

File No. 250809

Committee Item No. 1

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation

Date: October 27, 2025

Board of Supervisors Meeting:

Date: _____

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Prepared by: John Carroll

Date: October 24, 2025

Prepared by: _____

Date: _____

Prepared by: _____

Date: _____

[Planning Code - Conversion of Medical Cannabis Dispensary Uses to Cannabis Retail Uses]

Ordinance amending the Planning Code to establish a process for the conversion of certain Medical Cannabis Dispensaries to Cannabis Retail establishments; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making public necessity, convenience, and welfare findings pursuant to Planning Code, Section 302.

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in *single-underline italics Times New Roman font*.
Deletions to Codes are in ~~*strikethrough italics Times New Roman font*~~.
Board amendment additions are in double-underlined Arial font.
Board amendment deletions are in ~~strikethrough Arial font~~.
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:

Section 1. Environmental and Land Use Findings.

(a) 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. 250809 and is incorporated herein by reference. The Board affirms this determination.

(b) On October 2, 2025, the Planning Commission, in Resolution No. 21836, adopted findings that the actions contemplated in this ordinance are consistent, on balance, with the City's General Plan and eight priority policies of Planning Code Section 101.1. The Board

adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the Board of Supervisors in File No. 250809, and is incorporated herein by reference.

(c) Pursuant to Planning Code Section 302, the Board of Supervisors finds that this ordinance will serve the public necessity, convenience and welfare for the reasons set forth in Planning Commission Resolution No. 21836.

Section 2. Article 1.7 of the Planning Code is hereby amended by adding Section 190, to read as follows:

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

(a) An establishment may convert from a Medical Cannabis Dispensary Use to a Cannabis Retail Use by obtaining a building permit authorizing the change of Use, if the establishment:

(1) Holds a valid permit from the Office of Cannabis to operate as a Storefront Cannabis Retailer, as defined in Section 1602 of the Police Code, issued on or before January 1, 2025;
and

(2) Submitted a complete application to the Planning Department to convert to a Cannabis Retail Use on or before December 31, 2024.

(b) An application for a change of use submitted by an eligible establishment under subsection (a) of this Section 190 is subject to all Planning Code requirements except:

(1) Any requirement to obtain a Conditional Use Authorization for Cannabis Retail Uses in the zoning district in which it is located;

(2) Locational restrictions for Cannabis Retail set forth in Section 202.2(a);

(3) The requirements of Section 311; and

1 (4) Any Mandatory Discretionary Review and public-initiated discretionary review;
2 provided however, that the Planning Commission or Planning Department staff may initiate
3 discretionary review.

4 (c) Applications for a change of use from a Medical Cannabis Dispensary Use to a Cannabis
5 Retail Use not covered by subsection (a) of this Section 190 shall be subject to the zoning controls for
6 the district in which the Medical Cannabis Dispensary is located.

7 (d) This Section 190 shall expire by operation of law on December 31, 2026. Upon its
8 expiration, the City Attorney is authorized to cause this Section 190 to be removed from the Planning
9 Code.

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

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17 APPROVED AS TO FORM:
18 DAVID CHIU, City Attorney

19 By: /s/ Kathy J. Shin
20 KATHY J. SHIN
21 Deputy City Attorney

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23
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25

LEGISLATIVE DIGEST

[Planning Code - Conversion of Medical Cannabis Dispensary Uses to Cannabis Retail Uses]

Ordinance amending the Planning Code to establish a process for the conversion of certain Medical Cannabis Dispensaries to Cannabis Retail establishments; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making public necessity, convenience, and welfare findings pursuant to Planning Code, Section 302.

Existing Law

Applications for a change of use from a Medical Cannabis Dispensary to Cannabis Retail are subject to the zoning controls for the district in which the Medical Cannabis Dispensary is located, and the requirements of Section 311 and Section 202.2 of the Planning Code.

Section 311 of the Planning Code provides that a change of use to Cannabis Retail is subject to neighborhood notification and review requirements.

Section 202.2 of the Planning Code provides that a Cannabis Retail use is subject to location restrictions.

