

1 [Administrative Code - Cannabis Oversight Committee]

2

3 Ordinance amending the Administrative Code to establish the Cannabis Oversight
4 Committee to advise the Board of Supervisors and the Mayor regarding the
5 implementation and enforcement of City laws and regulations relating to cannabis; and
6 to require the Director of the Office of Cannabis to report information to the Committee
7 regarding the growth of the cannabis industry in the City.

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

12

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

14

15 Section 1. Chapter 5 of the Administrative Code is hereby amended by adding Article
16 X, consisting of Sections 5.10-1 through 5.10-8, to read as follows:

17

18 ARTICLE X:

19 CANNABIS OVERSIGHT COMMITTEE

20

21 SEC. 5.10-1. CREATION OF COMMITTEE.

22 The Board of Supervisors (“Board”) hereby establishes the Cannabis Oversight Committee
23 (“Committee”).

24

25 SEC. 5.10-2. DEFINITIONS.

1 Terms not defined in this Article X shall have the meaning attributed to them in Police Code
2 Section 1602.

3
4 **SEC. 5.10-3. PURPOSE.**

5 In 2018, the City enacted Police Code Article 16 to comprehensively regulate Commercial
6 Cannabis activities, including the implementation of an Equity Program to promote equitable
7 ownership and employment opportunities in the Cannabis industry by lowering barriers for those hit
8 hardest by the War on Drugs. The purpose of the Committee is to 1) convene representatives of
9 Cannabis Business operators, workers, patients, and other key stakeholders in the Cannabis industry to
10 oversee the Office of Cannabis' implementation of Police Code Article 16 by evaluating data on the
11 industry's growth; and 2) provide guidance and recommendations to the Board on amendments to local
12 laws and regulations, including those governing the Equity Program, to facilitate socially responsible
13 growth of this new industry by creating living wage jobs and economic opportunities consistent with the
14 Board's intent in adopting Police Code Article 16.

15
16 **SEC. 5.10-4. MEMBERSHIP.**

17 The Committee shall consist of nine voting members and ~~five~~seven non-voting members, as
18 follows (seats 1 through ~~5~~7 being non-voting members):

19 (a) Seat 1 shall be held by the Director of the Department of Public Health or the Director's
20 designee.

21 (b) Seat 2 shall be held by the Chief of the Police Department or the Chief's designee.

22 (c) Seat 3 shall be held by the Director of the Department of Building Inspection or the
23 Director's designee.

24 (d) Seat 4 shall be held by the Director of the Planning Department or the Director's designee.
25

1 (e) Seat 5 shall be held by the Superintendent of the San Francisco Unified School District or
2 the Superintendent's designee, which may include a Member of the Board of Education. The
3 Superintendent is not required to hold this seat or appoint a designee, but shall be invited to do so.

4 (f) Seat 6 shall be held by a member the Executive Director of the Entertainment
5 Commission or the Executive Director's designee, appointed by the Entertainment
6 Commission.

7 (g) Seat 7 shall be held by the Chief of the Fire Department or the Chief's designee.

8 (fh) Seat 68 shall be held by an Owner of a Cannabis Business permitted through the Equity
9 Program, appointed by the Board. If there are no Equity Applicant permit-holders who apply for
10 the seat, then the Board may appoint a person who, at the time of the appointment, is an
11 Equity Applicant, as that term is defined in Police Code Subsection 1604(b).

12 (gi) Seat 79 shall be held by the operator of a Cannabis Cultivation, Manufacturing, or
13 distribution business with fewer than 20 employees at the time of appointment, appointed by the Board.

14 (hj) Seat 810 shall be held by a representative of organized labor who works with the Cannabis
15 business labor force, appointed by the Board.

16 (ik) Seat 911 shall held by a representative of organized labor who works with the Cannabis
17 delivery service labor force, appointed by the Board.

18 (jl) Seat 120 shall be held by an Owner of a Storefront Cannabis Retailer, appointed by the
19 Board.

20 (km) Seat 134 shall be held by a person who, at the time of the appointment, is an Equity
21 Applicant, as that term is defined in Police Code Subsection 1604(b), appointed by the Board
22 a person who lived for at least five years (between 1971-2009) in San Francisco census tracts
23 where at least 17% of the households had incomes at or below the poverty level, appointed by
24 the Board.

1 (n) Seat 142 shall be held by a person with demonstrated subject matter expertise on the State
2 of California's Cannabis laws and regulations, appointed by the Board.

3 (m) Seat 153 shall be held by a person with significant experience in workforce and economic
4 development, appointed by the Board.

