

BOARD of SUPERVISORS



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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

[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 ~~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

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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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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: