

File No. 180800

Committee Item No. 1

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Rules Committee

Date October 3, 2018

Board of Supervisors Meeting

Date _____

Cmte Board

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| <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 checked="" type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" 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 |
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| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 - Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
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Completed by: Victor Young Date Sept.28, 2018

Completed by: _____ Date _____

1 [Administrative Code - Cannabis Oversight Committee]

2

3 **Ordinance amending the Administrative Code to establish the Cannabis Oversight**
4 **Committee to advise the Board of Supervisors and the Mayor regarding the**
5 **implementation and enforcement of City laws and regulations relating to cannabis; and**
6 **to require the Director of the Office of Cannabis to report information to the Committee**
7 **regarding the growth of the cannabis industry in the City.**

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

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

16 Section 1. Chapter 5 of the Administrative Code is hereby amended by adding Article
17 X, consisting of Sections 5.10-1 through 5.10-8, to read as follows:

18 ARTICLE X:
19 CANNABIS OVERSIGHT COMMITTEE

20
21 SEC. 5.10-1. CREATION OF COMMITTEE.

22 The Board of Supervisors ("Board") hereby establishes the Cannabis Oversight Committee
23 ("Committee").

24
25 SEC. 5.10-2. DEFINITIONS.

1 Terms not defined in this Article X shall have the meaning attributed to them in Police Code
2 Section 1602.

3
4 **SEC. 5.10-3. PURPOSE.**

5 In 2018, the City enacted Police Code Article 16 to comprehensively regulate Commercial
6 Cannabis activities, including the implementation of an Equity Program to promote equitable
7 ownership and employment opportunities in the Cannabis industry by lowering barriers for those hit
8 hardest by the War on Drugs. The purpose of the Committee is to 1) convene representatives of
9 Cannabis Business operators, workers, patients, and other key stakeholders in the Cannabis industry to
10 oversee the Office of Cannabis' implementation of Police Code Article 16 by evaluating data on the
11 industry's growth; and 2) provide guidance and recommendations to the Board on amendments to local
12 laws and regulations, including those governing the Equity Program, to facilitate socially responsible
13 growth of this new industry by creating living wage jobs and economic opportunities consistent with the
14 Board's intent in adopting Police Code Article 16.

15
16 **SEC. 5.10-4. MEMBERSHIP.**

17 The Committee shall consist of nine voting members and five non-voting members, as follows
18 (seats 1 through 5 being non-voting members):

19 (a) Seat 1 shall be held by the Director of the Department of Public Health or the Director's
20 designee.

21 (b) Seat 2 shall be held by the Chief of the Police Department or the Chief's designee.

22 (c) Seat 3 shall be held by the Director of the Department of Building Inspection or the
23 Director's designee.

24 (d) Seat 4 shall be held by the Director of the Planning Department or the Director's designee.
25

1 (e) Seat 5 shall be held by the Superintendent of the San Francisco Unified School District or
2 the Superintendent's designee, which may include a Member of the Board of Education. The
3 Superintendent is not required to hold this seat or appoint a designee, but shall be invited to do so.

4 (f) Seat 6 shall be held by an Owner of a Cannabis Business permitted through the Equity
5 Program, appointed by the Board.

6 (g) Seat 7 shall be held by the operator of a Cannabis Cultivation, Manufacturing, or
7 distribution business with fewer than 20 employees at the time of appointment, appointed by the Board.

8 (h) Seat 8 shall be held by a representative of organized labor who works with the Cannabis
9 business labor force, appointed by the Board.

10 (i) Seat 9 shall held by a representative of organized labor who works with the Cannabis
11 delivery service labor force, appointed by the Board.

12 (j) Seat 10 shall be held by an Owner of a Storefront Cannabis Retailer, appointed by the
13 Board.

14 (k) Seat 11 shall be held by a person who lived for at least five years (between 1971-2009) in
15 San Francisco census tracts where at least 17% of the households had incomes at or below the poverty
16 level, appointed by the Board.

17 (l) Seat 12 shall be held by a person with demonstrated subject matter expertise on the State of
18 California's Cannabis laws and regulations, appointed by the Board.

19 (m) Seat 13 shall be held by a person with significant experience in workforce and economic
20 development, appointed by the Board.

21 (n) Seat 14 shall be held by a person who has been a Medicinal Cannabis patient or Medicinal
22 Cannabis consumer for at least five years, with an extensive history advocating for Medicinal Cannabis
23 patients or involvement in implementing and running a Cannabis compassionate use program in
24 compliance with the Compassionate Use Act of 1996, appointed by the Board.

1 **SEC. 5.10-5. ORGANIZATION AND TERMS OF OFFICE.**

2 (a) Voting members shall serve two-year terms and shall serve at the pleasure of the Board.

3 Any vacancy in Seats 6 through 14 on the Committee shall be filled by the Board. Voting members may
4 serve multiple terms.

5 (b) Service on the Committee is voluntary and members shall receive no compensation from the
6 City, except that the members in Seats 1 through 4 may, if City employees, receive their regular City
7 salaries for time spent on the Committee.

8 (c) Any member in Seats 6 through 14 who misses three regular meetings of the Committee
9 within a six-month period without the express approval of the Committee at or before each missed
10 meeting shall be deemed to have resigned from the Committee 10 days after the third unapproved
11 absence. The Committee shall inform the Clerk of the Board of any such resignation.

12 (d) All City departments, commissions, boards, and agencies shall cooperate with the
13 Committee in the performance of its functions. City departments shall respond within 30 days to
14 reasonable requests for information submitted by the Committee relevant to its ability to discharge its
15 powers and duties, provided that the disclosure of such information shall not be required where it
16 would violate Federal or State law.

17 (e) The Office of Cannabis shall prepare and submit to the Committee a report as set forth in
18 Administrative Code Section 2A.240.

19 (f) The Office of Cannabis shall provide administrative and policy support for the Committee.

20
21 **SEC. 5.10-6. POWERS AND DUTIES.**

22 The Committee shall have the power and duty to:

23 (a) Oversee the Office of Cannabis' implementation and enforcement of City laws and
24 regulations relating to Cannabis, by convening stakeholders, gathering data, and advising the Board
25 and the Mayor.

1 (b) Gather and evaluate data, and report to the Board and Mayor, regarding the effectiveness
2 of City laws and regulations relating to the Police Code Section 1604 Equity Program in fostering
3 equitable access to participation in the Cannabis industry and providing assistance to communities
4 unfairly burdened by the War on Drugs.

5 (c) Gather and evaluate data, and report to the Board and Mayor, on the overall health and
6 stability of the Cannabis industry in San Francisco and make recommendations on possible ways the
7 City can help the industry grow and prosper.

8 (d) Recommend to the Board modifications to City laws and regulations relating to Cannabis,
9 including recommendations to maximize the creation of living wage jobs and economic opportunities
10 for communities hit hardest by the War on Drugs. Where appropriate, the Committee's
11 recommendations shall include draft legislation or regulations.

12
13 **SEC. 5.10-7. MEETINGS AND PROCEDURES.**

14 (a) The Committee shall hold its inaugural meeting not more than 30 days after the Board has
15 appointed at least eight members to the Committee. There shall be at least ten days' notice of the
16 inaugural meeting. Following the inaugural meeting, the Committee shall hold a regular meeting not
17 less than five times per year until the sunset date set forth in Section 5.10-8.

18 (b) The Committee shall elect a Chair and officers for such other positions, if any, it chooses to
19 create. The Committee may establish bylaws and rules for its organization and procedures.

20
21 **SEC. 5.10-8. SUNSET DATE.**

22 Unless the Board by ordinance extends the term of the Committee, this Article X shall expire by
23 operation of law, and the Committee shall terminate, three years after the effective date of the
24 ordinance in Board File No. _____ enacting this Article. In that event, after the sunset date, the City
25 Attorney shall cause this Article X to be removed from the Administrative Code.

1
2 Section 2. The Administrative Code is hereby amended by revising Section 2A.240 to
3 read as follows:

4
5 **SEC. 2A.240. OFFICE OF CANNABIS.**

6 (a) Establishment. The Mayor shall establish an Office of Cannabis under the direction
7 of the City Administrator to oversee the implementation of laws and regulations governing
8 cannabis in San Francisco. The City Administrator shall appoint a Director of the Office of
9 Cannabis . The Office of Cannabis shall include such officers and employees as are
10 authorized pursuant to the budgetary and fiscal provisions of the Charter.

11 (b) Duties and functions.

12 * * * *

13 (7) By no later than six months after the inaugural meeting of the Cannabis Oversight
14 Committee ("Committee") established in Chapter 5, Article X of the Administrative Code, and
15 biannually thereafter, the Director shall produce and submit to the Committee a report evaluating the
16 growth of the City's cannabis industry. This report shall include, but need not be limited to, the
17 following information, provided that the gathering or the disclosure of such information is not required
18 where it would violate Federal or State law, and further provided that any reports derived from the
19 data do not identify specific individuals:

20 _____ (A) The total number of permits the Office of Cannabis granted in the prior 12
21 months in each permit category listed in Police Code Section 1607.

22 _____ (B) The total revenue, including tax revenue, permitted Cannabis Businesses
23 generated in the prior 12 months.

24 _____ (C) The total costs the City incurred in processing Cannabis Business Permit
25 applications in the prior 12 months.

1 (D) The total costs Cannabis Business Permit applicants incurred in the prior
2 12 months, associated with preparation, submission, and processing of Cannabis Business Permit
3 applications.

4 (E) The average time for Cannabis Business Permit processing in the prior 12
5 months, measured from the date the Office of Cannabis receives an application for a Cannabis
6 Business Permit through the date the Office of Cannabis grants or denies a permit.

7 (F) The total number and length of time in operation of permitted Cannabis
8 Businesses that operated for 30 days or more in the prior 12 months, categorized by each permit
9 category listed in Police Code Section 1607.

10 (G) The total number of employees directly employed by permitted Cannabis
11 Businesses that operated for 30 days or more in the prior 12 months, categorized by job type or
12 classification.

13 (H) The rate of pay and benefits of employees directly employed by permitted
14 Cannabis Businesses that operated for 30 days or more in the prior 12 months, categorized by job type
15 or classification.

16 (I) The total number of individuals in the City whose Cannabis convictions have
17 been expunged in the prior 12 months.

18 (J) If available, the total number of permitted Cannabis Business owners,
19 operators, and employees categorized by race and sex. The Director may request but not require
20 Cannabis Business owners and operators to disclose such information. The Director may not consider
21 such information in making any permit determination.

22
23 Section 3. Effective Date. This ordinance shall become effective 30 days after
24 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
25

1 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
2 of Supervisors overrides the Mayor's veto of the ordinance.

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

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

13 By: 
14 for JANA CLARK
Deputy City Attorney

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LEGISLATIVE DIGEST

[Administrative Code - Cannabis Oversight Committee]

Ordinance amending the Administrative Code to establish the Cannabis Oversight Committee to advise the Board of Supervisors and the Mayor regarding the implementation and enforcement of City laws and regulations relating to cannabis; and to require the Director of the Office of Cannabis to report information to the Committee regarding the growth of the cannabis industry in the City.

Existing Law

Police Code Article 16 regulates commercial cannabis activities in the City. The Office of Cannabis, under the direction of the City Administrator, oversees the implementation and enforcement of Article 16.

Amendments to Current Law

The proposed ordinance would create a Cannabis Oversight Committee to advise the Board of Supervisors and the Mayor regarding the implementation and enforcement of City laws and regulations relating to cannabis in the City. The proposed ordinance would require the Office of Cannabis to report to the Committee biannually on the growth of the City's cannabis industry. The Committee would terminate three years after the effective date of the ordinance unless the Board re-authorizes it in a subsequent ordinance.

The Committee would have 14 members. Seats 1-5 would be for non-voting members, and would be held by the following (or their designee):

- The Director of the Department of Public Health.
- The Chief of the Police Department.
- The Director of the Department of Building Inspection.
- The Director of the Planning Department.
- The Superintendent of the San Francisco Unified School District.

The remaining seats would be for voting members appointed by the Board, and include:

- A Cannabis owner permitted through the Equity Program.
- An operator of a Cannabis Cultivation, Manufacturing, or distribution business with fewer than 20 employees.
- Two organized labor representatives, including one that works in the delivery labor force.

- A storefront cannabis retailer.
- A person who lived for at least five years (between 1971-2009) in San Francisco census tracts where at least 17% of the households had incomes at or below the poverty level.
- A person with subject matter expertise on the State of California's Cannabis laws and regulations.
- A person with significant experience in workforce and economic development.
- A medicinal cannabis patient or consumer, with an extensive history of medicinal cannabis advocacy or involvement in a cannabis compassionate use program.

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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: Nicole Elliott, Director, Office of Cannabis
Barbara A. Garcia, Director, Department of Public Health
William Scott, Police Chief, Police Department
Tom Hui, Director, Department of Building Inspection
John Rahaim, Director, Planning Department
Vincent C. Matthews, Ed.D., Superintendent, San Francisco Unified
School District

FROM: *OW*
fw Alisa Somera, Legislative Deputy Director
Rules Committee

DATE: August 9, 2018

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Rules Committee has received the following proposed legislation, introduced by Supervisor Fewer on July 31, 2018:

File No. 180800

Ordinance amending the Administrative Code to establish the Cannabis Oversight Committee to advise the Board of Supervisors and the Mayor regarding the implementation and enforcement of City laws and regulations relating to cannabis; and to require the Director of the Office of Cannabis to report information to the Committee regarding the growth of the cannabis industry in the City.

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.

c: Ray Law, Office of Cannabis
Greg Wagner, Department of Public Health
Naveena Bobba, Department of Public Health
Sneha Patil, Department of Public Health
Rowena Carr, Police Department
Asja Steeves, Police Department
William Strawn, Department of Building Inspection
Carolyn Jayin, Department of Building Inspection
Scott Sanchez, Planning Department
Lisa Gibson, Planning Department
Devyani Jain, Planning Department
AnMarie Rodgers, Planning Department
Dan Sider, Planning Department
Aaron Starr, Planning Department
Joy Navarrete, Planning Department
Laura Lynch, Planning Department
Viva Mogi, San Francisco Unified School District
Esther Casco, San Francisco Unified School District

Print Form

Introduction Form

By a Member of the Board of Supervisors or Mayor

RECEIVED
 BOARD OF SUPERVISORS
 SAN FRANCISCO
 2018 JUL 31 PM 3:09
 Time stamp
 or meeting date
 BY *[Signature]*

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