

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 Director has not been notified of any court judgment finding that**
14 **the owner of the new location has wrongfully evicted another permittee from the new**
15 **location,** the permittee has complied with all requirements of Article 33 of the Health
16 Code (the Medical Cannabis Act) with respect to the new location, and the permittee
17 satisfies the provisions of Article 33 regarding authorization by the Office of Cannabis
18 to sell Adult Use Cannabis; and affirming the Planning Department's determination
19 under the California Environmental Quality Act.

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

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

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Section 1. Environmental Findings.

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

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

SEC. 3311. TRANSFER OF PERMIT; CHANGE IN OWNERSHIP; RELOCATION OF PERMIT.

* * * *

(c) Permits Portable.

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

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

(B) The Grandfathered MCD Permittee has been verified by the Office of Cannabis as an Equity Applicant under the criteria set forth in Police Code Section 1604(b). If the Grandfathered MCD Permittee is a corporation or other non-natural person, it must establish that a natural person who has been verified by the Office of Cannabis as an Equity Applicant exercises ownership and/or

1 control with respect to the Grandfathered MCD Permittee in accordance with one of the criteria
2 enumerated in Section 1604(b)(3) of the Police Code.

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

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

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

15 (F) The Director has not been notified of any court judgment finding that the
16 owner of the New Location has wrongfully evicted another Grandfathered MCD Permittee
17 from the New Location.

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

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

1 (GHI) The Director determines that the Grandfathered MCD Permittee satisfies all
2 provisions of Section 3322 of this Article 33.

3 (2) Upon receiving a written request from a Grandfathered MCD Permittee to amend a
4 permit to relocate to a New Location, if the Director upon preliminary review of the request determines
5 that it meets the criteria set forth in Section 3311(c)(1)(B), (C), (D), and (E), and (F), and (G) above,
6 the Director shall refer the Grandfathered MCD Permittee to the Referring Agencies for their review
7 and inspection, as applicable, of the New Location.

8 (3) Upon receipt of the reports from the Referring Agencies in accordance with Section
9 3311(c)(1)(FGH), the Director shall consider such reports; shall determine, in accordance with
10 Section 3311(c)(1)(GHI), whether the Grandfathered MCD Permittee satisfies all provisions of Section
11 3322; and shall determine whether the Grandfathered MCD Permittee satisfies all requirements set
12 forth in Section 3311(c)(1)(A)-(EFG).

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

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19 APPROVED AS TO FORM:
20 DENNIS J. HERRERA, City Attorney

21 By: _____
22 SARAH A. CROWLEY
23 Deputy City Attorney

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