

File No. 180054

Committee Item No. 6

Board Item No. \_\_\_\_\_

# COMMITTEE/BOARD OF SUPERVISORS

## AGENDA PACKET CONTENTS LIST

Committee: Rules Committee

Date February 28, 2018

Board of Supervisors Meeting

Date \_\_\_\_\_

### Cmte Board

- |                                     |                          |  |
|-------------------------------------|--------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/> | Motion                                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Resolution                                   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ordinance                                    |
| <input checked="" type="checkbox"/> | <input 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 type="checkbox"/>            | <input type="checkbox"/> | Introduction Form                            |
| <input type="checkbox"/>            | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/> | Memorandum of Understanding (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/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 type="checkbox"/> | Form 700                                     |
| <input type="checkbox"/>            | <input type="checkbox"/> | Vacancy Notice                               |
| <input type="checkbox"/>            | <input type="checkbox"/> | Information Sheet                            |
| <input type="checkbox"/>            | <input type="checkbox"/> | Public Correspondence                        |

OTHER (Use back side if additional space is needed)

- |                                     |                          |  |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>BIC RESPONSE - FEBRUARY 21, 2018</u>      |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>REFERRALS - JANUARY 22 &amp; 25, 2018</u> |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____  |
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Completed by: Alisa Somera Date February 23, 2018

Completed by: \_\_\_\_\_ Date \_\_\_\_\_

1 [Building Code - Waiver and Refund of Investigation Fee for Persons Registered with the  
2 Office of Cannabis]

3 **Ordinance waiving and refunding investigation fees imposed by Building Code,**  
4 **Section 107A.5, for persons (as defined in Police Code, Section 1602) registered with**  
5 **the Office of Cannabis.**

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

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

14 Section 1. Findings and Purpose.

15 (a) To ensure that the cannabis industry in San Francisco operates in a manner that  
16 promotes health and safety, and that otherwise conforms to applicable regulatory standards,  
17 the City and County of San Francisco has encouraged potential participants in that industry to  
18 register with the Office of Cannabis. Indeed, Persons (as defined in Police Code Section  
19 1602) who wish to operate a Cannabis Business (as defined in the same Section) are  
20 required, under Police Code Section 1605, to be registered with the Office of Cannabis to  
21 obtain a Temporary Cannabis Business Permit. Persons who register with the Office of  
22 Cannabis are required to submit to inspections of the proposed Cannabis Business's  
23 premises by the Department of Building Inspection, in addition to certain other City  
24 departments, agencies, and offices.

25 (b) Building Code Section 107A.5 imposes an investigation fee for any work performed  
without a required Building Code permit. As described in Building Code Table 1A-K

1 (“Penalties, Hearings, Code Enforcement Assessments”), the amount of this investigation fee  
2 is generally “9 times the Permit Issuance Fee plus the original permit fee.” Imposing this  
3 investigation fee on Persons who are registered with the Office of Cannabis would likely be  
4 perceived as unfair or punitive by those who have cooperated with the City’s efforts to  
5 regulate the cannabis industry in a manner that promotes health and safety. Likewise,  
6 imposing this fee might discourage similar cooperation by such Persons in the future.  
7

8 Section 2. Waiver of Investigation Fee Imposed by Building Code Section 107A.5;  
9 Refund of Fees Previously Collected.

10 (a) The investigation fee imposed by Section 107A.5 of the Building Code is hereby  
11 waived with respect to Persons who are registered with the Office of Cannabis. Accordingly,  
12 neither the Department of Building Inspection, nor any other City department, agency, or  
13 office, may collect this fee from any Person who is registered with the Office of Cannabis.

