

File No. 200144

Committee Item No. 4

Board Item No. 13

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Public Safety and Ngbh Services

Date: May 25, 2023

Board of Supervisors Meeting:

Date: June 6, 2023

Cmte Board

- | | | |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance - VERSION 2 |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract / DRAFT Mills Act Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Public Correspondence |

OTHER

- | | | |
|-------------------------------------|-------------------------------------|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Office of Cannabis Presentation – May 25, 2023</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Cannabis Oversight Committee Letter – April 17, 2020</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CEQA Determination – February 28, 2020</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Referrals, CEQA, SBC, and FYI to Depts – February 19, 2020</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |

Prepared by: John Carroll

Date: May 19, 2023

Prepared by: John Carroll

Date: June 2, 2023

Prepared by: _____

Date: _____

1 [Police Code - Ceasing Acceptance of New Applications for Cannabis Retail Permits]

2

3 **Ordinance amending the Police Code to provide that cannabis retail permit**
4 **applications will not be accepted as of the effective date of this ordinance; and**
5 **affirming the Planning Department’s determination under the California Environmental**
6 **Quality Act.**

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

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

15 Section 1. The Planning Department has determined that the actions contemplated in
16 this ordinance comply with the California Environmental Quality Act (California Public
17 Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the
18 Board of Supervisors in File No. 200144 and is incorporated herein by reference. The Board
19 affirms this determination.

20 Section 2. Background, Findings, and Purpose.

21 (a) As of ~~February 11, 2020~~ May 9, 2023, the existing cannabis retail industry in San
22 Francisco includes ~~3765~~ operating Storefront Cannabis Retail businesses, ~~4115~~ operating
23 Delivery-Only Cannabis Retail businesses, no operating Microbusiness permittees, and no
24 Medicinal Cannabis Retail businesses separate from the Storefront Cannabis Retail and
25 Delivery-Only Cannabis Retail businesses previously listed.

1 (b) As of ~~February 11, 2020~~May 9, 2023, there are ~~445~~63 pending applications for
2 Storefront Cannabis Retail business permits, ~~429~~ pending applications for Delivery-Only
3 Cannabis Retail business permits, and ~~40~~28 pending applications for Microbusiness permits
4 ~~(which may authorize any of the full range of Cannabis business activities covered by Article~~
5 ~~16, including but not limited to retail activities)~~that include retail activities. As of ~~February 11,~~
6 ~~2020~~May 9, 2023, there were ~~no~~32 pending applications for existing Medicinal Cannabis
7 Retail permitspermit conversion from Article 33 of the San Francisco Health Code to Article 16
8 of the San Francisco Police Code.

9 (c) Based on data from the Office of the Controller regarding profit trends among
10 cannabis retail businesses, it appears doubtful that the San Francisco market can sustain
11 additional Cannabis Retail businesses in a number greater than those already in the
12 application pipeline.

13 (d) In addition, new applicants for Cannabis Retail business permits slow the pace
14 of the permitting process for earlier applicants, as limited City resources must be distributed to
15 process pending applications. Many Equity Program applicants qualify for a reduction or
16 waiver of permit fees, so the burden of processing additional applications must largely be
17 borne by scarce General Fund revenues.

18 (e) The Board of Supervisors finds that the above considerations warrant the City's
19 ceasing to accept new applications for Cannabis Business Permits for retail sales – including
20 permits for Storefront Cannabis Retail, Delivery-Only Cannabis Retail, Medicinal Cannabis
21 Retail, and retail-related Cannabis Microbusiness – as of the effective date of this ordinance.

22
23 Section 3. Article 16 of the Police Code is hereby amended by revising Section 1606
24 to read as follows:

25 **SEC. 1606. APPLICATIONS FOR CANNABIS BUSINESS PERMITS.**

LEGISLATIVE DIGEST
(Amended in Committee, May 25, 2023)

[Police Code - Ceasing Acceptance of New Applications - Cannabis Retail Permits]

Ordinance amending the Police Code to provide that cannabis retail permit applications will not be accepted as of the effective date of this Ordinance; and affirming the Planning Department's determination under the California Environmental Quality Act.