Amendments to Current Law

The ordinance would add Section 190 to the Planning Code to exempt qualifying Medical Cannabis Dispensaries applying to convert to Cannabis Retail use from (1) a Conditional Use Authorization for Cannabis Retail Uses; (2) the location restrictions for Cannabis in Section 202.2(a); (3) the requirements of Section 311; and (4) any Mandatory Discretionary Review and public-initiated discretionary review, while providing that the Planning Commission and Planning Department staff may still initiate discretionary review.

An establishment qualifies for these exemptions if it (a) holds a valid permit from the Office of Cannabis to operate as a Storefront Cannabis Retailer issued on or before January 1, 2025; and (b) submitted a complete application to the Planning Department to convert to a Cannabis Retail Use on or before December 31, 2024.

Background Information

Former Section 190 of the Planning Code expired on December 31, 2024. The ordinance is intended to provide a short extension of Section 190 to facilitate the conversion of qualifying cannabis businesses that narrowly missed the 2024 deadline.

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October 14, 2025

Ms. Angela Calvillo, Clerk
Honorable Supervisor Fielder
Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: **Transmittal of Planning Department Case Number 2025-007350PCA:**
Conversion of Medical Cannabis Dispensary Uses to Cannabis Retail Uses
Board File No. 250809

Planning Commission Recommendation: Approval

Dear Ms. Calvillo and Supervisor Fielder,

On October 2, 2025, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance, introduced by Supervisor Fielder that would amend the Planning Code to establish a process for the conversion of certain Medical Cannabis Dispensaries to Cannabis Retail establishments. At the hearing the Planning Commission adopted a recommendation for approval.

The proposed amendments are not defined as a project under CEQA Guidelines Section 15060(c) and 15378 because they do not result in a physical change in the environment.

Please find attached documents relating to the actions of the Commission. If you have any questions or require further information please do not hesitate to contact me.

Sincerely,

Veronica Flores

Veronica Flores for Aaron D. Starr
Manager of Legislative Affairs

cc: Kathy Shin, Deputy City Attorney
Ana Herrera, Aide to Supervisor Fielder
John Carroll, Office of the Clerk of the Board

ATTACHMENTS :

Planning Commission Resolution
Planning Department Executive Summary



PLANNING COMMISSION RESOLUTION NO. 21836

HEARING DATE: October 2, 2025

Project Name: Conversion of Medical Cannabis Dispensary Uses to Cannabis Retail Uses
Case Number: 2025-007350PCA [Board File No. 250809]
Initiated by: Supervisor Fielder / Introduced July 29, 2025
Staff Contact: Veronica Flores Legislative Affairs
veronica.flores@sfgov.org, 628-652-7525
Reviewed by: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 628-652-7533

RESOLUTION ADOPTING A RECOMMENDATION FOR APPROVAL OF A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO ESTABLISH A PROCESS FOR THE CONVERSION OF CERTAIN MEDICAL CANNABIS DISPENSARIES TO CANNABIS RETAIL ESTABLISHMENTS; AFFIRMING THE PLANNING DEPARTMENT'S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN, AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE, SECTION 101.1; AND MAKING PUBLIC NECESSITY, CONVENIENCE, AND WELFARE FINDINGS PURSUANT TO PLANNING CODE, SECTION 302.

WHEREAS, on July 29, 2025 Supervisor Fielder introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 250809, which would amend the Planning Code to establish a process for the conversion of certain Medical Cannabis Dispensaries to Cannabis Retail establishments;

WHEREAS, the Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on October 2, 2025; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 15378 and 15060(c); and

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the Custodian of Records, at 49 South Van Ness Avenue, Suite 1400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

WHEREAS, the Planning Commission finds from the facts presented that the public necessity, convenience, and general welfare require the proposed amendment; and

MOVED, that the Planning Commission hereby adopts a **recommendation for approval** of the proposed ordinance.

Findings

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

The proposed Ordinance is a narrowly tailored solution to allow a single, longstanding MCD to complete its transition to a Cannabis Retailer. The business has been in operation since 2019 and has actively participated in the City's regulated cannabis framework.

