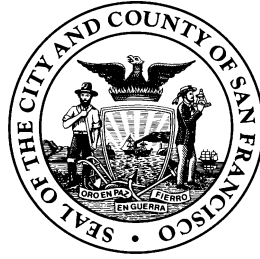


BOARD of SUPERVISORS



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: October 4, 2019
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. 190973

Ordinance amending the Health Code to authorize the Director of the Department of Public Health to allow an existing Medical Cannabis Dispensary permittee to operate under that permit at a new location, provided the permittee has been verified by the Office of Cannabis as an Equity Applicant under the Police Code, the permittee has been evicted from the location associated with the permit or been notified by the landlord that the lease would be terminated or not renewed, the new location has an existing authorization for Medical Cannabis Dispensary Use, the permittee has complied with all requirements of Article 33 of the Health Code (the Medical Cannabis Act) with respect to the new location, and the permittee satisfies the provisions of Article 33 regarding authorization by the Office of Cannabis to sell Adult Use Cannabis; 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

1 [Health Code - Approving a New Location for a Permittee's Medical Cannabis Dispensary  
2 Permit]

3 Ordinance amending the Health Code to authorize the Director of the Department of  
4 Public Health to allow an existing Medical Cannabis Dispensary permittee to operate  
5 under that permit at a new location, provided the permittee has been verified by the  
6 Office of Cannabis as an Equity Applicant under the Police Code, the permittee has  
7 been evicted from the location associated with the permit or been notified by the  
8 landlord that the lease would be terminated or not renewed, the new location has an  
9 existing authorization for Medical Cannabis Dispensary Use, the permittee has  
10 complied with all requirements of Article 33 of the Health Code (the Medical Cannabis  
11 Act) with respect to the new location, and the permittee satisfies the provisions of  
12 Article 33 regarding authorization by the Office of Cannabis to sell Adult Use Cannabis;  
13 and affirming the Planning Department's determination under the California  
14 Environmental Quality Act.

15 NOTE: Unchanged Code text and uncodified text are in plain Arial font.  
16 Additions to Codes are in *single-underline italics Times New Roman font*.  
17 Deletions to Codes are in *strikethrough italics Times New Roman font*.  
18 Board amendment additions are in double-underlined Arial font.  
19 Board amendment deletions are in ~~strikethrough Arial font~~.  
20 Asterisks (\* \* \* \*) indicate the omission of unchanged Code  
21 subsections or parts of tables.

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

23 Section 1. Environmental Findings.

24 The Planning Department has determined that the actions contemplated in this  
25 ordinance comply with the California Environmental Quality Act (California Public Resources  
Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of

1 Supervisors in File No. \_\_\_\_\_ and is incorporated herein by reference. The Board affirms  
2 this determination.

3  
4 Section 2. Article 33 of the Health Code is hereby amended by revising Section 3311,  
5 to read as follows:

6 **SEC. 3311. TRANSFER OF PERMIT; CHANGE IN OWNERSHIP; RELOCATION OF**  
7 **PERMIT.**

8 \* \* \* \*

9 **(c) Permits Portable.**

10 (1) The Director shall amend an Article 33 permit to allow an Article 33 permittee  
11 operating as a Grandfathered MCD pursuant to Planning Code Section 190 ("Grandfathered MCD  
12 Permittee") to operate as a Medical Cannabis Dispensary under that permit at a different location,  
13 provided all the following criteria are met:

14 (A) The Grandfathered MCD Permittee submits a written request to the Director seeking  
15 a change in location for the permit and identifying the new proposed location (the "New Location").

16 (B) The Grandfathered MCD Permittee has been verified by the Office of Cannabis as  
17 an Equity Applicant under the criteria set forth in Police Code Section 1604(b). If the Grandfathered  
18 MCD Permittee is a corporation or other non-natural person, it must establish that a natural person  
19 who has been verified by the Office of Cannabis as an Equity Applicant exercises ownership and/or  
20 control with respect to the Grandfathered MCD Permittee in accordance with one of the criteria  
21 enumerated in Section 1604(b)(3) of the Police Code.

22 (C) The Grandfathered MCD Permittee was evicted from the location associated with  
23 the permit (the "Permitted Location"), or was notified by the landlord that the lease at the Permitted  
24 Location has been or will be terminated or not renewed.

1                   (D) The New Location has an existing authorization for Medical Cannabis Dispensary  
2 Use, as defined in Sections 102 and 202.2 of the Planning Code.

3                   (E) The Grandfathered MCD Permittee has complied with all applicable requirements  
4 of this Article 33, the Planning Code, and the Police Code, with respect to the New Location, including  
5 but not limited to the “Good Neighbor Policy” and “Security Plan” requirements set forth in Section  
6 3322(d)(5) of this Article 33 and in Section 1602 of the Police Code.

7                   (F) The Planning Department, Department of Building Inspection, Mayor’s Office on  
8 Disability, Fire Department, and Office of Cannabis (together, the “Referring Agencies”), as  
9 applicable, complete all required review and inspection of the New Location and report their  
10 determinations to the Department of Public Health.