Existing Law

Existing law, in Sections 1606 and 1609 of the Police Code, provides for the Office of Cannabis to accept applications for Cannabis Business Permits on an indefinite basis, with no end date for the office's acceptance of any such applications.

Amendments to Current Law

This ordinance would require the Office of Cannabis to decline to accept for processing, as of the effective date of this ordinance, any new applications for Cannabis Business Permits in the following categories: Cannabis Retailer, Storefront Cannabis Retailer, Delivery-Only Cannabis Retailer, Medicinal Cannabis Retailer, and Cannabis Microbusiness (to the extent relating to retail activity).

n:\legana\as2019\2000113\01426791.docx

San Francisco Office of Cannabis

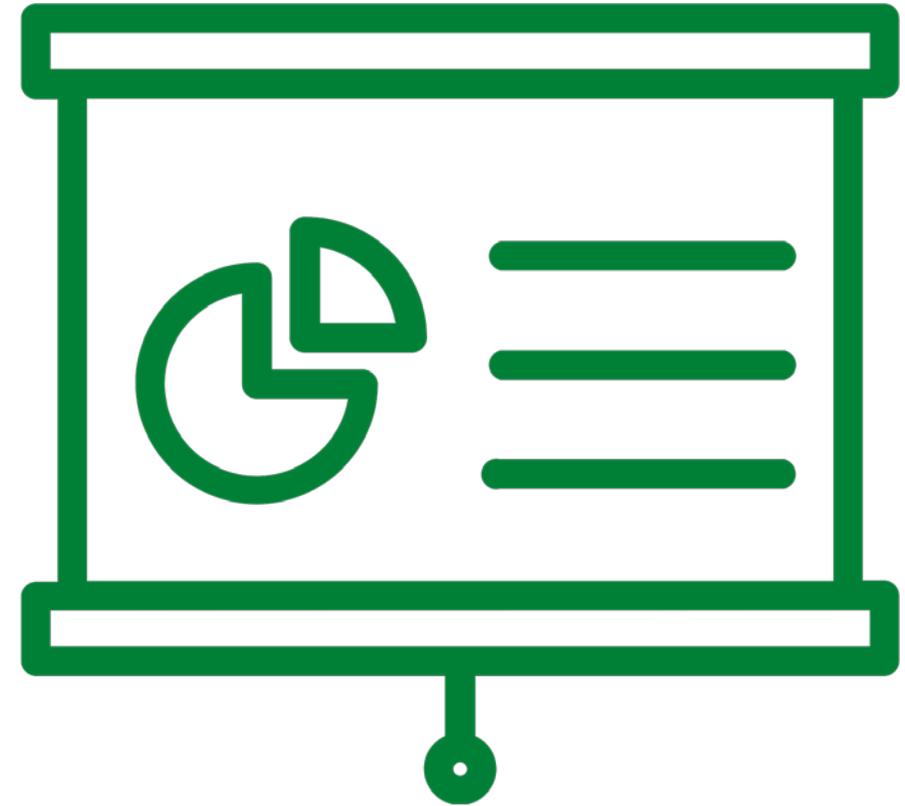
Public Safety & Neighborhood Services
Committee – 05/25/2022



Office of Cannabis
City and County of San Francisco
49 South Van Ness Suite 660, San Francisco, CA 94105
☎ (628) 652 - 0420
🌐 officeofcannabis.sfgov.org
🌐 <https://sf.gov/departments/office-cannabis>

Presentation Outline

- The Retail Market
- The Permitting Pipeline
- Recommendations



The Retail Market



**Permanent Cannabis
Businesses**

- **33 Businesses**
 - **31 Storefront Retail**
 - **2 Delivery-Only Retail**



**Temporary Cannabis
Businesses**

- **15 Businesses**
 - **All Delivery-Only Retail**



**Medicinal Cannabis
Dispensaries**

- **32 Businesses**
 - **All Storefront Retail**

Retail Permitting Pipeline: Verified Equity Applicants

- Currently there are ~100 applications from verified equity applicants that include a retail component:
 - 63 → Storefront Retail
 - 9 → Delivery-Only Retail
 - 28 → Microbusiness (including Retail or Delivery-Only Retail)

Retail Permitting Pipeline: Active Legacy Businesses

- There are 71 pending applications for retail from other non-Verified Equity Applicants:
 - ~24 are inactive and very unlikely to pursue a permit from the OOC
 - 47 are currently legally operating businesses with provisional permits from other agencies. They are very likely to pursue a permanent permit from the OOC
 - 32 are active Medical Cannabis Dispensaries
 - 15 are active Delivery only operations
 - The majority of these applications are waiting to start the permitting process or in the early stages (per permitting Tiers in Article 16)

Retail Permitting Pipeline: Processing Timelines*

- Verified Equity Applicants:
 - Processing Average Since May 2018: ~18 months
 - More Recent Processing Speed: ~9-12 months
- Legacy Businesses
 - Dependent on the progress of applications submitted by VEAs

** These timelines are just for the OOC; they do not include processing times for other City departments*

Recommendations from OOC

- Include of a sunset date for a future point in time (2-3 years)
- Provide all Verified Equity Applicants and those seeking to become verified with an additional six months after the date of enactment to submit a cannabis business application for retail activity.
 - Currently, there are 292 Verified Equity Applicants and 5 in the process of being verified who have not submitted cannabis business permit applications.

Thank You!

Contact Information:

officeofcannabis@sfgov.org

(628) 652-0420

San Francisco Office of Cannabis

49 South Van Ness, Suite 660

San Francisco, California 94103



SAN FRANCISCO
OFFICE OF CANNABIS



Office of Cannabis
City and County of San Francisco
49 South Van Ness Suite 660, San Francisco, CA 94105
☎ (628) 652 - 0420
🌐 officeofcannabis.sfgov.org
🌐 <https://sf.gov/departments/office-cannabis>



April 17, 2020
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, Ca. 94102-4689

To the Honorable Board of Supervisors:

The San Francisco Cannabis Oversight Committee sincerely hopes that this letter finds all of you in good health and that your loved ones are safe and healthy in this time of COVID-19. We are aware of the sensitivity of this time period and want to acknowledge the many challenges facing the City and express our gratitude for your offices taking the time to review our recommendations regarding the language set forth in Ordinance (File#200144) to Cease Acceptance of New Applications for Cannabis Retail Permits.

The Cannabis Oversight Committee discussed this proposal at length and took public comment during its regular committee meeting on March 3, 2020. Committee members agreed that a moratorium would be more appropriate than an indefinite stoppage of permit application submissions. Upon request, the Office of Cannabis (OOC) offered insight on an appropriate moratorium timeframe based on the current number of applications in the queue and based on the length of time it takes to process an application which is anywhere from 18 to 24 months. As a result of these discussions, the Cannabis Oversight Committee submits to the Board of Supervisors the following concerning San Francisco Police Code Section 1606(e):

Recommendation:

- (e) As of the effective date of the ordinance in Board File No. 200144 enacting this subsection (e), the Director shall decline to accept for processing any new applications for Cannabis Business Permits under this Article 16 in the following categories: Cannabis Retailer, Storefront Cannabis Retailer, Delivery-Only Cannabis Retailer, Medicinal Cannabis Retailer, and Cannabis Microbusiness (to the extent relating to retail activity) until after two years following the enactment of Board File No. 200144 or once the number of equity storefront retailers is equal to the number of pre-existing cannabis storefront businesses.

Although the Committee recommends such a moratorium (motion approved with four Ayes: Jamalian, Flynn, Stout, Richard; two Nays: Parks & Cry), we want your offices to be aware that the comments from the community expressed a great concern that the process into permit and licensure is still inequitable and that ceasing to provide an opportunity to submit applications does not help to make a more equitable playing field for people who have been harmed by the “War on Drugs.” Community members shared that those harmed by the “War on Drugs” are trying to play catch up in acquiring knowledge and skill sets to set up businesses in a heavily regulated cannabis industry.

