section 1604(b)(3) of the Police Code.

1 (C) The Grandfathered MCD Permittee, if a natural person, or a natural person
2 verified as an Equity Applicant by the Office of Cannabis and exercising ownership and/or
3 control with respect to the Grandfathered MCD Permittee in accordance with at least one of
4 the criteria in Section 1604(b)(3) of the Police Code, was listed in the Grandfathered MCD
5 Permittee’s Article 33 permit application submitted on or before January 5, 2018, as either an
6 applicant or as a person who would be “engaged in the management of the medical cannabis
7 dispensary,” in accordance with Section 3304(c)(2) of the Health Code.

8 (D) The Grandfathered MCD Permittee was evicted from the location associated with
9 the permit (the “Permitted Location”), or was notified by the landlord that the lease at the Permitted
10 Location has been or will be terminated or not renewed.

11 (E) The New Location has an existing authorization for Medical Cannabis Dispensary
12 Use, as defined in Sections 102 and 202.2 of the Planning Code.

13 (F) The Grandfathered MCD Permittee has complied with all applicable requirements
14 of this Article 33, the Planning Code, and the Police Code, with respect to the New Location, including
15 but not limited to the “Good Neighbor Policy” and “Security Plan” requirements set forth in Section
16 3322(d)(5) of this Article 33 and in Section 1602 of the Police Code.

17 (G) The Planning Department, Department of Building Inspection, Mayor’s Office on
18 Disability, Fire Department, and Office of Cannabis (together, the “Referring Agencies”), as
19 applicable, complete all required review and inspection of the New Location and report their
20 determinations to the Department of Public Health.

21 (H) The Director determines that the Grandfathered MCD Permittee satisfies all
22 provisions of Section 3322 of this Article 33.

23 (2) Upon receiving a written request from a Grandfathered MCD Permittee to amend a
24 permit to relocate to a New Location, if the Director upon preliminary review of the request determines
25 that it meets the criteria set forth in Section 3311(c)(1)(B), (C), (D), and (E), and (F) above, the

1 Director shall refer the Grandfathered MCD Permittee to the Referring Agencies for their review and
2 inspection, as applicable, of the New Location.

3 (3) Upon receipt of the reports from the Referring Agencies in accordance with Section
4 3311(c)(1)(~~FG~~), the Director shall consider such reports; shall determine, in accordance with Section
5 3311(c)(1)(~~GH~~), whether the Grandfathered MCD Permittee satisfies all provisions of Section 3322;
6 and shall determine whether the Grandfathered MCD Permittee satisfies all requirements set forth in
7 Section 3311(c)(1)(A)-(~~EF~~).

8
9 Section 3. Effective Date. This ordinance shall become effective 30 days after
10 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
11 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
12 of Supervisors overrides the Mayor's veto of the ordinance.

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14 APPROVED AS TO FORM:
15 DENNIS J. HERRERA, City Attorney

16 By: _____
17 SARAH A. CROWLEY
18 Deputy City Attorney

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