5 (p) Seat 164 shall be held by a person who has been a Medicinal Cannabis patient or
6 Medicinal Cannabis consumer for at least five years, with an extensive history advocating for
7 Medicinal Cannabis patients or involvement in implementing and running a Cannabis compassionate
8 use program in compliance with the Compassionate Use Act of 1996, appointed by the Board.

9
10 **SEC. 5.10-5. ORGANIZATION AND TERMS OF OFFICE.**

11 (a) Voting members shall serve two-year terms and shall serve at the pleasure of the Board.
12 Any vacancy in Seats 6 8 through 14 16 on the Committee shall be filled by the Board. Voting
13 members may serve multiple terms.

14 (b) Service on the Committee is voluntary and members shall receive no compensation from the
15 City, except that the members in Seats 1 through 4, 6, and 7 may, if City employees, receive their
16 regular City salaries for time spent on the Committee.

17 (c) Any member in Seats 6 8 through 14 16 who misses three regular meetings of the
18 Committee within a six-month period without the express approval of the Committee at or before each
19 missed meeting shall be deemed to have resigned from the Committee 10 days after the third
20 unapproved absence. The Committee shall inform the Clerk of the Board of any such resignation.

21 (d) All City departments, commissions, boards, and agencies shall cooperate with the
22 Committee in the performance of its functions. City departments shall respond within 30 days to
23 reasonable requests for information submitted by the Committee set forth in Administrative Code
24 Subsections 2A.420(b)(7)(A)-(J), if available, and any other reasonable requests for
25 information submitted by the Committee relevant to its ability to discharge its powers and duties.

1 provided that the disclosure of such information shall not be required where it would violate Federal or
2 State law.

3 (e) The Office of Cannabis shall prepare and submit to the Committee a report as set forth in
4 Administrative Code Section 2A.24420.

5 (f) The ~~Office of Cannabis~~ City Administrator shall provide administrative and policy
6 support for the Committee.

7
8 **SEC. 5.10-6. POWERS AND DUTIES.**

9 (a) The Committee shall have the power and duty to:

10 (a1) Oversee the Office of Cannabis' implementation and enforcement of City laws and
11 regulations relating to Cannabis, by convening stakeholders, gathering data, and advising the Board
12 and the Mayor.

13 (a2) Gather and evaluate data, and report to the Board and Mayor, regarding the
14 effectiveness of City laws and regulations relating to the Police Code Section 1604 Equity Program in
15 fostering equitable access to participation in the Cannabis industry and providing assistance to
16 communities unfairly burdened by the War on Drugs.

17 (a3) Gather and evaluate data, and report to the Board and Mayor, on the overall
18 health and stability of the Cannabis industry in San Francisco and make recommendations on possible
19 ways the City can help the industry grow and prosper.

20 (a4) Recommend to the Board modifications to City laws and regulations relating to
21 Cannabis, including recommendations to maximize the creation of living wage jobs and economic
22 opportunities for communities hit hardest by the War on Drugs. Where appropriate, the Committee's
23 recommendations shall include draft legislation or regulations.

1 **(b) As an advisory committee, tThe Committee shall not have authority to hire, fire,**
2 **or evaluate personnel in the Office of Cannabis, and shall not have authority over decisions by**
3 **the Office of Cannabis to issue, deny or modify permits.**

4
5 **SEC. 5.10-7. MEETINGS AND PROCEDURES.**

6 **(a) The Committee shall hold its inaugural meeting not more than 30 days after the Board has**
7 **appointed at least eight members to the Committee. There shall be at least ten days' notice of the**
8 **inaugural meeting. Following the inaugural meeting, the Committee shall hold a regular meeting not**
9 **less than five times per year until the sunset date set forth in Section 5.10-8.**

10 **(b) The Committee shall elect a Chair and officers for such other positions, if any, it chooses to**
11 **create. The Committee may establish bylaws and rules for its organization and procedures.**

12
13 **SEC. 5.10-8. SUNSET DATE.**

14 **Unless the Board by ordinance extends the term of the Committee, this Article X shall expire by**
15 **operation of law, and the Committee shall terminate, three years after the effective date of the**
16 **ordinance in Board File No. 180800 enacting this Article. In that event, after the sunset date, the City**
17 **Attorney shall cause this Article X to be removed from the Administrative Code.**

18
19 Section 2. The Administrative Code is hereby amended by revising Section 2A.240
20 **2A.420** to read as follows:

21
22 **SEC. 2A.420. OFFICE OF CANNABIS.**

23 **(a) Establishment.** The Mayor shall establish an Office of Cannabis under the direction
24 of the City Administrator to oversee the implementation of laws and regulations governing
25 cannabis in San Francisco. The City Administrator shall appoint a Director of the Office of

1 Cannabis. The Office of Cannabis shall include such officers and employees as are
2 authorized pursuant to the budgetary and fiscal provisions of the Charter.