The Cannabis Oversight Committee would like to work closely with both Supervisors Safai and Walton's offices to support the development of more innovative solutions.

Thank you for your time and consideration.

Sincerely,

Nina Parks

Chair

On Behalf of the San Francisco Cannabis Oversight Committee

BOARD of SUPERVISORS



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

February 19, 2020

File No. 200144

Lisa Gibson
Environmental Review Officer
Planning Department
1650 Mission Street, 4th Floor
San Francisco, CA 94103

Dear Ms. Gibson:

On February 11, Supervisor Walton introduced the following legislation:

File No. 200144

Ordinance amending the Police Code to provide that cannabis retail permit applications will not be accepted as of the effective date of this Ordinance; and affirming the Planning Department's determination under the California Environmental Quality Act.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

By: John Carroll, Assistant Clerk
Public Safety and Neighborhood Services Committee

Attachment

c: Devyani Jain, Deputy Environmental Review Officer
Joy Navarrete, Environmental Planner
Don Lewis, Environmental Planner

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.

2/28/2020 *Joy Navarrete*

BOARD of SUPERVISORS



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

MEMORANDUM

TO: William Scott, Chief, Police Department
Marisa Rodriguez, Director, Office of Cannabis
Ben Rosenfield, City Controller

FROM: John Carroll, Assistant Clerk,
Public Safety and Neighborhood Services Committee,
Board of Supervisors

DATE: February 19, 2020

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Public Safety and Neighborhood Services Committee has received the following proposed legislation, introduced by Supervisor Walton on February 11, 2020:

File No. 200144

Ordinance amending the Police Code to provide that cannabis retail permit applications will not be accepted as of the effective date of this Ordinance; and affirming the Planning Department's determination under the California Environmental Quality Act.

If you have any 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.

c: Rowena Carr, Police Department
Asja Steeves, Police Department
Ray Law, Office of Cannabis
Todd Rydstrom, Office of the Controller
Peg Stevenson, Office of Controller

BOARD of SUPERVISORS



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

MEMORANDUM

TO: Regina Dick-Endrizzi, Director
Small Business Commission, City Hall, Room 448

FROM: John Carroll, Assistant Clerk, Public Safety and Neighborhood Services
Committee, Board of Supervisors

DATE: February 19, 2020

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Public Safety and Neighborhood Services Committee

The Board of Supervisors' Public Safety and Neighborhood Services 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. 200144

Ordinance amending the Police Code to provide that cannabis retail permit applications will not be accepted as of the effective date of this Ordinance; and affirming the Planning Department's determination under the California Environmental Quality Act.

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, California 94102.

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: _____

_____ **No Comment**

_____ **Recommendation Attached**

Chairperson, Small Business Commission

BOARD of SUPERVISORS



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

February 19, 2020

File No. 200144

Lisa Gibson
Environmental Review Officer
Planning Department
1650 Mission Street, 4th Floor
San Francisco, CA 94103

Dear Ms. Gibson:

On February 11, Supervisor Walton introduced the following legislation:

File No. 200144

Ordinance amending the Police Code to provide that cannabis retail permit applications will not be accepted as of the effective date of this Ordinance; and affirming the Planning Department's determination under the California Environmental Quality Act.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

By: John Carroll, Assistant Clerk
Public Safety and Neighborhood Services Committee

Attachment

c: Devyani Jain, Deputy Environmental Review Officer
Joy Navarrete, Environmental Planner
Don Lewis, Environmental Planner

From: [Carroll, John \(BOS\)](#)
To: [Jon Heredia](#)
Cc: [Board of Supervisors \(BOS\)](#)
Subject: RE: Public comment re: 200144
Date: Thursday, May 25, 2023 2:38:00 PM
Attachments: [image001.png](#)

Thank you for your message.