11                   (G) The Director determines that the Grandfathered MCD Permittee satisfies all  
12 provisions of Section 3322 of this Article 33.

13                   (2) Upon receiving a written request from a Grandfathered MCD Permittee to amend a  
14 permit to relocate to a New Location, if the Director upon preliminary review of the request determines  
15 that it meets the criteria set forth in Section 3311(c)(1)(B), (C), (D), and (E) above, the Director shall  
16 refer the Grandfathered MCD Permittee to the Referring Agencies for their review and inspection, as  
17 applicable, of the New Location.

18                   (3) Upon receipt of the reports from the Referring Agencies in accordance with Section  
19 3311(c)(1)(F), the Director shall consider such reports; shall determine, in accordance with Section  
20 3311(c)(1)(G), whether the Grandfathered MCD Permittee satisfies all provisions of Section 3322; and  
21 shall determine whether the Grandfathered MCD Permittee satisfies all requirements set forth in  
22 Section 3311(c)(1)(A)-(E).

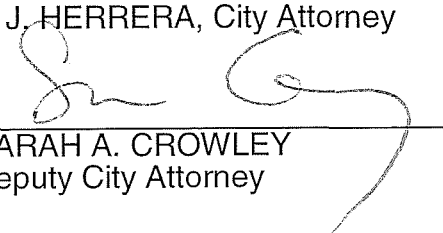
23  
24                   Section 3. Effective Date. This ordinance shall become effective 30 days after  
25 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

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.

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

By:

  
\_\_\_\_\_  
SARAH A. CROWLEY  
Deputy City Attorney

n:\legana\as2019\2000061\01394467.docx

**LEGISLATIVE DIGEST**

[Health Code - Approving a New Location for a Permittee's Medical Cannabis Dispensary Permit]

**Ordinance amending the Health Code to authorize the Director of the Department of Public Health to allow an existing Medical Cannabis Dispensary permittee to operate under that permit at a new location, provided the permittee has been verified by the Office of Cannabis as an Equity Applicant under the Police Code, the permittee has been evicted from the location associated with the permit or been notified by the landlord that the lease would be terminated or not renewed, the new location has an existing authorization for Medical Cannabis Dispensary Use, the permittee has complied with all requirements of Article 33 of the Health Code (the Medical Cannabis Act) with respect to the new location, and the permittee satisfies the provisions of Article 33 regarding authorization by the Office of Cannabis to sell Adult Use Cannabis; and affirming the Planning Department's determination under the California Environmental Quality Act.**

Existing Law

Existing law does not allow a Medical Cannabis Dispensary permitted under Article 33 of the Health Code and operating as a Grandfathered MCD pursuant to Planning Code section 190 ("Grandfathered MCD Permittee") to change the location associated with the permit.

Amendments to Current Law

This ordinance would authorize the Director of the Department of Public Health ("Director") to allow a Grandfathered MCD Permittee to change the location associated with the permit if the following criteria are met: the permittee submits a written request to the Director requesting the change and identifying the proposed new location; the permittee has been verified by the Office of Cannabis as an Equity Applicant under Section 1604(b) of the Police Code; the permittee has been evicted from the location associated with the permit or been notified by their landlord that the lease at that location will be or has been terminated or not renewed; the new location has an existing authorization for Medical Cannabis Dispensary Use under Sections 102 and 202.2 of the Planning Code; the permittee has complied with all applicable requirements of Article 33 of the Health Code, the Planning Code, and the Police Code with respect to the new location; the Planning Department, Department of Building Inspection, Mayor's Office on Disability, Fire Department, and Office of Cannabis ("Referring Agencies") review and inspect the new location as required and report their determinations to the Director; and the Director determines that the permittee has satisfied all of these requirements.

n:\vegana\as2019\2000061\01394539.docx

# Introduction Form

By a Member of the Board of Supervisors or Mayor

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO

2019 SEP 24 PM 1:25  
Time stamp  
or meeting date

BY    jk   

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):

Haney,

Subject:

Approving a New Location for a Permittee's Medical Cannabis Dispensary Permit

The text is listed:

Ordinance amending the Health Code to authorize the Director of the Department of Public Health to allow an existing Medical Cannabis Dispensary permittee to operate under that permit at a new location, provided the permittee has been verified by the Office of Cannabis as an Equity Applicant under the Police Code, the permittee has been evicted from the location associated with the permit or been notified by the landlord that the lease would be terminated or not renewed, the new location has an existing authorization for Medical Cannabis Dispensary Use, the permittee has complied with all requirements of Article 33 of the Health Code (the Medical Cannabis Act) with respect to the new location, and the permittee satisfies the provisions of Article 33 regarding authorization by the Office of Cannabis to sell Adult Use Cannabis; and affirming the Planning Department's determination under the California Environmental Quality Act.

Signature of Sponsoring Supervisor:

