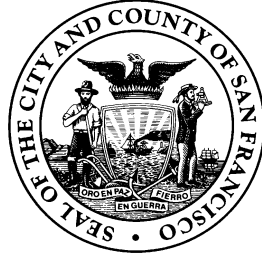


BOARD of SUPERVISORS



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: June 8, 2018

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. 180616

Ordinance amending the Health Code to allow the Director of the Department of Public Health to extend, for multiple 90-day periods rather than a single 90-day period, the 120-day authorization for Medical Cannabis Dispensaries to sell adult use 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, California 94102.

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: _____

____ **No Comment**
____ **Recommendation Attached**

Chairperson, Small Business Commission

1 [Health Code - Medical Cannabis Dispensaries - Extensions of Time to Sell Adult Use
2 Cannabis]

3 **Ordinance amending the Health Code to allow the Director of the Department of Public**
4 **Health to extend, for multiple 90-day periods rather than a single 90-day period, the**
5 **120-day authorization for Medical Cannabis Dispensaries to sell adult use 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 ~~*italics Times New Roman font*~~.
9 **Board amendment additions** are in double-underlined Arial font.
10 **Board amendment deletions** are in ~~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. The Health Code is hereby amended by revising Section 3322, to read as
15 follows:

16 **SEC. 3322. TRANSITION PROVISION.**

17 * * * *

18 (d) Notwithstanding any provision in this Article 33, starting on the effective date of the
19 ordinance in Board File Number 171042 establishing Article 16 of the Police Code, a medical
20 cannabis dispensary that meets the eligibility criteria set forth in subsection (e) of this Section
21 3322 may Sell Adult Use Cannabis and Cannabis Products for a period of 120 days, provided
22 the medical cannabis dispensary:

23 (1) Applies for and receives a State Cannabis License authorizing the retail
24 Sale of Adult Use Cannabis;

25 (2) Receives a determination from the Planning Department that the Sale of
Adult Cannabis on the Premises is in compliance with the Planning Code;

1 (3) Complies with all of the requirements and prohibitions imposed on Cannabis
2 Retailers under Article 16 of the Police Code and its implementing rules and regulations, any
3 violation of which shall be treated as a violation of this Article 33, subject to the penalties set
4 forth in Sections 3314 and 3315;

5 (4) Complies with subsection (c) of Section 1605 of the Police Code;

6 (5) Submits to the Director a "Good Neighbor Policy," as described in
7 subsection (b)(19) of Section 1609 of the Police Code, and a "Security Plan," as defined in
8 Section 1602 of the Police Code, along with written verification from the Office of Cannabis
9 that the Director of the Office of Cannabis, or ~~his or her~~ the Director's designee, has
10 determined that the policy and plan are adequate to enhance public safety and neighborhood
11 needs;

12 (6) For medical cannabis dispensaries that have more than 10 employees,
13 demonstrates to the satisfaction of the Director that within 120 days of the effective date of the
14 ordinance in Board File Number 171042 establishing Article 16 of the Police Code, at least
15 30% of all Business Work Hours are performed by workers who meet at least three of the
16 criteria set forth in subsection (b)(4) of Section 1604 of the Police Code; and

17 (7) Submits to the Director of the Office of Cannabis a written, actionable
18 "Equity Plan" describing the concrete steps the medical cannabis dispensary will take to
19 encourage and support the establishment and growth of Equity Operators, as defined in
20 Section 1604 of the Police Code; provide employment opportunities to persons that have
21 been disproportionately impacted by the criminalization of cannabis; and otherwise further the
22 City's equity goals.

23 * * * *

1 (f) The Director may extend the authorization to Sell Adult Use Cannabis for ~~an~~
2 additional 90-day~~s~~ periods beyond the 120-day period set forth in subsection (d) of this Section
3 3322 upon a finding that:

4 (1) The Office of Cannabis has not had sufficient time to review and process
5 applications for Cannabis Business Permits under Article 16 of the Police Code; and

6 (2) The medical cannabis dispensary has demonstrated good faith compliance
7 with its Equity Plan to the satisfaction of the Director of the Office of Cannabis.

8 The Director's authority under this subsection (f) to extend 90-day periods for authorization to
9 sell Adult Use Cannabis may be exercised only at intervals of approximately 90 days, as to each
10 distinct 90-day period. Thus, for example, the Director may not simultaneously authorize two
11 consecutive 90-day extensions for the same medical cannabis dispensary.

12
13 Section 2. Effective Date; Retroactivity.

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

18 (b) The Board of Supervisors intends that no medical cannabis dispensary authorized
19 to sell Adult Use Cannabis under Health Code Section 3322(f) be prevented from doing so by
20 the 210-day limit (120 days from the effective date of Ordinance No. 230-17, plus an
21 extension of 90 days which may be granted by the Director of the Office of Cannabis) under
22 Section 3322(f), provided the Director determines, based on the standards in Section 3322(f),
23 that the medical cannabis dispensary should be permitted additional time to sell Adult Use
24 Cannabis. Accordingly, should the effective date of this ordinance occur after the 210-day
25

1 limit, this ordinance shall be retroactive to the 211th day from the effective date of Ordinance
2 No. 230-17.

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

10
11
12 APPROVED AS TO FORM:
13 DENNIS J. HERRERA, City Attorney

14 By: 
15 JANA CLARK
16 Deputy City Attorney

17 n:\legana\as2018\1800597\01280377.docx

LEGISLATIVE DIGEST

[Health Code - Medical Cannabis Dispensaries - Extensions of Time to Sell Adult Use Cannabis]

Ordinance amending the Health Code to allow the Director of the Department of Public Health to extend, for multiple 90-day periods rather than a single 90-day period, the 120-day authorization for Medical Cannabis Dispensaries to sell adult use cannabis.

Existing Law

Under existing law, the Department of Public Health Director may authorize Medical Cannabis Dispensaries to sell Adult Use Cannabis for 180 days, and may extend that period for 90 additional days upon a finding that the Office of Cannabis has not had sufficient time to review and process applications for Cannabis Business Permits under Article 16 of the Police Code and that the Medical Cannabis Dispensary has demonstrated good faith compliance with its Equity Plan.

Amendments to Current Law

This ordinance would allow the Director of the Department of Public Health to extend, for multiple 90-day periods rather than a single 90-day period, the 120-day authorization for Medical Cannabis Dispensaries to Sell Adult Use Cannabis.

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205-111
Cob, Aides,
PSNS Clerk,
Mayor's Office
Dep. City Atty

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

London Breed

PRESIDENTIAL ACTION

Date: 6/7/18
To: Angela Calvillo, Clerk of the Board of Supervisors

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2018 JUN -7 PM 12:13
AK

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

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

File No. 180616 Cohen
(Primary Sponsor)

Title. Health Code - Medical Cannabis Dispensaries - Extensions of Time to
Sell Adult Use Cannabis

Transferring (Board Rule No 3.3)

File No. _____
(Primary Sponsor)

Title.

From: _____ Committee

To: _____ Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor _____

Replacing Supervisor _____

For: _____ Meeting
(Date) (Committee)

London Breed, President
Board of Supervisors

Print Form

Introduction Form

By a Member of the Board of Supervisors or Mayor

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2018 JUN -5 PM 4:43

BY AS 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. 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