3 (b) Duties and functions.

4 * * * *

5 (7) By no later than six months after the inaugural meeting of the Cannabis
6 Oversight Committee (“Committee”) established in Chapter 5, Article X of the Administrative
7 Code January 1, 2020, and biannually thereafter, the Director shall produce and submit to the
8 Cannabis Oversight Committee a report evaluating the growth of the City’s cannabis industry. This
9 report shall include, but need not be limited to, the following information, provided that the gathering
10 or the disclosure of such information is not required where it would violate Federal or State law, and
11 further provided that any reports derived from the data do not identify specific individuals:

12 _____ (A) The total number of permits the Office of Cannabis granted in the prior 12
13 months in each permit category listed in Police Code Section 1607.

14 _____ (B) The total revenue, including tax revenue, permitted Cannabis Businesses
15 generated in the prior 12 months.

16 _____ (C) The total costs the City incurred in processing Cannabis Business Permit
17 applications in the prior 12 months.

18 _____ (D) The total costs Cannabis Business Permit applicants incurred in the prior
19 12 months, associated with preparation, submission, and processing of Cannabis Business Permit
20 applications.

21 _____ (E) The average time for Cannabis Business Permit processing in the prior 12
22 months, measured from the date the Office of Cannabis receives an application for a Cannabis
23 Business Permit through the date the Office of Cannabis grants or denies a permit.

1 (F) The total number and length of time in operation of permitted Cannabis
2 Businesses that operated for 30 days or more in the prior 12 months, categorized by each permit
3 category listed in Police Code Section 1607.

4 (G) The total number of employees directly employed by permitted Cannabis
5 Businesses that operated for 30 days or more in the prior 12 months, categorized by job type or
6 classification.

7 (H) The rate of pay and benefits of employees directly employed by permitted
8 Cannabis Businesses that operated for 30 days or more in the prior 12 months, categorized by job type
9 or classification.

10 (I) The total number of individuals in the City whose Cannabis convictions have
11 been expunged in the prior 12 months.

12 (J) If available, the total number of permitted Cannabis Business owners,
13 operators, and employees categorized by race and sex. The Director may request but not require
14 Cannabis Business owners and operators to disclose such information. The Director may not consider
15 such information in making any permit determination.

16
17 Section 3. Effective Date. This ordinance shall become effective 30 days after
18 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
19 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
20 of Supervisors overrides the Mayor's veto of the ordinance.

21
22 Section 4. Scope of the Ordinance. In enacting this ordinance, the Board of
23 Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections,
24 articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the
25 Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board

1 amendment additions, and Board amendment deletions in accordance with the "Note" that
2 appears under the official title of the ordinance.

3
4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA, City Attorney

6 By:


7 JANA CLARK
8 Deputy City Attorney

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
n:\legana\as2018\1800240\01312393.docx



City and County of San Francisco

Tails Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 180800

Date Passed: October 23, 2018

Ordinance amending the Administrative Code to establish the Cannabis Oversight Committee to advise the Board of Supervisors and the Mayor regarding the implementation and enforcement of City laws and regulations relating to cannabis; and to require the Director of the Office of Cannabis to report information to the Committee regarding the growth of the cannabis industry in the City.

October 03, 2018 Rules Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

October 03, 2018 Rules Committee - RECOMMENDED AS AMENDED

October 16, 2018 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

Ayes: 11 - Brown, Cohen, Fewer, Kim, Mandelman, Peskin, Ronen, Safai, Stefani, Tang and Yee

October 16, 2018 Board of Supervisors - PASSED ON FIRST READING AS AMENDED

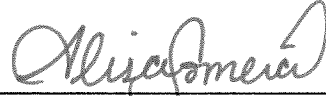
Ayes: 11 - Brown, Cohen, Fewer, Kim, Mandelman, Peskin, Ronen, Safai, Stefani, Tang and Yee

October 23, 2018 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Brown, Cohen, Fewer, Kim, Mandelman, Peskin, Ronen, Safai, Stefani, Tang and Yee

File No. 180800

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 10/23/2018 by the Board of Supervisors of the City and County of San Francisco.



for Angela Calvillo
Clerk of the Board

Unsigned

London N. Breed
Mayor

11/2/2018

Date Approved

I hereby certify that the foregoing ordinance, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, or time waived pursuant to Board Rule 2.14.2, became effective without his approval in accordance with the provision of said Section 3.103 of the Charter or Board Rule 2.14.2.



for Angela Calvillo
Clerk of the Board

11/5/2018

Date