



# SAN FRANCISCO PLANNING DEPARTMENT

File No. 170865  
Received via email  
10/6/2017

October 06, 2017

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

1650 Mission St.  
Suite 400  
San Francisco,  
CA 94103-2479

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**415.558.6378**

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**Re: Transmittal of Planning Department Report:  
Interim Moratorium on Medical Cannabis Dispensaries  
Board File No. 170865**

Dear Ms. Calvillo and Supervisor Cohen,

Attached is the required written report for Board File 170865: Interim Moratorium on Medical Cannabis Dispensaries. The report describes the measures taken to alleviate the conditions that led to the adoption of the interim controls. Upon receipt of the report, the Ordinance directs the Clerk of the Board to calendar a motion for the Board to consider and approve this report.

If you have any questions or require further information please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Aaron D. Starr".

Aaron D. Starr  
Manager of Legislative Affairs

cc:

Victoria Wong, Deputy City Attorney  
Yoyo Chan, Aide to Supervisor Cohen  
Erica Major, Office of the Clerk of the Board

Attachments :

Report on Interim Moratorium on Medical Cannabis Dispensaries



# SAN FRANCISCO PLANNING DEPARTMENT

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## Planning Department Report

*Date:* October 6, 2017  
*Report Name:* Interim Moratorium on Medical Cannabis Dispensaries  
*Case No.:* 2017-010365PCA  
*Initiated by:* Supervisor Malia Cohen [Board File 170865]  
*Staff Contact:* Aaron Starr, Manager of Legislative Affairs  
(415) 558-6362; [aaron.starr@sfgov.org](mailto:aaron.starr@sfgov.org)  
*Reviewed by:* Daniel A. Sider, AICP; Senior Advisor for Special Projects  
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### STATEMENT OF PURPOSE

This report was prepared in response to Ordinance 190-17 (BF 170865), introduced by Supervisor Cohen on July 25, 2017, and passed into law on September 22, 2017. This Ordinance established an interim moratorium on the approval of Medical Cannabis Dispensaries ("MCDs") by the Planning Department or the Planning Commission for 45 days except where the proposed Medical Cannabis Dispensary use had been scheduled for a mandatory Discretionary Review hearing before the Planning Commission as of September 11, 2017. The Ordinance directs the Planning Department to submit a written report to the Clerk of the Board within 25 days of the Board of Supervisor's ("Board") approval of the Ordinance describing the measures taken to alleviate the conditions that led to the adoption of the ordinance. Upon receipt of the report, the Ordinance directs the Clerk of the Board to calendar a motion for the Board to consider and approve this report.

California Government Code Section 65858 provides that local jurisdictions, to protect the public safety, health, and welfare, may adopt as an urgency measure an interim ordinance prohibiting any uses that may be in conflict with a contemplated zoning proposal. The interim zoning moratorium provided for in this ordinance is intended to address and ameliorate the problems associated with the proliferation of MCDs in the City, and to address the potential displacement of other types of retail outlets caused by this proliferation, at a time when the cannabis industry is expanding rapidly and the state and local regulatory landscape is changing. The controls go further to state that there is an immediate threat to the public health, safety, and welfare caused by the continued issuance of MCD permits without uniform and equitable regulations for the granting of those permits.

### BACKGROUND

On November 9, 2016, the Mayor issued Executive Directive 16-05, "Implementing Prop 64: Adult Use of Marijuana Act," directing the Department of Public Health and the Planning Department, in consultation with other departments, to move forward with legislation for the Board of Supervisors' consideration that would address land use, licensing, safety, and youth access issues related to adult use cannabis under Proposition 64. Pursuant to that Executive Directive, the City

is currently working on comprehensive legislation that will establish a complete regulatory framework for a broad range of cannabis businesses, and that will identify where, and under what conditions, they may operate.

An initial draft of the proposed regulations – including amendments to the Planning, Police, Health, Administrative and Business and Tax Codes - was introduced by the Mayor and Supervisor Sheehy on September 26, 2017. Since then, the Planning Commission, the Health Commission, and the Small Business Commission have held public hearings to review and comment on the proposed regulations. Additionally, representatives from the Planning Department, the Office of Cannabis (“OOC”), the Mayor’s Office, and the Department of Public Health have continued robust stakeholder outreach in order to solicit feedback. The proposed regulations are scheduled to go before the Planning Commission for action on October 19, 2017, after which the ordinances will be before the Board of Supervisors for their review and action. The target deadline for final adoption by the Board and signature by the Mayor is the end of November so that a comprehensive regulatory structure for the cannabis industry in San Francisco will be in place by January 1, 2018.

**REQUIRED BOARD ACTION**

The Board may approve or disapprove this report.

**ENVIRONMENTAL REVIEW**

This Report was determined not to be a project per State CEQA Guidelines, Section 15060(c)(2).

**RECOMMENDATION**

The Department is recommending that the issues outlined in the Ordinance be addressed via the proposed cannabis regulations currently being considered by the City under Board Files 171041 and 171042.

**BASIS FOR RECOMMENDATION**

Board Files 171041 and 171042 seek to address all of the issues outlined in the moratorium. These issues include the potential land use impacts of MCDs seeking to convert to adult use sales, the appropriateness of current zoning for MCDs, the potential displacement of other types of retail outlets associated with a proliferation of MCDs, and possible over-concentration of MCDs in certain areas of the City. They also seek to create a comprehensive system for the regulation of adult use cannabis businesses. Further, these Board Files also address the concerns that the Planning Commission has expressed regarding the conversion process for existing MCDs upon the commencement of non-medical cannabis sales in San Francisco. For these reasons, the Planning Department recommends that Board files 171041 and 171042 be used to alleviate the conditions that led to the adoption of the interim control ordinance.

<b>RECOMMENDATION:</b> <b>Adopt Report</b>
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