General Plan Compliance

The proposed Ordinance is consistent with the following Objectives and Policies of the General Plan:

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 2

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

Policy 2.1

Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

The proposed Ordinance is consistent with and directly supports the goals of the Commerce and Industry Element of the San Francisco General Plan. Specifically, it advances Objective 2: "Maintain and enhance a sound and diverse economic base" by preserving a long-standing small business that contributes to the diversity of the City's regulated cannabis industry. By creating a narrowly tailored path for one MCD to complete its transition to a Cannabis Retailer, this proposed Ordinance helps avoid the unnecessary closure of an existing business that has not received any complaints. The proposed Ordinance also directly furthers Policy 2.1: "Retain existing commercial activities and permit new commercial activities in order to preserve the City's economic and employment base." Without this legislation, the business at 3326 Mission Street would face forced closure due to the expiration of Section 190.

Planning Code Section 101 Findings

The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The proposed Ordinance would not have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

The proposed Ordinance would not have a negative effect on housing or neighborhood character.

3. That the City's supply of affordable housing be preserved and enhanced;

The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

The proposed Ordinance would not have an adverse effect on City's preparedness against injury and loss of life in an earthquake.

7. That the landmarks and historic buildings be preserved;

The proposed Ordinance would not have an adverse effect on the City's Landmarks and historic buildings.

8. That our parks and open space and their access to sunlight and vistas be protected from development;

The proposed Ordinance would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas.

Planning Code Section 302 Findings.

The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission hereby ADOPTS A RECOMMENDATION FOR APPROVAL the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on October 2, 2025.



Jonas P. Ionin

Commission Secretary

Jonas P Ionin

Digitally signed by Jonas P Ionin
Date: 2025.10.08 14:55:46 -07'00'

AYES: Campbell, McGarry, Williams, Braun, Imperial, Moore, So

NOES: None

ABSENT: None

ADOPTED: October 2, 2025



EXECUTIVE SUMMARY

PLANNING CODE TEXT AMENDMENT

HEARING DATE: October 2, 2025

90-Day Deadline: November 11, 2025

Project Name: Conversion of Medical Cannabis Dispensary Uses to Cannabis Retail Uses
Case Number: 2025-007350PCA [Board File No. 250809]
Initiated by: Supervisor Fielder / Introduced July 29, 2025
Staff Contact: Veronica Flores Legislative Affairs
veronica.flores@sfgov.org, 628-652-7525
Reviewed by: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 628-652-7533
Environmental Review: Not a Project Under CEQA

RECOMMENDATION: Adopt a Recommendation for Approval

Planning Code Amendment

The proposed Ordinance would amend the Planning Code to establish a process for the conversion of certain Medical Cannabis Dispensaries (MCD) to Cannabis Retailer establishments.

The Way It Is Now	The Way It Would Be
Cannabis Retailers are permitted based on the Zoning Controls for each district. They are subject to the locational restrictions for Cannabis Retailers per Section 202.2(a) and neighborhood notification.	An MCD may convert to a Cannabis Retailer through a building permit application if they meet the following eligibility criteria: Holds a valid permit from Office of Cannabis to operate as a Storefront Cannabis Retailer issued on or before January 1, 2025 and

	- Submitted a complete application to the Planning Department to convert to a Cannabis Retailer on or before December 31, 2024. Such Cannabis Retailer applications would be exempt from any Conditional Use (CU) authorizations required for the underlying Zoning District. Additionally, the applications would be exempt from the following: - Locational restrictions for Cannabis Retailers - Section 311 neighborhood notification - Any Mandatory Discretionary Review and public-initiated discretionary reviews, provided the Planning Commission or Planning Department staff may initiate discretionary review The section authorizing such conversions shall expire by December 31, 2026.
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Background

This proposed Ordinance was introduced to address an isolated permitting issue affecting a single cannabis business. This business was unable to complete its transition from a MCD to a Cannabis Retailer before the expiration of Section 190 of the Planning Code on December 31, 2024. The City had extended Section 190 multiple times and the last time it expired the Office of Cannabis believed all eligible MCDs had either converted or had ample opportunity to do so; however, one longstanding applicant was unable to finalize the required permits before Section 190 expired because it was deemed to be a Formula Retail establishment. This designation came about late in the conversion process. Supervisor Fielder introduced this narrowly crafted legislation to support this applicant in completing the transition to a Cannabis Retailer.