14 (b) This ordinance is retroactive to September 26, 2017. Accordingly, the Department  
15 of Building Inspection, and, if applicable, any other City department, agency, or office, shall  
16 refund any fees described in subsection (a) that have, as of the effective date of this  
17 ordinance, already been collected.  
18

19 Section 3. Sunset Provision.

20 Section 2 of this ordinance shall be inoperative after December 31, 2018. After that  
21 date, Persons registered with the Office of Cannabis shall again be subject to the investigation  
22 fee imposed by Section 107A.5 of the Building Code. After that date, the Department of  
23 Building Inspection, and, as applicable, other City departments, agencies, or offices, may  
24 impose this fee on Persons registered with the Office of Cannabis, for unpermitted work that  
25 occurs, or other Building Code violations that exist, after that date.

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Section 4. Effective Date; Retroactivity.

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

(b) As stated in subsection (b) of Section 2 of this ordinance, the fee waiver described in Section 2 of this ordinance shall be retroactive to September 26, 2017.

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

By: Matthew Lee  
MATTHEW LEE  
Deputy City Attorney

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**LEGISLATIVE DIGEST**

[Building Code - Waiver and Refund of Investigation Fee for Persons Registered with the Office of Cannabis]

**Ordinance waiving and refunding investigation fees imposed by Building Code, Section 107A.5, for persons (as defined in Police Code Section 1602) registered with the Office of Cannabis.**

Existing Law

To obtain a Temporary Cannabis Business Permit, applicants must register with the Office of Cannabis.

Registered cannabis businesses are required to submit to inspections of their premises by the Department of Building Inspection, in addition to other City agencies. These DBI inspections have discovered work that was performed without required Building Code permits. Building Code Section 107A.5 imposes a fee (which Section 107A.5 describes as an "investigation fee") for work performed without a required Building Code permit. The amount of this fee is substantial-generally, "9 times the Permit Issuance Fee plus the original permit fee."

Amendments to Current Law

This ordinance waives the "investigation fee" imposed by Building Code Section 107A.5 with respect to potential cannabis businesses registered with the Office of Cannabis. This fee waiver is retroactive to September 26, 2017 (the date on which the Office of Cannabis began accepting registrations); thus, the ordinance would require the City to refund fees collected since that date.

The ordinance sunsets after December 31, 2018. After that date, registered cannabis businesses shall again be subject to "investigation fees" under Building Code Section 107A.5.

Nothing in this ordinance would exempt registered cannabis businesses from the responsibility to bring their premises into compliance with the Building Code, or from any other fees imposed by the Building Code.



**BUILDING INSPECTION COMMISSION (BIC)**

Department of Building Inspection Voice (415) 558-6164 - Fax (415) 558-6509  
1660 Mission Street, San Francisco, California 94103-2414

February 21, 2018

Mark Farrell  
Mayor

Ms. Angela Calvillo  
Clerk of the Board  
Board of Supervisors, City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4694

**COMMISSION**

Angus McCarthy  
President

Debra Walker  
Vice-President

Kevin Clinch  
Gail Gilman  
John Konstin  
Frank Lee  
James Warshell

Dear Ms. Calvillo:

**RE: File No. 180054**

**Ordinance waiving and refunding investigation fees imposed by Building Code, Section 107A.5, for persons (as defined in Police Code, Section 1602) registered with the Office of Cannabis.**

Sonya Harris  
Secretary

The Building Inspection Commission met and held a public hearing on February 21, 2018 regarding File No. 180054 on the proposed ordinance referenced above. The Commissioners voted unanimously to support the ordinance.

Shirley Wong  
Assistant Secretary

Tom C. Hui  
Director

The Commissioners voted as follows:

President McCarthy	Yes	Vice-President Walker	Yes
Commissioner Clinch	Excused	Commissioner Gilman	Yes
Commissioner Konstin	Yes	Commissioner Lee	Yes
Commissioner Warshell	Yes		

Should you have any questions, please do not hesitate to call me at 558-6164.

Sincerely,

*Sonya Harris*  
Sonya Harris  
Commission Secretary

cc: Tom C. Hui, S.E., Director  
Nicole Elliott, Director  
Supervisor Jeff Sheehy  
Board of Supervisors  
Mayor Mark Farrell

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: Tom Hui, Director, Department of Building Inspection  
Sonya Harris, Secretary, Building Inspection Commission

FROM: *el*  
*for* Alisa Somera, Legislative Deputy Director  
Land Use and Transportation Committee

DATE: January 25, 2018

SUBJECT: LEGISLATION INTRODUCED

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The Board of Supervisors' Land Use and Transportation Committee has received the following legislation, introduced by Supervisor Sheehy on January 9, 2018:

**File No. 180054**

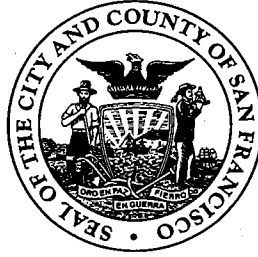
**Ordinance waiving and refunding investigation fees imposed by Building Code, Section 107A.5, for persons (as defined in Police Code, Section 1602) registered with the Office of Cannabis.**

The proposed ordinance is being transmitted pursuant to Charter, Section D3.750-5, for public hearing and recommendation. It is pending before the Land Use and Transportation Committee and will be scheduled for hearing upon receipt of your response.

Please forward me the Commission's recommendation and reports at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: [alisa.somera@sfgov.org](mailto:alisa.somera@sfgov.org).

c: William Strawn, Department of Building Inspection  
Carolyn Jayin, Department of Building Inspection

BOARD of SUPERVISORS



City Hall  
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: *AS* Alisa Somera, Legislative Deputy Director  
Land Use and Transportation Committee

DATE: January 19, 2018

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. 180054**

**Ordinance waiving and refunding investigation fees imposed by Building Code, Section 107A.5, for persons (as defined in Police Code, Section 1602) registered with the Office of Cannabis.**

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.

\*\*\*\*\*

**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

## MEMORANDUM

TO: Tom Hui, Director, Department of Building Inspection  
Nicole Elliott, Director, Office of Cannabis  
William Scott, Police Chief, Police Department

FROM: *AS* Alisa Somera, Legislative Deputy Director  
Land Use and Transportation Committee

DATE: January 19, 2018

SUBJECT: LEGISLATION INTRODUCED

---

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Sheehy on January 9, 2018:

**File No. 180054**

**Ordinance waiving and refunding investigation fees imposed by Building Code, Section 107A.5, for persons (as defined in Police Code, Section 1602) registered with the Office of Cannabis.**

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: [alisa.somera@sfgov.org](mailto:alisa.somera@sfgov.org).

c: William Strawn, Department of Building Inspection  
Carolyn Jayin, Department of Building Inspection  
Rowena Carr, Police Department  
Kristine Demafeliz, Police Department

President, District 5  
BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-7630  
Fax No. 554-7634  
TDD/TTY No. 544-5227

305-11  
Aldos, COB,  
Lu Clerk,  
Deputies, Mayors  
Office - Dep City Atty

London Breed

**PRESIDENTIAL ACTION**

Date: 02/22/2018  
To: Angela Calvillo, Clerk of the Board of Supervisors

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO  
2018 FEB 22 PM 4:43  
AK

Madam Clerk,  
Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No. \_\_\_\_\_  
(Primary Sponsor)  
Title. \_\_\_\_\_

Transferring (Board Rule No 3.3)

File No. 180054 Sheehy  
(Primary Sponsor)

Title. Ordinance waiving and refunding investigation fees imposed by Building Code, Section 107A.5, for persons (as defined in Police Code, **+**)

From: Land Use & Transportation Committee

To: Rules Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor \_\_\_\_\_

Replacing Supervisor \_\_\_\_\_

For: \_\_\_\_\_ Meeting  
(Date) (Committee)

London Breed, President  
Board of Supervisors

# Introduction Form

By a Member of the Board of Supervisors or Mayor

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO

2018 JAN 9 PM 4:32

Time stamp  
or meeting date

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

- 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. Question(s) 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):

Sheehy

Subject:

Building Code - Waiver and Refund of Building Code Section 107A.5 Investigation Fee

The text is listed:

[Empty box for text listing]

Signature of Sponsoring Supervisor:

*Jeff Sheehy*

For Clerk's Use Only