

BOARD of SUPERVISORS



City Hall
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MEMORANDUM

TO: Regina Dick-Endrizzi, Director
Small Business Commission, City Hall, Room 448
FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee
DATE: November 12, 2020
SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Land Use and Transportation Committee

The Board of Supervisors' Land Use and Transportation Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 201261

Ordinance amending the Planning Code to extend from January 1, 2021, to January 1, 2022, the sunset date for the provision allowing for the conversion of Medical Cannabis Dispensaries with Planning Commission approval to a Cannabis Retail Use; 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 under Planning Code, Section 302.

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Dominica Donovan, Senior Policy Analyst/Commission Secretary

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RESPONSE FROM SMALL BUSINESS COMMISSION - Date: \_\_\_\_\_

\_\_\_ No Comment

\_\_\_ Recommendation Attached

Chairperson, Small Business Commission

1 [Planning Code - Cannabis Uses]

2

3 **Ordinance amending the Planning Code to extend from January 1, 2021, to January 1,**  
 4 **2022, the sunset date for the provision allowing for the conversion of Medical Cannabis**  
 5 **Dispensaries with Planning Commission approval to a Cannabis Retail Use; affirming**  
 6 **the Planning Department’s determination under the California Environmental Quality**  
 7 **Act; making findings of consistency with the General Plan, and the eight priority**  
 8 **policies of Planning Code, Section 101.1; and making public necessity, convenience,**  
 9 **and welfare findings under Planning Code, Section 302.**

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

14

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

16

17 Section 1. Findings.

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

23 (b) On \_\_\_\_\_, the Planning Commission, in Resolution No. \_\_\_\_\_,  
 24 adopted findings that the actions contemplated in this ordinance are consistent, on balance,  
 25 with the City’s General Plan and eight priority policies of Planning Code Section 101.1. In this

1 Resolution, the Planning Commission also adopted findings that the actions contemplated in  
2 this ordinance will serve the public necessity, convenience, and welfare, pursuant to Planning  
3 Code Section 302. The Board adopts these findings as its own. A copy of said Resolution is  
4 on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_, and is incorporated  
5 herein by reference.

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7 Section 2. The Planning Code is hereby amended by revising Section 190 to read as  
8 follows:

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

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\* \* \* \*

12 (d) This Section 190 shall expire by operation of law on January 1, ~~2021~~2022. Upon  
13 its expiration, the City Attorney shall cause this Section 190 to be removed from the Planning  
14 Code.

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16 Section 3. Effective Date; Retroactivity.

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

21 (b) It is the intention of the Board of Supervisors that the option to convert a Medical  
22 Cannabis Dispensary Use to a Cannabis Retail Use continue uninterrupted until January 1,  
23 2022. Accordingly, upon the effective date of this ordinance, the ordinance shall be  
24 retroactive to January 1, 2021.

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1           Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
2 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
3 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
4 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
5 additions, and Board amendment deletions in accordance with the “Note” that appears under  
6 the official title of the ordinance.

7

8 APPROVED AS TO FORM:  
9 DENNIS J. HERRERA, City Attorney

10 By:           /s/ Sarah A. Crowley            
11       SARAH A. CROWLEY  
12       Deputy City Attorney

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## LEGISLATIVE DIGEST

[Planning Code - Cannabis Uses]

**Ordinance amending the Planning Code to extend from January 1, 2021, to January 1, 2022, the sunset date for the provision allowing for the conversion of Medical Cannabis Dispensaries with Planning Commission approval to a Cannabis Retail Use; 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 under Planning Code, Section 302.**

### Existing Law

Planning Code Code Section 190 provides a process for Medical Cannabis Dispensaries to convert a Medical Cannabis Dispensary Use to a Cannabis Retail Use. That Section has a sunset date of January 1, 2021.

### Amendments to Current Law

This ordinance would extend the sunset date of Planning Code Section 190 from January 1, 2021, to January 1, 2022.

### Background Information

All Medical Cannabis Dispensaries holding permits under Article 33 of the Health Code, and wishing to continue cannabis retail operations, were required to apply for Cannabis Business Permits under Article 16 of the Police Code within 30 days after Article 16 permit applications were first made available in 2018. Planning Code Section 190's current sunset date of January 1, 2021, was set with the expectation that the Office of Cannabis would have completed processing of Article 16 permit applications from Medical Cannabis Dispensaries seeking such permits by January 1, 2021. The Office of Cannabis has experienced unanticipated delays in processing Article 16 permit applications, and will not have completed processing of Article 16 permit applications from Medical Cannabis Dispensaries by January 1, 2021. Therefore, this ordinance seeks to extend the sunset date of Planning Code Section 190 to January 1, 2022, to allow for continued conversion of Medical Cannabis Dispensary Uses to Cannabis Retail Uses while the Office of Cannabis completes processing of Article 16 permit applications from Medical Cannabis Dispensaries. Sections 191 and 205.2 of the Planning Code were previously amended to extend authorization of Temporary Cannabis Sales Uses for Medical Cannabis Dispensaries until January 1, 2022.

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