Issues and Considerations

Medical Cannabis Dispensaries Converting to Cannabis Retailers

Before adult-use cannabis was legalized in California, San Francisco permitted MCDs under a local regulatory framework. These businesses were authorized to operate exclusively for medicinal purposes and were subject to their own set of zoning and permitting regulations. Following the statewide legalization of adult-use cannabis in 2016, San Francisco updated the Planning Code to align with the new state framework. This included creating a new land use category, Cannabis Retailer, which encompasses both adult-use and

medical cannabis sales. As a result, the City began phasing out the MCD designation and transitioning all existing cannabis retail activity into the Cannabis Retailer category.

To facilitate this shift, Section 190 of the Planning Code was adopted as a temporary provision under [Ordinance No. 229-17](#). It provided a streamlined path for existing, legally operating MCDs to convert to Cannabis Retailers without having to meet certain land use requirements typically applied to new cannabis businesses—particularly buffer zones around schools and other Cannabis Retailers. Although originally intended as a short-term measure, Section 190 remained in place for several years through multiple extensions to accommodate applicants already in the pipeline.

Under the current Planning Code, Cannabis Retailers are subject to stricter regulations than were previously required of MCDs. Section 202.2 mandates that Cannabis Retailers must first apply for a permit from the Office of Cannabis before applying to the Planning Department. They are also generally prohibited from locating within 600 feet of a school or another Cannabis Retailer, with limited exceptions. They must also comply with a range of operational standards, including those related to on-site consumption if applicable.

Post Section 190 – Repeal and Permitting Complications

Section 190 was originally set to expire on January 1, 2020, but was extended multiple times to accommodate MCD-to-Cannabis Retailer conversion applications still under review with the Office of Cannabis. The final extension allowed Section 190 to remain in effect through December 31, 2024.¹ It was not extended further, based on information provided by the Office of Cannabis indicating that all qualifying MCDs had successfully completed their transition to Cannabis Retailer status. As a result, Section 190 expired by operation of law and was subsequently removed from the Planning Code. However, the Planning Department has since identified one outstanding case where the conversion process was not completed.

The business at 3326 Mission Street began engaging with the City’s cannabis permitting process in 2016 with the intent to open a Medical Cannabis Dispensary and later convert to a Cannabis Retailer. In 2018, the applicant initiated the conversion process, but complications during the multi-step permitting timeline—particularly in finalizing the Cannabis Retailer designation—resulted in the application stalling. Without a completed conversion, the applicant could not proceed to secure a CU authorization for Formula Retail, a requirement for operating at that location. As a result, the business remains in a permitting limbo, unable to legally advance under the current land use framework.

Proposed Reinstatement of Section 190

This legislation proposes reinstating Section 190 of the Planning Code in a highly limited and targeted form. The intent of this reinstatement is not to reopen Section 190 broadly, but to provide narrowly tailored relief for one specific applicant who had a long-standing presence as an MCD and had made a timely effort to comply with the conversion process.

To ensure the reinstated provision is strictly limited, the legislation establishes clear eligibility criteria. An applicant must meet both of the following conditions: (1) hold a valid permit from the Office of Cannabis to

¹ [Ordinance No. 068-24](#).

operate as a Storefront Cannabis Retailer, issued on or before January 1, 2025; and (2) have submitted a complete application to the Planning Department to convert to a Cannabis Retailer on or before December 31, 2024. These strict criteria ensure that the relief applies only to the single known applicant affected by the expiration of Section 190 and prevent any broader reopening of the conversion process to other operators.

For the qualifying applicant, the proposed Ordinance reinstates several key planning exemptions that were previously available under Section 190 and are necessary for the project to proceed. These include an exemption from the requirement to obtain a CU authorization for Cannabis Retailers in the applicable Zoning District; an exemption from the 600-foot buffer zone and other location restrictions outlined in Planning Code Section 202.2(a); and an exemption from the neighborhood notification requirements under Planning Code Section 311. Additionally, the project would be exempt from both mandatory and public-initiated discretionary review, although the Planning Commission or Department staff retain the authority to initiate discretionary review at their discretion.

By mirroring the protections formerly provided under Section 190, this narrowly tailored legislation restores a viable path forward for a single applicant without altering the City's broader cannabis policy framework. It is designed to correct an administrative gap—not to reopen a closed policy debate.

General Plan Compliance

The proposed Ordinance is consistent with and directly supports the goals of the Commerce and Industry Element of the San Francisco General Plan. Specifically, it advances Objective 2: "Maintain and enhance a sound and diverse economic base" by preserving a long-standing small business that contributes to the diversity of the City's regulated cannabis industry. By creating a narrowly tailored path for one MCD to complete its transition to a Cannabis Retailer, this proposed Ordinance helps avoid the unnecessary closure of an existing business that has not received any complaints. The proposed Ordinance also directly furthers Policy 2.1: "Retain existing commercial activities and permit new commercial activities in order to preserve the City's economic and employment base." Without this legislation, the business at 3326 Mission Street would face forced closure due to the expiration of Section 190.

Racial and Social Equity Analysis

The Planning Code amendments supports the City's racial and social equity goals by providing a narrowly tailored remedy for a longstanding MCD that did not complete the transition to a Cannabis Retailer license before Section 190 was repealed. The business submitted its application in 2018 under the provisions of Section 190, which was created to help existing MCDs transition into the newly legalized adult-use cannabis system. However, due to extended inactivity in the permitting process, the business never received a building permit application or advanced through the necessary steps.

While the applicant bears some responsibility for not advancing their permit in a timely manner, this legislation recognizes that they initially engaged the process in good faith. The MCD made investments in their business with the expectation that they could eventually complete the transition. Without this legislative remedy, the business would be required to cease operations, despite having a historical presence in the City's regulated cannabis industry and having complied with the initial submission requirements of Section 190. This outcome would not only put the owner's business and employees at risk, but would also

run counter to the City's equity goals by allowing an administrative issue to permanently shut down a local business that made a good-faith effort to follow the rules.

Implementation

The Department has determined that this ordinance will not impact our current implementation procedures.

Recommendation

The Department recommends that the Commission ***adopt a recommendation for approval*** of the proposed Ordinance and adopt the attached Draft Resolution to that effect.

Basis for Recommendation

The Department supports this legislation as a narrowly tailored solution to allow a single, longstanding MCD to complete its transition to a Cannabis Retailer. The business has been in operation since 2019 and has actively participated in the City's regulated cannabis framework. Without this legislative intervention, the business would be required to cease operations due to the expiration of Section 190 and the inability to meet current locational and entitlement requirements.

Given the multiple extensions previously granted for Section 190 and the City's belief that all other qualifying MCDs have already converted — or had sufficient opportunity to do so — the Department finds that this proposed Ordinance is appropriately limited in scope. It is designed to support only the one applicant who initiated the process but did not complete it due to unresolved permitting complications.

The Department supports this targeted approach as a fair and reasonable means to ensure continuity for this operator while maintaining the integrity of the broader cannabis land use framework.

Required Commission Action

The proposed Ordinance is before the Commission so that it may adopt a recommendation of approval, disapproval, or approval with modifications.

Environmental Review

The proposed amendments are not defined as a project under CEQA Guidelines Section 15060(c)(2) and 15378 because they do not result in a physical change in the environment.

Public Comment

The Planning Department received one letter of support for the proposed Ordinance from STIIIYZ. The letter provided some background and a general timeline of the permitting milestones. STIIIYZ expressed strong

support for the proposed Ordinance which provides a path for them to continue operations at their location at 3326 Mission Street. A copy of this letter is attached in Exhibit C.

ATTACHMENTS:

Exhibit A: Draft Planning Commission Resolution
Exhibit B: Board of Supervisors File No. 250809
Exhibit C: Letter of Support



PLANNING COMMISSION

DRAFT RESOLUTION

HEARING DATE: October 2, 2025

Project Name: Conversion of Medical Cannabis Dispensary Uses to Cannabis Retail Uses
Case Number: 2025-007350PCA [Board File No. 250809]
Initiated by: Supervisor Fielder / Introduced July 29, 2025
Staff Contact: Veronica Flores Legislative Affairs
veronica.flores@sfgov.org, 628-652-7525
Reviewed by: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 628-652-7533

RESOLUTION ADOPTING A RECOMMENDATION FOR APPROVAL OF A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO ESTABLISH A PROCESS FOR THE CONVERSION OF CERTAIN MEDICAL CANNABIS DISPENSARIES TO CANNABIS RETAIL ESTABLISHMENTS; AFFIRMING THE PLANNING DEPARTMENT’S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN, AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE, SECTION 101.1; AND MAKING PUBLIC NECESSITY, CONVENIENCE, AND WELFARE FINDINGS PURSUANT TO PLANNING CODE, SECTION 302.