By copy of this message to the board.of.supervisors@sfgov.org email address, your comments will be forwarded to the full membership of the Board of Supervisors, and I am adding your comments to the file for this ordinance.

BOS File No. 200144.

John Carroll

Assistant Clerk

Board of Supervisors
San Francisco City Hall, Room 244
San Francisco, CA 94102
(415)554-4445



Click [here](#) to complete a Board of Supervisors Customer Service Satisfaction form.

The [Legislative Research Center](#) provides 24-hour access to Board of Supervisors legislation and archived matters since August 1998.

***Disclosures:** Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors website or in other public documents that members of the public may inspect or copy.*

-----Original Message-----

From: Jon Heredia <jon.heredia@gmail.com>
Sent: Thursday, May 25, 2023 8:41 AM
To: Carroll, John (BOS) <john.carroll@sfgov.org>
Subject: Public comment re: 200144

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

My comment is in support of ceasing acceptance of new cannabis retail applications.

Current retail businesses in SF, many of whom are owned and operated by social equity applicants are struggling to stay open for a multitude of reasons. Security, taxes, lack of banking. But what is unique to large cities like San Francisco is the over-saturation of retail locations. There are already too many open retail stores per ratio to individual per square block. Retail stores are competing for the shrinking number people who live and work here, let alone the people who use cannabis.

Unless the city can attract more tourists or folks from surrounding counties to come and spend in San Francisco, it looks extremely bleak for current retail stores without some sort of retail advantage. For these reasons, I support the ceasing of accepting new cannabis retail applications.

- Jon Heredia

May 25, 2023

Public Safety and Neighborhood Services Committee
Members: Catherine Stefani, Joel Engardio, Matt Dorsey
Public Comment Item #4, File # 200144 (Clerk, please read during public comment if that's allowed)

Dear Committee Members,

We write to urge you to not recommend/approve the legislation to stop new cannabis retail applications for the following reasons:

- **This policy harms the social equity movement, by stopping it. Reefer madness continues, with it's negative minority group implications and new dog whistle called "saturation".**
- The Cannabis Committee includes stakeholders from equity applicants, business owners, labor representatives, subject matter experts, among others, provides recommendations to the Board on cannabis policy. **Their recommendation, attached to this file, explains either a two year moratorium, or until retail parity is met.**
- The original file asks for the Small Business Commission's input.
- Supervisor Safai said that **Cannabis Retailers Alliance lobbied him for this legislation. That lobbying group includes mostly white males preserving their own economic interests.**
- **If there's saturation, then why does members of the Retailers Alliance continue to open retail shops in the City? If saturation exists, then why aren't new retailers actually closing? This is a smokescreen for a lobbying group to seek a government bailout and intervention. Shouldn't market forces dictate successful businesses? If a restaurant struggles, will the Board intervene and say there's too many restarants and no new ones should open?**
- **Allowing vulnerable populations and minority groups to open businesses is a good thing! Opening vacant commercial spaces is a good thing! Jobs are a good thing! This policy stops that and disproportionately harms opportunities for minority groups.**
- **It would be better policy to write a report to analyze if saturation actually exists. Everything else is talk without back up.**

Please use your common sense to advance good policy and to stop bad ones. Don't get sucked into this smokescreen, negative politics, and attempt to railroad processes for unbecoming reasons.

Please protect/strengthen social equity and economic opportunity for vulnerable populations and City residents. Resist goliath, protect david. It's more important now than ever.

Thank you,
Coalition of concerned San Franciscans

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2023 MAY 23 PM 3:58
BY 

Introduction Form

By a Member of the Board of Supervisors or Mayor

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2020 FEB 11 PM 5:13
Time stamp
or meeting date

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

BY 

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor inquiries"
- 5. City Attorney Request.
- 6. Call File No. from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

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

Sponsor(s):

Subject:

The text is listed:

Signature of Sponsoring Supervisor:

For Clerk's Use Only