WHEREAS, on July 29, 2025 Supervisor Fielder introduced a proposed Ordinance under Board of Supervisors (hereinafter “Board”) File Number 250809, which would amend the Planning Code to establish a process for the conversion of certain Medical Cannabis Dispensaries to Cannabis Retail establishments;

WHEREAS, the Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on October 2, 2025; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 15378 and 15060(c); and

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the Custodian of Records, at 49 South Van Ness Avenue, Suite 1400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

WHEREAS, the Planning Commission finds from the facts presented that the public necessity, convenience, and general welfare require the proposed amendment; and

MOVED, that the Planning Commission hereby adopts a **recommendation for approval** of the proposed ordinance.

Findings

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

The proposed Ordinance is a narrowly tailored solution to allow a single, longstanding MCD to complete its transition to a Cannabis Retailer. The business has been in operation since 2019 and has actively participated in the City's regulated cannabis framework.

General Plan Compliance

The proposed Ordinance is consistent with the following Objectives and Policies of the General Plan:

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 2

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

Policy 2.1

Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

The proposed Ordinance is consistent with and directly supports the goals of the Commerce and Industry Element of the San Francisco General Plan. Specifically, it advances Objective 2: "Maintain and enhance a sound and diverse economic base" by preserving a long-standing small business that contributes to the diversity of the City's regulated cannabis industry. By creating a narrowly tailored path for one MCD to complete its transition to a Cannabis Retailer, this proposed Ordinance helps avoid the unnecessary closure of an existing business that has not received any complaints. The proposed Ordinance also directly furthers Policy 2.1: "Retain existing commercial activities and permit new commercial activities in order to preserve

the City's economic and employment base." Without this legislation, the business at 3326 Mission Street would face forced closure due to the expiration of Section 190.

Planning Code Section 101 Findings

The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The proposed Ordinance would not have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

The proposed Ordinance would not have a negative effect on housing or neighborhood character.

3. That the City's supply of affordable housing be preserved and enhanced;

The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

The proposed Ordinance would not have an adverse effect on City's preparedness against injury and

loss of life in an earthquake.

7. That the landmarks and historic buildings be preserved;

The proposed Ordinance would not have an adverse effect on the City's Landmarks and historic buildings.

8. That our parks and open space and their access to sunlight and vistas be protected from development;

The proposed Ordinance would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas.

Planning Code Section 302 Findings.

The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission hereby ADOPTS A RECOMMENDATION FOR APPROVAL the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on October 2, 2025.

Jonas P. Ionin
Commission Secretary

AYES:

NOES:

ABSENT:

ADOPTED: October 2, 2025

EXHIBIT B

[Planning Code - Conversion of Medical Cannabis Dispensary Uses to Cannabis Retail Uses]

Ordinance amending the Planning Code to establish a process for the conversion of certain Medical Cannabis Dispensaries to Cannabis Retail establishments; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making public necessity, convenience, and welfare findings pursuant to Planning Code, Section 302.

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in *single-underline italics Times New Roman font*.
Deletions to Codes are in ~~*strikethrough italics Times New Roman font*~~.
Board amendment additions are in double-underlined Arial font.
Board amendment deletions are in ~~strikethrough Arial font~~.
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:

Section 1. Environmental and Land Use Findings.

(a) 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. ____ and is incorporated herein by reference. The Board affirms this determination.

(b) On _____, the Planning Commission, in Resolution No. _____, adopted findings that the actions contemplated in this ordinance are consistent, on balance, with the City's General Plan and eight priority policies of Planning Code Section 101.1. The

1 Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of
2 the Board of Supervisors in File No. _____, and is incorporated herein by reference.

3 (c) Pursuant to Planning Code Section 302, the Board of Supervisors finds that this
4 ordinance will serve the public necessity, convenience and welfare for the reasons set forth in
5 Planning Commission Resolution No. _____.
6

7 Section 2. Article 1.7 of the Planning Code is hereby amended by adding Section 190,
8 to read as follows:
9

10 **SEC. 190. CONVERSION OF MEDICAL CANNABIS DISPENSARIES TO CANNABIS**
11 **RETAIL ESTABLISHMENTS.**

12 (a) An establishment may convert from a Medical Cannabis Dispensary Use to a Cannabis
13 Retail Use by obtaining a building permit authorizing the change of Use, if the establishment:

14 (1) Holds a valid permit from the Office of Cannabis to operate as a Storefront
15 Cannabis Retailer, as defined in Section 1602 of the Police Code, issued on or before January 1, 2025;
16 and

17 (2) Submitted a complete application to the Planning Department to convert to a
18 Cannabis Retail Use on or before December 31, 2024.

19 (b) An application for a change of use submitted by an eligible establishment under subsection
20 (a) of this Section 190 is subject to all Planning Code requirements except:

21 (1) Any requirement to obtain a Conditional Use Authorization for Cannabis Retail
22 Uses in the zoning district in which it is located;

23 (2) Locational restrictions for Cannabis Retail set forth in Section 202.2(a);

24 (3) The requirements of Section 311; and
25

1 (4) Any Mandatory Discretionary Review and public-initiated discretionary review;
2 provided however, that the Planning Commission or Planning Department staff may initiate
3 discretionary review.

4 (c) Applications for a change of use from a Medical Cannabis Dispensary Use to a Cannabis
5 Retail Use not covered by subsection (a) of this Section 190 shall be subject to the zoning controls for
6 the district in which the Medical Cannabis Dispensary is located.

7 (d) This Section 190 shall expire by operation of law on December 31, 2026. Upon its
8 expiration, the City Attorney is authorized to cause this Section 190 to be removed from the Planning
9 Code.

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

15
16
17 APPROVED AS TO FORM:
18 DAVID CHIU, City Attorney

19 By: /s/ Kathy J. Shin
20 KATHY J. SHIN
21 Deputy City Attorney

22 n:\legana\as2025\2500287\01857963.docx

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EXHIBIT C

San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

Re: Support for File No. 250809 – Conversion of Medical Cannabis Dispensaries to Cannabis Retail

Dear President and Members of the Board of Supervisors,

I am writing on behalf of **STIIIZY, located at 3326 Mission Street, San Francisco**, to express our strong support for **File No. 250809**, the ordinance amending the Planning Code to extend the process for converting Medical Cannabis Dispensaries (MCDs) into Cannabis Retail establishments.

Since opening in 2019, our Mission Street location has consistently operated in full compliance with both City and State regulations. This ordinance is essential to ensuring that longstanding, compliant operators like us can remain open and continue providing safe, regulated access to cannabis. Without this extension, our business faces the risk of closure despite holding valid permits and investing significant resources into creating a secure, transparent, and responsible retail operation.

Our path to conversion reflects the intent behind this ordinance.

- **January 2024** – BCOK Inc. dba STIIIZY submitted an application to the Office of Cannabis (OOC) to convert from a Medical Cannabis Dispensary to an Adult Use Cannabis Retailer.
- **August 2024** – STIIIZY applied for a Formula Retail Conditional Use Authorization (CUA) with the San Francisco Planning Department.
- **December 2024** – We were issued **Cannabis Business Permit P0081SR** by the OOC, valid through January 1, 2026.
- **January 2025** – We were notified of an incomplete application for a building permit (Application #201803083217) to amend the use of 3326 Mission Street from Medical Cannabis Dispensary to Adult Use Retail. City Staff was informed that the Department of Building Inspection (DBI) was awaiting referral from the OOC.
- **January 2025** – DBI staff, including Christopher Victorio, confirmed that the permit remains active and is awaiting a letter from the OOC approving the site for Adult Use Retail.

Despite our diligence, these administrative steps extended beyond the prior deadline, leaving us in jeopardy of closure without this ordinance.

Beyond compliance, STIIIZY is deeply committed to serving and uplifting our community. We proudly sponsor local events such as the Annual Gun Buyback program, participation in the City's Adopt-a-Street

Program to help maintain and beautify the neighborhoods we serve, and we dedicate shelf space to Verified Social Equity products, supporting equity operators in the industry.

We respectfully urge the Board of Supervisors to adopt this ordinance to provide continuity for compliant operators, protect local union jobs, sustain community benefits, and maintain equitable access to legal cannabis in San Francisco.

Thank you for your time and consideration.

Sincerely,

Tak Sato

Tak Sato
President of STIIIZY

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

Date: August 7, 2025
To: Planning Department/Planning Commission
From: John Carroll, Assistant Clerk, Land Use and Transportation Committee
Subject: Board of Supervisors Legislation Referral - File No. 250809
Planning Code - Conversion of Medical Cannabis Dispensary Uses to Cannabis Retail Uses

- ☒ California Environmental Quality Act (CEQA) Determination
(*California Public Resources Code, Sections 21000 et seq.*) Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment.
☒ Ordinance / Resolution
☐ Ballot Measure
8/25/2025 *Joy Navarrete*
- ☒ Amendment to the Planning Code, including the following Findings:
(*Planning Code, Section 302(b): 90 days for Planning Commission review*)
☒ General Plan ☒ Planning Code, Section 101.1 ☒ Planning Code, Section 302
- ☐ Amendment to the Administrative Code, involving Land Use/Planning
(*Board Rule 3.23: 30 days for possible Planning Department review*)
- ☐ General Plan Referral for Non-Planning Code Amendments
(*Charter, Section 4.105, and Administrative Code, Section 2A.53*)
(Required for legislation concerning the acquisition, vacation, sale, or change in use of City property; subdivision of land; construction, improvement, extension, widening, narrowing, removal, or relocation of public ways, transportation routes, ground, open space, buildings, or structures; plans for public housing and publicly-assisted private housing; redevelopment plans; development agreements; the annual capital expenditure plan and six-year capital improvement program; and any capital improvement project or long-term financing proposal such as general obligation or revenue bonds.)
- ☐ Historic Preservation Commission
☐ Landmark (*Planning Code, Section 1004.3*)
☐ Cultural Districts (*Charter, Section 4.135 & Board Rule 3.23*)
☐ Mills Act Contract (*Government Code, Section 50280*)
☐ Designation for Significant/Contributory Buildings (*Planning Code, Article 11*)

Please send the Planning Department/Commission recommendation/determination to John Carroll at john.carroll@sfgov.org.

BOARD of SUPERVISORS



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San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

TO: Nikesh Patel, Director, Office of Cannabis

FROM: John Carroll, Assistant Clerk, Land Use and Transportation Committee

DATE: August 7, 2025

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Fielder on July 29, 2025.

File No. 250809

Ordinance amending the Planning Code to establish a process for the conversion of certain Medical Cannabis Dispensaries to Cannabis Retail establishments; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making public necessity, convenience, and welfare findings pursuant to Planning Code, Section 302.

If you have 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 or by email at: john.carroll@sfgov.org.

cc:
Offices of Chair Melgar and Supervisor Fielder
Jeremy Schwartz, Office of Cannabis

Introduction Form

(by a Member of the Board of Supervisors or the Mayor)

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

- ☐ 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- ☐ 2. Request for next printed agenda (For Adoption Without Committee Reference)
(Routine, non-controversial and/or commendatory matters only)
- ☐ 3. Request for Hearing on a subject matter at Committee
- ☐ 4. Request for Letter beginning with "Supervisor inquires..."
- ☐ 5. City Attorney Request
- ☐ 6. Call File No. from Committee.
- ☐ 7. Budget and Legislative Analyst Request (attached written Motion)
- ☐ 8. Substitute Legislation File No.
- ☐ 9. Reactivate File No.
- ☐ 10. Topic submitted for Mayoral Appearance before the Board on

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- ☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission
- ☐ Planning Commission ☐ Building Inspection Commission ☐ Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- ☐ Yes ☐ No

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

Sponsor(s):

Subject:

Long Title or text listed:

Signature of Sponsoring Supervisor: