File No.	190842	Committee Item No.
	•	Board Item No

# **COMMITTEE/BOARD OF SUPERVISORS**

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#### AMENDED IN COMMITTEE 10/30/2019 ORDINANCE NO.

FILE NO. 190842

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One Two-Year Extension of Medical Cannabis Dispensary Permits and Temporary Cannabis Business Permits - Two Three-Year Extension of Temporary Cannabis Retail Use Authorization]

Ordinance renewing and extending a prior waiver and refund of investigation fees

[Various Codes - Renewing and Extending Waiver and Refund of Investigation Fee -

imposed by Building Code, Section 107A.5, for persons registered with the Office of Cannabis through December 31, 2020; amending the Health Code to extend the date beyond which temporary Medical Cannabis Dispensary Permits issued under Article 33 of the Health Code are rendered invalid, from December 31, 2019, to December 31, 20201; amending the Police Code to extend the date beyond which Temporary Cannabis Business Permits issued under Article 16 of the Police Code cannot be extended from December 31, 2019, to December 31, 20201; amending the Planning Code to extend the date by which a Grandfathered Medical Cannabis Dispensary, as defined in the Planning Code, must have received a permit to operate from the Department of Public Health to be deemed a Temporary Cannabis Sales use, as defined in the Planning Code, from December 31, 2019, to December 31, 20201; amending the Planning Code to extend the duration of a Temporary Cannabis Retail Sales Use to up to threefour years, to expire on January 1, 20212; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302.

NOTE:

Unchanged Code text and uncodified text are in plain Arial font.

Additions to Codes are in single-underline italics Times New Roman font.

Deletions to Codes are in strikethrough italics Times New Roman font.

Board amendment additions are in double-underlined Arial font.

Board amendment deletions are in strikethrough Arial font.

Asterisks (\* \* \* \*) indicate the omission of unchanged Code subsections or parts of tables.

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

Section 1. Background, Findings, and Purpose.

- (a) Waiver of Department of Building Inspection Investigation Fee.
- (1) To ensure that the cannabis industry in San Francisco operates in a manner that promotes health and safety, and that otherwise conforms to applicable regulatory standards, the City requires potential participants in that industry to register with the Office of Cannabis to obtain a Temporary Cannabis Business Permit. Persons (as defined in Police Code Section 1602) who register with the Office of Cannabis are required to submit to inspections of the proposed Cannabis Business's premises by the Department of Building Inspection, in addition to certain other City departments, agencies, and offices.
- (2) Building Code Section 107A.5 imposes an investigation fee for any work performed without a required Building Code permit ("Investigation Fee"). As described in Building Code Table 1A-K ("Penalties, Hearings, Code Enforcement Assessments"), the amount of the Investigation Fee is generally "9 times the Permit Issuance Fee plus the original permit fee."
- (3) In Ordinance No. 48-18, enacted March 21, 2018, the Board of Supervisors ("Board") found that imposing the Investigation Fee on Persons registered with the Office of Cannabis would likely be perceived as unfair or punitive by applicants who have cooperated with the City's efforts to regulate the cannabis industry. Likewise, the Board found that imposing the Investigation Fee might discourage similar cooperation by such Persons in the future. Accordingly, Ordinance No. 48-18 waived the Investigation Fee as to Persons registered with the Office of Cannabis, retroactively to September 26, 2017, the date on which Ordinance No. 230-17 (the Article 16 ordinance) was introduced, and ordered a refund of Investigation Fees previously collected on or after September 26, 2017.

- (4) Ordinance No. 48-18 became inoperative after December 31, 2018. Unforeseen delays, however, have hindered Persons registered with the Office of Cannabis from correcting by December 31, 2018, all preexisting Building Code violations subject to the Investigation Fee. But for these unforeseen delays, the Investigation Fee would have been waived and refunded as to such violations. Accordingly, the Board finds that the policy goals embodied in Ordinance No. 48-18 support a retroactive renewal and extension of the feewaiver and refund provisions of Ordinance No. 48-18.
- (b) Extension of Expiration Dates for Medical Cannabis Dispensary Permits and Temporary Cannabis Business Permits.
- (1) Ordinance No. 230-17, enacted December 6, 2017, created Article 16 of the Police Code, establishing a comprehensive City process for regulating Cannabis Business activity, and created the Office of Cannabis to oversee the regulatory scheme. To facilitate the transfer of all regulation of Cannabis Business activity to the Office of Cannabis after a transition period, Ordinance No. 230-17 provided for the expiration, after December 31, 2019, of Medical Cannabis Dispensary permits previously issued by the Department of Public Health. To enable other cannabis businesses not holding Medical Cannabis Dispensary permits to operate during the period when the Office of Cannabis processed applications for permanent Cannabis Business Permits, Ordinance No. 230-17 also established within Article 16 a Temporary Cannabis Business Permit, with a final expiration date of December 31, 2019.
- (2) Unforeseen delays have extended the length of time required by the Office of Cannabis to process applications for Cannabis Business Permits. As a result, the current expiration dates for Medical Cannabis Dispensary permits and Temporary Cannabis Business Permits will pass before many holders of these permits who have already submitted applications for permanent Cannabis Business Permits will have completed the process for obtaining such a permit from the Office of Cannabis. The Board finds that the policy goals

embodied in Ordinance No. 230-17 and Article 16 support a enetwo-year extension of the expiration dates for Medical Cannabis Dispensary permits and Temporary Cannabis Business Permits from December 31, 2019, to December 31, 20201, to allow current holders of those permits to continue lawful operation of their cannabis businesses while the Office of Cannabis completes its processing of their Cannabis Business Permit applications.

- (c) Environmental and Land Use Findings.
- (1) The Planning Department has determined that the actions contemplated in this 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 Supervisors in File No. 190842 and is incorporated herein by reference. The Board affirms this determination.
- (2) On October 24, 2019, the Planning Commission, in Resolution No. 20553, adopted findings that the actions contemplated in this ordinance are consistent, on balance, with the City's General Plan and eight priority policies of Planning Code Section 101.1. The Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the Board of Supervisors in File No. 190842, and is incorporated herein by reference.
- (3) Pursuant to Planning Code Section 302, the Board finds that the Planning Code amendments in this ordinance will serve the public necessity, convenience, and welfare for the reasons set forth in Planning Commission Resolution No. 20553 and the Board incorporates such reasons herein by reference. A copy of Planning Commission Resolution No. 20553 is on file with the Clerk of the Board of Supervisors in File No. 190842.
- Section 2. Renewal and Extension of Waiver of Investigation Fee; Refund of Fees Previously Collected.

- (a) The Investigation Fee referenced in subsection (a) of Section 1 of this ordinance is hereby waived with respect to Persons who are currently registered with the Office of Cannabis. Accordingly, neither the Department of Building Inspection, nor any other City department, agency, or office may collect this fee from any Person who is currently registered with the Office of Cannabis.
- (b) This Section 2 is retroactive to September 26, 2017. Accordingly, the Department of Building Inspection, and, if applicable, any other City department, agency, or office, shall refund any fees described in subsection (a) that have, as of the effective date of this ordinance, already been collected, including but not limited to fees collected on or between January 1, 2019, and the effective date of this ordinance.
- (c) This Section 2 shall be inoperative after December 31, 2020. After that date, Persons registered with the Office of Cannabis shall again be subject to the Investigation Fee. After that date, the Department of Building Inspection, and, as applicable, other City departments, agencies, or offices, may impose the Investigation Fee on Persons registered with the Office of Cannabis for unpermitted work that occurs, or other Building Code violations that exist.

Section 3. Article 33 of the Health Code is hereby amended by revising Section 3323, to read as follows:

#### SEC. 3323. SUNSET PROVISION.

This Article 33 shall expire by operation of law on December 31, 2019 2020 1. All permits authorizing the operation of a Medical Cannabis Dispensary issued under this Article 33 shall be rendered invalid after December 31, 2018, except for those permits issued under this Article 33 where the permit holder has applied for a Police Code Article 16 permit, which shall

be rendered invalid on December 31, <u>2019</u>20201. Upon expiration of the Article, the City Attorney shall cause it to be removed from the Health Code.

Section 4. Article 1.7 of the Planning Code is hereby amended by revising Section 191, to read as follows:

### SEC. 191. AUTHORIZATION OF TEMPORARY CANNABIS SALES USES.

- (a) A Grandfathered MCD, as defined in Section 190, that receives a permit to operate as a Medical Cannabis Dispensary from the Department of Public Health before December 31, 20192020 shall be deemed a Temporary Cannabis Sales Use, as defined in Section 205.2. Upon expiration of the Temporary Cannabis Sales Use authorization, the land use authorization for the parcel will revert to the original authorization to operate as a Medical Cannabis Dispensary Use, unless the Planning Department or Planning Commission has issued a permanent authorization for a Cannabis Retail Use.
- (b) This Section 191 shall expire by operation of law on January 1, 20242. Upon its expiration, the City Attorney shall cause this Section 191 to be removed from the Planning Code.

Section 5. Article 2 of the Planning Code is hereby amended by revising Section 205.2 to read as follows:

# SEC. 205.2. TEMPORARY USES: ONE- OR TWO TO THREE FOUR-YEAR LIMIT.

A temporary use may be authorized for a period not to exceed two years, or, in the case of a Temporary Cannabis Retail Use, for a period not to exceed three four years, for any of the following uses:

(e) Temporary Cannabis Retail Use for a period of up to *one*three<u>four</u> year<u>s</u>, as provided by Section 191, to be authorized no earlier than January 1, 2018 and to expire on January 1, 2019212. This is the only type of Temporary Use allowed for the sale of cannabis or cannabis products.

Section 6. Article 16 of the Police Code is hereby amended by revising Section 1605, to read as follows:

#### SEC. 1605. TRANSITION PROVISION.

\* \* \* \*

(h) **Duration.** A Temporary Cannabis Business Permit issued under this Section 1605 shall be valid for a period of 120 days and may be extended for additional 120-day periods at the discretion of the Director. Notwithstanding the prior sentence, the Director shall not issue a new temporary permit after January 1, 2019, and shall not extend the term of a Temporary Cannabis Business Permit issued to an applicant for a Cannabis Business Permit under this Article 16 past December 31, 201920201.

\* \* \* \*

Section 7. 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) Upon the effective date of this ordinance, as stated in subsection (b) of Section 2, the fee waiver described in Section 2 shall be retroactive to September 26, 2017.

(c) Upon the effective date of this ordinance, Section 5 of this ordinance (amending the Planning Code to extend the maximum duration of a Temporary Cannabis Retail Sales Use from one year to threefour years, and to extend the expiration date of the Temporary Cannabis Retail Sales Use from January 1, 2019, to January 1, 20212) shall be retroactive to January 1, 2019.

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

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

By:

SARAH A. CROWLEY Deputy City Attorney

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# AMENDED IN COMMITTEE 10/30/2019

FILE NO. 190842

#### **LEGISLATIVE DIGEST**

[Various Codes - Renewing and Extending Waiver and Refund of Investigation Fee - Two-Year Extension of Medical Cannabis Dispensary Permits and Temporary Cannabis Business Permits - Three-Year Extension of Temporary Cannabis Retail Use Authorization]

Ordinance renewing and extending a prior waiver and refund of investigation fees imposed by Building Code, Section 107A.5, for persons registered with the Office of Cannabis through December 31, 2020; amending the Health Code to extend the date beyond which temporary Medical Cannabis Dispensary Permits issued under Article 33 of the Health Code are rendered invalid, from December 31, 2019, to December 31, 2021; amending the Police Code to extend the date beyond which Temporary Cannabis Business Permits issued under Article 16 of the Police Code cannot be extended from December 31, 2019, to December 31, 2021; amending the Planning Code to extend the date by which a Grandfathered Medical Cannabis Dispensary, as defined in the Planning Code, must have received a permit to operate from the Department of Public Health to be deemed a Temporary Cannabis Sales use, as defined in the Planning Code, from December 31, 2019, to December 31, 2021; amending the Planning Code to extend the duration of a Temporary Cannabis Retail Sales Use to up to four years, to expire on January 1, 2022; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302.

## **Existing Law**

- 1. Any business or individual seeking to operate a cannabis business in San Francisco must register with the Office of Cannabis ("OOC") and apply to OOC for a Temporary Cannabis Business Permit, and as part of that process, submit to inspections of the business's premises by the Department of Building Inspection. The Building Code imposes an investigation fee for any work performed without a required Building Code permit ("Investigation Fee"). Ordinance No. 48-18 retroactively waived the Investigation Fee as to persons registered with the OOC, and ordered a refund of Investigation Fees previously collected, but that ordinance became inoperative after December 31, 2018.
- 2. Medical Cannabis Dispensary permits (issued under Article 33 of the Health Code) and Temporary Cannabis Business Permits (issued under Article 16 of the Police Code) will no longer be effective after December 31, 2019.
- 3. The Temporary Cannabis Retail Sales Use (authorized by Section 205.2 of the Planning Code) are no longer effective as of January 1, 2019.

# AMENDED IN COMMITTEE 10/30/2019

FILE NO. 190842

#### Amendments to Current Law

- 1. This ordinance would waive any Investigation Fee with respect to persons now registered with the OOC, retroactive to September 26, 2017, and would require reimbursement of Investigation Fees that have already been collected. This section of the ordinance would be inoperative after December 31, 2020, so that after that date, persons registered with the OOC will again be subject to the Investigation Fee.
- 2. This ordinance would extend the date beyond which Medical Cannabis Dispensary Permits and Temporary Cannabis Business Permits can no longer be effective to December 31, 2021.
- 3. This ordinance would extend the maximum duration of a Temporary Cannabis Retail Sales Use from one year to four years, and would extend the expiration date of the Temporary Cannabis Retail Sales Use from January 1, 2019, to January 1, 2022.

### Background Information

- 1. The City enacted Ordinance No. 48-18 in March 2018 to incentivize participants in the cannabis industry to cooperate with the OOC's cannabis permitting scheme. Since the enactment of that ordinance, unforeseen delays have hindered persons registered with the OOC from correcting all preexisting Building Code violations subject to the Investigation Fee before the sunsetting of Ordinance No. 48-18. But for these unforeseen delays, the Investigation Fee would have been waived and refunded as to such violations under Ordinance No. 48-18. This ordinance would ensure that all persons registered with the OOC have an equal opportunity to remedy Building Code violations while avoiding payment of an Investigation Fee.
- 2. The City enacted Ordinance No. 230-17 (effective January 2018) to comprehensively regulate Cannabis Business activity in San Francisco under Article 16 of the Police Code and under the oversight of the OOC. It provided for a transition to Article 16 regulation by imposing a sunset date of December 31, 2019, for Medical Cannabis Dispensary permits issued under Article 33 of the Health Code, and by establishing Temporary Cannabis Business Permits to be issued by the OOC, not to be effective beyond December 31, 2019. Unforeseen delays have extended the length of time required by the OOC to process applications for Cannabis Business Permits, necessitating a one-year extension of the sunset dates for both Medical Cannabis Dispensary permits and Temporary Cannabis Business Permits, extending the maximum duration of a Temporary Cannabis Retail Sales Use from one year to three years, and extending the expiration date of the Temporary Cannabis Retail Sales Use from January 1, 2019, to January 1, 2021.
- 3. The original version of this ordinance, introduced on July 30, 2019, extended the final expiration dates for Medical Cannabis Dispensary Permits and Temporary Cannabis Business Permits from December 31, 2019, to December 31, 2020, and did not include the provisions in the current version of the ordinance amending the Planning Code to extend the maximum

**BOARD OF SUPERVISORS** 

# AMENDED IN COMMITTEE 10/30/2019

FILE NO. 190842

duration of a Temporary Cannabis Retail Sales Use from one year to four years, and to extend the expiration date of the Temporary Cannabis Retail Sales Use from January 1, 2019, to January 1, 2022. A substitute ordinance introduced on October 24, 2019, added amendments to the Planning Code to extend the duration of a Temporary Cannabis Retail Sales Use from one year to three years, and to extend the expiration date of the Temporary Cannabis Retail Sales Use from January 1, 2019, to January 1, 2021. The ordinance was amended in committee on October 30, 2019, following the recommendations of the Planning Commission, to further extend the final expiration dates for Medical Cannabis Dispensary Permits and Temporary Cannabis Business Permits to December 31, 2021, to further extend the maximum duration of a Temporary Cannabis Retail Sales Use to four years, and to further extend the expiration date of the Temporary Cannabis Retail Sales Use to January 1, 2022.

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October 25, 2019

Ms. Angela Calvillo, Clerk Honorable Supervisor Mandelman Board of Supervisors City and County of San Francisco City Hall, Room 244 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102

Re:

Transmittal of Planning Department Case Number 2019-017266PCA:

One Year Extension for Cannabis Permits

Board File No. 190842

Planning Commission Recommendation: Approval with Modification

Dear Ms. Calvillo and Supervisor Mandelman,

On October 24, 2019, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance, introduced by Supervisor Mandelman that would amend the Planning Code to extend the date by which a Grandfathered Medical Cannabis Dispensary must have received a permit to operate from the Department of Public Health to be deemed a Temporary Cannabis Sales use from December 31, 2019, to December 31, 2020; and amend the Planning Code to extend the duration of a Temporary Cannabis Retail Sales Use to up to three years, to expire on January 1, 2021. At the hearing the Planning Commission recommended approval with modification.

The Commission's proposed modifications were as follows:

1. Extend the Temporary Adult Use Cannabis Permits for four years instead of three.

The proposed amendments are not defined as a project under CEQA Guidelines Section 15060(c) and 15378 because they do not result in a physical change in the environment.

Supervisor, please advise the City Attorney at your earliest convenience if you wish to incorporate the changes recommended by the Commission.

Please find attached documents relating to the actions of the Commission. If you have any questions or require further information please do not hesitate to contact me.

1650 Mission St. Suite 400 San Francisco, CA 94103-2479

Reception: 415.558.6378

Fax: 415.558.6409

Planning Information: **415.558.6377** 

Sincerely,

Aaron D. Starr

Manager of Legislative Affairs

CC:

Sarah A. Crowley, Deputy City Attorney Tom Temprano, Aide to Supervisor Mandelman Erica Major, Office of the Clerk of the Board

### Attachments:

Planning Commission Resolution
Planning Department Executive Summary



# Planning Commission Resolution No. 20553

HEARING DATE OCTOBER 24, 2019

1650 Mission St. Suite 400 San Francisco, CA 94103-2479

Reception: 415.558.6378

Fax.

415.558.6409

Planning Information: 415.558.6377

Project Name:

Extension for Temporary Cannabis Permits

Case Number:

**2019-017266PCA** [Board File No. 190842] Supervisor Mandelman/ Introduced July 30, 2019

Initiated by: Staff Contact:

Aaron Starr, Manager of Legislative Affairs

aaron.starr@sfgov.org, 415-558-6362

Recommendation:

Approval with Modifications

RESOLUTION APPROVING A PROPOSED ORDINANCE EXTENDING A PRIOR WAIVER AND REFUND OF INVESTIGATION FEES IMPOSED BY BUILDING CODE, SECTION 107A.5. FOR PERSONS REGISTERED WITH THE OFFICE OF CANNABIS THROUGH DECEMBER 31, 2020; AMENDING THE HEALTH CODE TO EXTEND THE DATE BEYOND WHICH TEMPORARY MEDICAL CANNABIS DISPENSARY PERMITS ISSUED UNDER ARTICLE 33 OF THE HEALTH CODE ARE RENDERED INVALID, FROM DECEMBER 31, 2019, TO DECEMBER 31, 2020; AMENDING THE POLICE CODE TO EXTEND THE DATE BEYOND WHICH TEMPORARY CANNABIS BUSINESS PERMITS ISSUED UNDER ARTICLE 16 OF THE POLICE CODE CANNOT BE EXTENDED FROM DECEMBER 31, 2019, TO DECEMBER 31, 2020; AMENDING THE PLANNING CODE TO EXTEND THE DATE BY WHICH A GRANDFATHERED MEDICAL CANNABIS DISPENSARY, AS DEFINED IN THE PLANNING CODE, MUST HAVE RECEIVED A PERMIT TO OPERATE FROM THE DEPARTMENT OF PUBLIC HEALTH TO BE DEEMED A TEMPORARY CANNABIS SALES USE, AS DEFINED IN THE PLANNING CODE, FROM DECEMBER 31, 2019, TO DECEMBER 31, 2020; AMENDING THE PLANNING CODE TO EXTEND THE DURATION OF A TEMPORARY CANNABIS RETAIL SALES USE TO UP TO THREE YEARS, TO EXPIRE ON JANUARY 1, 2021: AFFIRMING THE PLANNING DEPARTMENT'S DETERMINATION UNDER THE ENVIRONMENTAL QUALITY ACT: AND MAKING **FINDINGS** CONSISTENCY WITH THE GENERAL PLAN, AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE, SECTION 101.1, AND FINDINGS OF PUBLIC CONVENIENCE, AND WELFARE UNDER PLANNING CODE, SECTION 302.

WHEREAS, on November 13, 2018, Supervisor Mandelman introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 190842, which would extending a prior waiver and refund of investigation fees imposed by Building Code, Section 107A.5, for persons registered with the Office of Cannabis through December 31, 2020; amending the Health Code to extend the date beyond which temporary Medical Cannabis Dispensary Permits issued under Article 33 of the Health Code are rendered invalid, from December 31, 2019, to December 31, 2020; amending the Police Code to extend the date beyond which Temporary Cannabis Business Permits issued under Article 16 of the Police Code cannot be extended from December 31, 2019, to December 31, 2020; amending the Planning Code to extend the date

by which a Grandfathered Medical Cannabis Dispensary, as defined in the Planning Code, must have received a permit to operate from the Department of Public Health to be deemed a Temporary Cannabis Sales use, as defined in the Planning Code, from December 31, 2019, to December 31, 2020; amending the Planning Code to extend the duration of a Temporary Cannabis Retail Sales Use to up to three years, to expire on January 1, 2021; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302; and

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider how the proposed Ordinance impacts the Planning Code on October 24, 2019; and

WHEREAS, the proposed Ordinance has been determined to not be a project under CEQA; and

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the Custodian of Records, at 1650 Mission Street, Suite 400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

WHEREAS, the Planning Commission finds from the facts presented that the public necessity, convenience, and general welfare require the proposed amendment; and

MOVED, that the Planning Commission hereby **approves with modifications** the proposed ordinance. The Commission's proposed modification is as follows:

1. Extend the Temporary Adult Use Cannabis Permits for four years instead of three.

#### **FINDINGS**

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

- 1. The Commission supports the proposed ordinance because it will allow long-standing businesses to continue to operate while the Office of Cannabis process equity applicants. MCDs and Cannabis Retail establishments provide employment to unskilled and semi-skilled workers and often provide economic opportunity to those previously impacted by the war on drugs.
- 2. The initial ordinance creating Section 190 and 191 was intended to allow existing MCDs to sell adult use cannabis unit the city was able to process its equity applicants. To no fault of their own,

MCDs have not been able to apply for their permanent licenses, and the Planning Department has not been able to process their conversion permits.

- 3. The Commission is concerned that the proposed three-year extension will not be enough, and is therefore recommending that the temporary use permit be extended for four years instead of three.
- 4. **General Plan Compliance.** The proposed Ordinance and the Commission's recommended modifications are consistent with the following Objectives and Policies of the General Plan:

#### COMMERCE AND INDUSTRY ELEMENT

#### **OBJECTIVE 3**

PROVIDE EXPANDED EMPLOYMENT OPPORTUNITIES FOR CITY RESIDENTS, PARTICULARLY THE UNEMPLOYED AND ECONOMICALLY DISADVANTAGED.

#### Policy 3.1

Promote the attraction, retention and expansion of commercial and industrial firms which provide employment improvement opportunities for unskilled and semi-skilled workers.

#### Policy 3.4

Assist newly emerging economic activities.

The proposed ordinance seeks to attract, retain and expand the newly emerging cannabis industry, which provides employment opportunities for unskilled and semi-skilled workers

#### **OBJECTIVE 6**

MAINTAIN AND STRENGTHEN VIABLE NEIGHBORHOOD COMMERCIAL AREAS EASILY ACCESSIBLE TO CITY RESIDENTS.

#### Policy 6.1

Ensure and encourage the retention and provision of neighborhood-serving goods and services in the city's neighborhood commercial districts, while recognizing and encouraging diversity among the districts.

#### Policy 6.2

Promote economically vital neighborhood commercial districts which foster small business enterprises and entrepreneurship and which are responsive to economic and technological innovation in the marketplace and society.

The proposed ordinance seeks to allow the retention of existing small businesses in the City by providing them a pathway to convert to Cannabis Retail, which permits adult use sales. As such, it allows these existing businesses the opportunity to adapt to changing market conditions initiated by the legalization of adult use cannabis.

- 5. Planning Code Section 101 Findings. The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:
  - 1. That existing neighborhood-serving retail uses be preserved and enhanced and future

opportunities for resident employment in and ownership of such businesses enhanced;

The proposed Ordinance would not have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

The proposed Ordinance would not have a negative effect on housing or neighborhood character.

3. That the City's supply of affordable housing be preserved and enhanced;

The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing.

 That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

The proposed Ordinance would not have an adverse effect on City's preparedness against injury and loss of life in an earthquake.

7. That the landmarks and historic buildings be preserved;

The proposed Ordinance would not have an adverse effect on the City's Landmarks and historic buildings.

8. That our parks and open space and their access to sunlight and vistas be protected from development;

The proposed Ordinance would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas.

6. **Planning Code Section 302 Findings.** The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission hereby APPROVES WITH MODIFICAITONS the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on October 24, 2019.

C.SILM ON BEHTHE OF

Jonas P. Ionin Commission Secretary

AYES:

Fung, Koppel, Moore, Richards

NOES:

None

ABSENT:

Johnson, Melgar

ADOPTED:

October 24, 2019

# **Executive Summary Planning Code Text Amendment**

**HEARING DATE: OCTOBER 24, 2019** 90-DAY DEADLINE: NOVEMBER 5, 2019

1650 Mission St. Suite 400 San Francisco, CA 94103-2479

Reception: 415.558.6378

415.558.6409

Planning Information:

415.558.6377

Project Name:

**Extension for Temporary Cannabis Permits** 

Case Number:

**2019-017266PCA** [Board File No. 190842] Supervisor Mandelman/Introduced July 30, 2019

Initiated by: Staff Contact:

Aaron Starr, Manager of Legislative Affairs

aaron.starr@sfgov.org, 415-558-6362

Recommendation:

Approval with Modifications

### PLANNING CODE AMENDMENTS

The proposed ordinance amends the Planning Code to extend the date by which a Grandfathered Medical Cannabis Dispensary must have received a permit to operate from the Department of Public Health to be deemed a Temporary Cannabis Sales use from December 31, 2019, to December 31, 2020; and amend the Planning Code to extend the duration of a Temporary Cannabis Retail Sales Use to up to three years, to expire on January 1, 2021.

#### OTHER CODE AMENDMENTS

The proposed ordinance also renews and extends a prior waiver and refund of investigation fees imposed by Building Code, Section 107A.5, for persons registered with the Office of Cannabis through December 31, 2020; amends the Health Code to extend the date beyond which temporary Medical Cannabis Dispensary Permits issued under Article 33 of the Health Code are rendered invalid, from December 31, 2019, to December 31, 2020; and amends the Police Code to extend the date beyond which Temporary Cannabis Business Permits issued under Article 16 of the Police Code cannot be extended from December 31, 2019, to December 31, 2020.

#### The Way It Is Now:

- 1. All MCDs must obtain their permit to operate from DPH by December 31, 2019 in order to be eligible to sell adult use cannabis on a temporary basis.
- 2. Temporary Cannabis Retail Uses are only allowed to operate for one year.

#### The Way It Would Be:

- 1. MCDs would have until December 31, 2020 to obtain their permit to operate.
- 2. Temporary Cannabis Retail Uses would be permitted to operate for three years.

Executive Summary Hearing Date: October 24, 2019

#### **BACKGROUND**

On November 8, 2016, the voters of California approved Proposition 64, the Control, Regulate, and Tax Adult Use of Marijuana Act (AUMA). Prop 64 decriminalized the nonmedicinal use of cannabis by adults, created a state regulatory, licensing, and taxation system for non-medicinal cannabis businesses, and reduced penalties for marijuana-related crimes. San Franciscans overwhelming approved of legalized adult use cannabis with 74.3% voting yes on Proposition 64.

On November 9, 2016, the Mayor Lee issued Executive Directive 16-05, "Implementing Prop 64: Adult Use of Marijuana Act." This directed DPH and the Planning Department, in consultation with other departments, to move forward with legislation for the Board of Supervisors' consideration that would address land use, licensing, safety, and youth access issues related to adult use cannabis under Proposition 64.

On December 5, 2017, the Board of Supervisors adopted Board File 171041, the outcome of Mayor Lee's executive Directive. This ordinance amended Planning Code requirements for MCDs, created a new land use definition for Cannabis Retail to include the sale of cannabis products to non-medical consumers, and defined other cannabis land uses in the Planning Code. As part of these amendments, Section 190 was added to the Planning Code to create a process for existing MCDs to convert to Cannabis Retail uses. In addition, Section 191 was created to provide a way for MCDs to sell adult use cannabis as a temporary use until they could convert to Cannabis Retail and get a permanent license.

On March 5, 2019, the Board adopted Board File 190108, which amended Section 191 to allow existing MCDs more time to obtain their permit to operate from DPH. This was done because several MCDs that had been in the pipeline were not going to make the original cut off date of January 1, 2019 due to issues outside of their control. This ordinance also extended the expiration date of Section 191 from January 1, 2020 to January 1, 2021.

#### ISSUES AND CONSIDERATIONS

#### Pending MCD permits

MCDs are governed by Article 33 of the Health Code, and the Department of Public health is the agency responsible for issuing permits. The Adult Use Cannabis ordinance passed by the City in 2017 anticipated that Article 33 of the Health Code would be phased out in two years, and all cannabis permits would then be handled by the Office of Cannabis. Certain provisions were included in the Health, Planning and Admin Code to allow for this transition to happen. One of those was to allow MCDs permits that had received a permit to operate from DPH by December 31, 2019 to act as a Temporary Adult Use cannabis operation. Currently there is only one site still pending a final DPH permit, at 3185 Mission Street; however, according to DPH they are on track to receive a final permit early next month.

#### **Pending Cannabis Retail Permits**

The ordinance changes the time in which Temporary Cannabis uses would be permitted to operate from one year to three years. This is intended to allow approved MCDs to continue to sell adult use cannabis until their permanent license has been approved. Currently the Office of Cannabis is only processing equity applicants, and most existing MCDs do not qualify as equity applicants. To date the Planning Department has received 19 equity applicant referrals from the Office of Cannabis that have not yet filed applications with DBI or with Planning. We have 11 equity applicants that have filed applications that are in-processing,

Executive Summary Hearing Date: October 24, 2019

and 11 that have been approved by Planning. Additionally, Planning has 41 permits for conversion of existing MCDs to Cannabis Retail which are all on-hold pending an Office of Cannabis referral. These conversion permits are the primary purpose of the legislation since they must wait for Office of Cannabis and Planning to process all the equity permits first. The Department expects to be able to start processing these starting in October of 2020. In addition, there are approximately 300 other equity applications pending at Office of Cannabis for a mix of storefront and non-storefront uses which also must be processed prior to non-equity applicants.

#### General Plan Compliance

This legislation would support key Objectives and Policies of the General Plan:

- The Commerce and Industry Element supports providing expanded employment opportunities for city residents, particularly the unemployed and economically disadvantaged. MCDs and Cannabis Retail stores provide employment opportunities for semi-skilled and unskilled workers, and the City's equity requirements encourage or require the hiring of persons impacted by the racially impactful war on drugs into the industry. Thus, these businesses provide opportunity for residents who are disadvantaged in typical economic sectors.
- The Commerce and Industry Element also supports maintaining and strengthening viable neighborhood commercial areas easily accessible to residents, and particularly supports promoting economically vital neighborhood commercial districts which foster small business enterprises and entrepreneurship, and which are responsive to economic and technological innovation in the marketplace and society. As a new industry, MCDs and Cannabis Retail establishment can help to activate existing neighborhood commercial districts struggling with high levels of vacancies.

#### Racial and Social Equity Analysis

Understanding the benefits, burdens and opportunities to advance racial and social equity that proposed Planning Code and Zoning Map amendments provide is part of the Department's Racial and Social Equity Initiative. This is also consistent with the Mayor's Citywide Strategic Initiatives for equity and accountability and with the Office of Racial Equity, which will require all Departments to conduct this analysis.

The City made the decision when it adopted its adult use cannabis regulations and created the Office of Cannabis to prioritize equity applicants. This was done so that communities disproportionately impacted by the war on drugs would be able to reap the benefits of cannabis legalization. Unfortunately, the time and effort to vet and process those applicants has taken a lot longer than anticipated. While this ordinance does not directly impact equity applicants, it does allow long-standing businesses to continue to operate while the equity application process moves forward. Many of these existing MCDs are found in low income and impacted communities. Forcing them to close because they could no longer sell adult use cannabis would increase vacancies in these neighborhoods. In addition, existing MCDs frequently hire from the adjacent neighborhood, serving as a source of employment for the neighborhood's lower skilled workers. On balance this ordnance would help further the city's racial and social equity goals.

#### Implementation

The Department has determined that this ordinance will not impact our current implementation procedures.

#### RECOMMENDATION

The Department recommends that the Commission *approve with modifications* the proposed Ordinance and adopt the attached Draft Resolution to that effect.

1. Extend the Temporary Permits for four years instead of three.

#### BASIS FOR RECOMMENDATION

The Department supports the proposed ordinance because it will allow long-standing businesses to continue to operate while the Office of Cannabis process equity applicants. MCDs and Cannabis Retail establishments provide employment to unskilled and semi-skilled workers and often provide economic opportunity to those previously impacted by the war on drugs. The initial ordinance creating Section 190 and 191 was intended to allow existing MCDs to sell adult use cannabis unit the city was able to process its equity applicants. To no fault of their own, MCDs have not been able to apply for their permanent licenses, and the Planning Department has not been able to process their conversion permits. The Department is concerned that the proposed three-year extension will not be enough.

# 1. Recommendation 1: Extend the Temporary Adult Use Cannabis Permits for four years instead of three.

In January, two years will have passed on the temporary permits. The Department will not start processing MCD applications until October of 2020, leaving just three months to process at 41 MCD conversion permits. In the likely event that the Department is not able to process all those permits by January 2021, MCDs must either stop selling adult use cannabis or the City will have to pass another ordinance extending the temporary permit.

#### REQUIRED COMMISSION ACTION

The proposed Ordinance is before the Commission so that it may approve it, reject it, or approve it with modifications.

#### **ENVIRONMENTAL REVIEW**

The proposed amendments are not defined as a project under CEQA Guidelines Section 15060(c) and 15378 because they do not result in a physical change in the environment.

#### PUBLIC COMMENT

As of the date of this report, the Planning Department has not received any public comment regarding the proposed Ordinance.

#### Attachments:

Exhibit A: Draft Planning Commission Resolution

Exhibit B: Letters of Support/Opposition or other supporting documentation, etc.

Exhibit C: Board of Supervisors File No. 190842



#### **BUILDING INSPECTION COMMISSION (BIC)**

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

October 22, 2019

London N. Breed Mayor

COMMISSION

**Angus McCarthy** President

Debra Walker Vice-President

Kevin Clinch John Konstin Frank Lee Sam Moss James Warshell

Sonya Harris Secretary

Shirley Wong Assistant Secretary

Tom C. Hui S.E., C.B.O., Director 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

Dear Ms. Calvillo:

RE: File No. 190842

Ordinance renewing and extending a prior waiver and refund of investigation fees imposed by Building Code, Section 107 A.5, for persons registered with the Office of Cannabis through December 31. 2020; amending the Health Code to extend the date beyond which temporary Medical Cannabis Dispensary Permits issued under Article 33 of the Health Code are rendered invalid, from December 31, 2019, to December 31, 2020; amending the Police Code to extend the date beyond which Temporary Cannabis Business Permits issued under Article 16 of the Police Code cannot be extended from December 31, 2019 to December 31, 2020; and amending the Planning Code to extend the date by which a Grandfathered Medical Cannabis Dispensary, as defined in the Planning Code, must have received a permit to operate from the Department of Public Health to be deemed a Temporary cannabis Sales use, as defined in the Planning Code, from December 31, 2019, to December 31, 2020.

The Building Inspection Commission met and held a public hearing on October 16, 2019 regarding File No. 190842 on the proposed amendment to Various Codes referenced above. The Commissioners voted unanimously to recommend approval of the proposed Ordinance.

President McCarthy Commissioner Clinch

Yes Yes Vice-President Walker Commissioner Konstin Yes Excused

Commissioner Lee Commissioner Warshell Excused

Commissioner Moss

Yes

Yes

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

Sincerely,

Aonya Harris

Commission Secretary

cc: Tom C. Hui, S.E., C.B.O., Director

Mayor London N. Breed

Supervisor Rafael Mandleman

Board of Supervisors



SAN FRANCISCO
OFFICE OF SMALL BUSINESS

CITY AND COUNTY OF SAN FRANCISCO LONDON BREED, MAYOR

OFFICE OF SMALL BUSINESS REGINA DICK-ENDRIZZI, DIRECTOR

# September 30, 2019

Ms. Angela Calvillo, Clerk of the Board City Hall Room 244 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

RE: BOS File No. 190842: Various Codes - Renewing and Extending Waiver and Refund of Investigation Fee - Persons Registered with the Office of Cannabis - One-Year Extension of Medical Cannabis Dispensary Permits and Temporary Cannabis Business Permits

Small Business Commission Recommendation to the Board of Supervisors: Approve.

Dear Ms. Calvillo,

On September 23, 2019 the Small Business Commission (SBC or Commission) heard BOS File No. 190842: Various Codes - Renewing and Extending Waiver and Refund of Investigation Fee - Persons Registered with the Office of Cannabis - One-Year Extension of Medical Cannabis Dispensary Permits and Temporary Cannabis Business Permits. Mr. Tom Temprano, aide to Supervisor Mandelman provided the SBC with an overview of the legislation. He was also joined by Marisa Rodriguez, Director of the Office of Cannabis and Ray Law, Associate Director of Enforcement and Outreach for the Office of Cannabis. The Commission voted unanimously (6-0 with 1 absent) to recommend that the Board of Supervisors approve the legislation.

The Commission enthusiastically supports this proposed ordinance. Specifically, they commended the sponsor's commitment to streamlining existing legislation. Additionally, they applauded the Office of Cannabis's technical assistance and outreach efforts for prospective and existing cannabis businesses in the community.

Thank you for considering the Commission's comments. Please feel free to contact me should you have any questions.

Sincerely,

Regina Dick-Endrizzi

Director, Office of Small Business

ZM) cle Ludienza

cc: Rafael Mandelman, Member, Board of Supervisors,

Sophia Kittler, Mayor's Liaison to the Board of Supervisors Marisa Rodriguez, Director, Office of Cannabis Lisa Pagan, Office of Economic and Workforce Development John Carroll, Clerk, Public Safety and Neighborhood Services Committee

#### Wong, Linda (BOS)

From:

Donovan, Dominica (ECN)

Sent:

Monday, September 30, 2019 11:08 AM

To:

Wong, Linda (BOS)

Cc:

Fewer, Sandra (BOS); Boilard, Chelsea (BOS); Stefani, Catherine (BOS); Herzstein, Daniel (BOS); Mandelman, Rafael (BOS); Mundy, Erin (BOS); Temprano, Tom (BOS); Rodriguez, Marisa (ADM); Law, Ray (ADM); Kittler, Sophia (MYR); Pagan, Lisa (ECN); Quevedo, Bryan

(ECN); Dick-Endrizzi, Regina (ECN); Chan, Gloria (ECN)

Subject:

RE: File No. 190842 - REFERRAL FROM BOARD OF SUPERVISORS (Budget & Finance

Committee)

Attachments:

190842 - SBC Response.pdf

Hi Linda,

Please see the SBC's response attached.

Many thanks,

#### **Dominica Donovan**

Senior Policy Analyst
Small Business Commission Secretary

Office of Small Business City and County of San Francisco City Hall, Room 140

Direct: (415) 554-6489 | Office: (415) 554-6134

website | business portal | facebook | twitter

From: Wong, Linda (BOS)

**Sent:** Friday, August 09, 2019 3:10 PM

**To:** Dick-Endrizzi, Regina (ECN) < regina.dick-endrizzi@sfgov.org > **Cc:** Donovan, Dominica (ECN) < dominica.donovan@sfgov.org >

Subject: File No. 190842 - REFERRAL FROM BOARD OF SUPERVISORS (Budget & Finance Committee)

Hi Regina,

The Board of Supervisors' Budget and Finance 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. 190842

Ordinance renewing and extending a prior waiver and refund of investigation fees imposed by Building Code, Section 107A.5, for persons registered with the Office of Cannabis through December 31, 2020; amending the Health Code to extend the date beyond which temporary Medical Cannabis Dispensary Permits issued under Article 33 of the Health Code are rendered invalid, from December 31, 2019, to December 31, 2020; amending the Police Code to extend the date beyond which Temporary Cannabis Business Permits issued under Article 16 of the Police Code cannot be extended from December 31, 2019, to December 31, 2020; and amending the Planning Code to extend the date by which a

Grandfathered Medical Cannabis Dispensary, as defined in the Planning Code, must have received a permit to operate from the Department of Public Health to be deemed a Temporary Cannabis Sales use, as defined in the Planning Code, from December 31, 2019, to December 31, 2020.

If the Small Business Commission wishes to submit a response, please send it directly to me at the address provided below.

Best,

### Linda Wong

San Francisco Board of Supervisors

1 Dr. Carlton B. Goodlett Place, City Hall, Room 244
San Francisco, CA 94102-4689
Phone: 415.554.7719 | Fax: (415) 554-5163
Linda.Wong@sfgov.org | www.sfbos.org

Please complete a Board of Supervisors Customer Service Satisfaction form by clicking <a href="here">here</a>.

The <u>Legislative Research Center</u> 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.



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:

Marisa Rodriguez, Director, Office of Cannabis William Scott, Police Chief, Police Department

Dr. Grant Colfax, Director, Department of Public Health

FROM:

Linda Wong, Assistant Clerk

**Budget and Finance Committee** 

DATE:

August 12, 2019

SUBJECT:

LEGISLATION INTRODUCED

The Board of Supervisors' Budget and Finance Committee has received the following proposed legislation, introduced by Supervisor Mandelman on July 30, 2019:

File No. 190842

Ordinance renewing and extending a prior waiver and refund of investigation fees imposed by Building Code, Section 107A.5, for persons registered with the Office of Cannabis through December 31, 2020; amending the Health Code to extend the date beyond which temporary Medical Cannabis Dispensary Permits issued under Article 33 of the Health Code are rendered invalid, from December 31, 2019, to December 31, 2020; amending the Police Code to extend the date beyond which Temporary Cannabis Business Permits issued under Article 16 of the Police Code cannot be extended from December 31, 2019, to December 31, 2020; and amending the Planning Code to extend the date by which a Grandfathered Medical Cannabis Dispensary, as defined in the Planning Code, must have received a permit to operate from the Department of Public Health to be deemed a Temporary Cannabis Sales use, as defined in the Planning Code, from December 31, 2019, to December 31, 2020.

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: <a href="mailto:linda.wong@sfgov.org">linda.wong@sfgov.org</a>.

c: Ray Law, Office of Cannabis
Rowena Carr, Police Department
Asja Steeves, Police Department
Deirdre Hussey, Police Department
Greg Wagner, Department of Public Health
Dr. Naveena Bobba, Department of Public Health
Sneha Patil, Department of Public Health



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

August 9, 2019

Planning Commission Attn: Jonas Ionin 1650 Mission Street, Ste. 400 San Francisco, CA 94103

Dear Commissioners:

On July 30, 2019, Supervisor Mandelman submitted the following proposed legislation:

File No. 190842

Ordinance renewing and extending a prior waiver and refund of investigation fees imposed by Building Code, Section 107A.5, for persons registered with the Office of Cannabis through December 31, 2020; amending the Health Code to extend the date beyond which temporary Medical Cannabis Dispensary Permits issued under Article 33 of the Health Code are rendered invalid, from December 31, 2019, to December 31, 2020; amending the Police Code to extend the date beyond which Temporary Cannabis Business Permits issued under Article 16 of the Police Code cannot be extended from December 31, 2019, to December 31, 2020; and amending the Planning Code to extend the date by which a Grandfathered Medical Cannabis Dispensary, as defined in the Planning Code, must have received a permit to operate from the Department of Public Health to be deemed a Temporary Cannabis Sales use, as defined in the Planning Code, from December 31, 2019, to December 31, 2020.

This proposed ordinance is being transmitted pursuant to Planning Code, Section 302(b), for public hearing and recommendation. The ordinance is pending before the Budget and Finance Committee and will be scheduled for hearing upon receipt of your response.

Angela Calvillo, Clerk of the Board

By: Linda Wong, Assistant Clerk
Budget and Finance Committee

c: John Rahaim, Director
Scott Sanchez, Acting Deputy Zoning Administrator
Corey Teague, Zoning Administrator
Lisa Gibson, Environmental Review Officer
Devyani Jain, Deputy Environmental Review Officer
AnMarie Rodgers, Director of Citywide Planning
Dan Sider, Director of Executive Programs
Aaron Starr, Manager of Legislative Affairs
Joy Navarrete, Environmental Planning
Don Lewis, Environmental Planning



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:

Linda Wong, Assistant Clerk

**Budget and Finance Committee** 

DATE:

August 9, 2019

SUBJECT:

REFERRAL FROM BOARD OF SUPERVISORS

**Budget and Finance Committee** 

The Board of Supervisors' Budget and Finance 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. 190842

Ordinance renewing and extending a prior waiver and refund of investigation fees imposed by Building Code, Section 107A.5, for persons registered with the Office of Cannabis through December 31, 2020; amending the Health Code to extend the date beyond which temporary Medical Cannabis Dispensary Permits issued under Article 33 of the Health Code are rendered invalid, from December 31, 2019, to December 31, 2020; amending the Police Code to extend the date beyond which Temporary Cannabis Business Permits issued under Article 16 of the Police Code cannot be extended from December 31, 2019, to December 31, 2020; and amending the Planning Code to extend the date by which a Grandfathered Medical Cannabis Dispensary, as defined in the Planning Code, must have received a permit to operate from the Department of Public Health to be deemed a Temporary Cannabis Sales use, as defined in the Planning Code, from December 31, 2019, to December 31, 2020.

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	Chairmana an Small Business Commission
	Chairperson, Small Business Commission



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:

Linda Wong, Assistant Clerk

Budget and Finance Committee

DATE:

August 9, 2019

SUBJECT:

LEGISLATION INTRODUCED

The Board of Supervisors' Budget and Finance Committee has received the following proposed legislation, introduced by Supervisor Rafael Mandelman on July 30, 2019:

File No. 190842

Ordinance renewing and extending a prior waiver and refund of investigation fees imposed by Building Code, Section 107A.5, for persons registered with the Office of Cannabis through December 31, 2020; amending the Health Code to extend the date beyond which temporary Medical Cannabis Dispensary Permits issued under Article 33 of the Health Code are rendered invalid, from December 31, 2019, to December 31, 2020; amending the Police Code to extend the date beyond which Temporary Cannabis Business Permits issued under Article 16 of the Police Code cannot be extended from December 31, 2019, to December 31, 2020; and amending the Planning Code to extend the date by which a Grandfathered Medical Cannabis Dispensary, as defined in the Planning Code, must have received a permit to operate from the Department of Public Health to be deemed a Temporary Cannabis Sales use, as defined in the Planning Code, from December 31, 2019, to December 31, 2020.

The proposed ordinance is being transmitted pursuant to Charter, Section D3.750-5, for public hearing and recommendation. It is pending before the Budget and Finance 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: linda.wong@sfgov.org.

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

### Wong, Linda (BOS)

From:

Wong, Linda (BOS)

Sent:

Wednesday, October 23, 2019 5:04 PM

To: Cc: Dick-Endrizzi, Regina (ECN)

Subject:

Donovan, Dominica (ECN)
File No. 190842 - Cannabis Business Permits Waiver - SUBSTITUTED LEGISLATON

Attachments:

190842 v2 digest.docx; 190842 v2.docx

Importance:

High

Hello Regina,

Please be advised that Supervisor Mandelman introduced the attached substituted Ordinance regarding the below mentioned file:

#### File No. 190842

Ordinance renewing and extending a prior waiver and refund of investigation fees imposed by Building Code, Section 107A.5, for persons registered with the Office of Cannabis through December 31, 2020; amending the Health Code to extend the date beyond which temporary Medical Cannabis Dispensary Permits issued under Article 33 of the Health Code are rendered invalid, from December 31, 2019, to December 31, 2020; amending the Police Code to extend the date beyond which Temporary Cannabis Business Permits issued under Article 16 of the Police Code cannot be extended from December 31, 2019, to December 31, 2020; amending the Planning Code to extend the date by which a Grandfathered Medical Cannabis Dispensary, as defined in the Planning Code, must have received a permit to operate from the Department of Public Health to be deemed a Temporary Cannabis Sales use, as defined in the Planning Code, from December 31, 2019, to December 31, 2020; amending the Planning Code to extend the duration of a Temporary Cannabis Retail Sales Use to up to three years, to expire on January 1, 2021; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302.

This matter is scheduled to be considered by the Budget and Finance Committee at its meeting on October 30, 2019.

Please let me know if you have any questions or concerns.

Best, Linda

# Linda Wong

San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244
San Francisco, CA 94102-4689
Phone: 415.554.7719 | Fax: (415) 554-5163
Linda.Wong@sfgov.org | www.sfbos.org

### Wong, Linda (BOS)

From:

Wong, Linda (BOS)

Sent:

Wednesday, October 23, 2019 5:06 PM

To:

Rodriguez, Marisa (ADM); Scott, William (POL); Colfax, Grant (DPH)

Cc:

Law, Ray (ADM); Carr, Rowena (POL); Steeves, Asja (POL); Hussey, Deirdre (POL);

Wagner, Greg (DPH); Bobba, Naveena (DPH); Patil, Sneha (DPH)

Subject:

File No. 190842 - Cannabis Business Permits Waiver - SUBSTITUTED LEGISLATON

Attachments:

190842 v2 digest.docx; 190842 v2.docx

Hello all,

Please be advised that Supervisor Mandelman introduced the attached substituted Ordinance regarding the below mentioned file:

#### File No. 190842

Ordinance renewing and extending a prior waiver and refund of investigation fees imposed by Building Code, Section 107A.5, for persons registered with the Office of Cannabis through December 31, 2020; amending the Health Code to extend the date beyond which temporary Medical Cannabis Dispensary Permits issued under Article 33 of the Health Code are rendered invalid, from December 31, 2019, to December 31, 2020; amending the Police Code to extend the date beyond which Temporary Cannabis Business Permits issued under Article 16 of the Police Code cannot be extended from December 31, 2019, to December 31, 2020; amending the Planning Code to extend the date by which a Grandfathered Medical Cannabis Dispensary, as defined in the Planning Code, must have received a permit to operate from the Department of Public Health to be deemed a Temporary Cannabis Sales use, as defined in the Planning Code, from December 31, 2019, to December 31, 2020; amending the Planning Code to extend the duration of a Temporary Cannabis Retail Sales Use to up to three years, to expire on January 1, 2021; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302.

This matter is scheduled to be considered by the Budget and Finance Committee at its meeting on October 30, 2019.

Please let me know if you have any questions or concerns.

Best, Linda

# Linda Wong

San Francisco Board of Supervisors 1 Dr. Carlton B. Goodlett Place, City Hall, Room 244 San Francisco, CA 94102-4689 Phone: 415.554.7719 | Fax: (415) 554-5163 Linda.Wong@sfgov.org | www.sfbos.org

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From: Wong, Linda (BOS)

Sent: Monday, August 12, 2019 2:27 PM

To: Rodriguez, Marisa (ADM) <marisa.rodriguez@sfgov.org>; Scott, William (POL) <william.scott@sfgov.org>; Colfax,

Grant (DPH) < Grant.Colfax@sfdph.org>

Cc: Law, Ray (ADM) <ray.law@sfgov.org>; Carr, Rowena (POL) <rowena.carr@sfgov.org>; Steeves, Asja (POL)

<Asja.Steeves@sfgov.org>; Hussey, Deirdre (POL) <deirdre.hussey@sfgov.org>; Wagner, Greg (DPH)

<greg.wagner@sfdph.org>; Bobba, Naveena (DPH) <naveena.bobba@sfdph.org>; Patil, Sneha (DPH)

<sneha.patil@sfdph.org>

Subject: File No. 190842 - REFERRAL FROM BOARD OF SUPERVISORS (Budget & Finance Committee)

Good afternoon,

The following legislation is being referred to your department for informational purposes:

#### File No. 190842

Ordinance renewing and extending a prior waiver and refund of investigation fees imposed by Building Code, Section 107A.5, for persons registered with the Office of Cannabis through December 31, 2020; amending the Health Code to extend the date beyond which temporary Medical Cannabis Dispensary Permits issued under Article 33 of the Health Code are rendered invalid, from December 31, 2019, to December 31, 2020; amending the Police Code to extend the date beyond which Temporary Cannabis Business Permits issued under Article 16 of the Police Code cannot be extended from December 31, 2019, to December 31, 2020; and amending the Planning Code to extend the date by which a Grandfathered Medical Cannabis Dispensary, as defined in the Planning Code, must have received a permit to operate from the Department of Public Health to be deemed a Temporary Cannabis Sales use, as defined in the Planning Code, from December 31, 2019, to December 31, 2020.

Best,

Linda Wong
Board of Supervisors
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244
San Francisco, CA 94102-4689
Phone: 415.554.7719 | Fax: (415) 554-5163
<u>Linda.Wong@sfgov.org</u> | <u>www.sfbos.org</u>

### Wong, Linda (BOS)

From:

Wong, Linda (BOS)

Sent:

Wednesday, October 23, 2019 4:59 PM

To:

Starr, Aaron (CPC)

Subject:

File No. 190842 - Cannabis Business Permits Waiver - SUBSTITUTED LEGISLATON

Attachments:

190842 v2 digest.docx; 190842 v2.docx

Importance:

High

Hello Aaron.

Please be advised that Supervisor Mandelman introduced the attached substituted Ordinance regarding the below mentioned file:

#### File No. 190842

Ordinance renewing and extending a prior waiver and refund of investigation fees imposed by Building Code, Section 107A.5, for persons registered with the Office of Cannabis through December 31, 2020; amending the Health Code to extend the date beyond which temporary Medical Cannabis Dispensary Permits issued under Article 33 of the Health Code are rendered invalid, from December 31, 2019, to December 31, 2020; amending the Police Code to extend the date beyond which Temporary Cannabis Business Permits issued under Article 16 of the Police Code cannot be extended from December 31, 2019, to December 31, 2020; amending the Planning Code to extend the date by which a Grandfathered Medical Cannabis Dispensary, as defined in the Planning Code, must have received a permit to operate from the Department of Public Health to be deemed a Temporary Cannabis Sales use, as defined in the Planning Code, from December 31, 2019, to December 31, 2020; amending the Planning Code to extend the duration of a Temporary Cannabis Retail Sales Use to up to three years, to expire on January 1, 2021; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302.

This matter is scheduled to be considered by the Budget and Finance Committee at its meeting on October 30, 2019.

Please let me know if you have any questions or concerns.

Best, Linda

# Linda Wong

San Francisco Board of Supervisors 1 Dr. Carlton B. Goodlett Place, City Hall, Room 244 San Francisco, CA 94102-4689 Phone: 415.554.7719 | Fax: (415) 554-5163 Linda.Wong@sfgov.org | www.sfbos.org

The <u>Legislative Research Center</u> provides 24-hour access to Board of Supervisors legislation, and archived matters since August 1998.

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From: Wong, Linda (BOS)

Sent: Friday, August 9, 2019 3:16 PM

To: Ionin, Jonas (CPC) < jonas.ionin@sfgov.org>

Cc: Rahaim, John (CPC) <john.rahaim@sfgov.org>; Sanchez, Scott (CPC) <scott.sanchez@sfgov.org>; Teague, Corey (CPC) <corey.teague@sfgov.org>; Gibson, Lisa (CPC) sa.gibson@sfgov.org>; Jain, Devyani (CPC) <devyani.jain@sfgov.org>; Rodgers, AnMarie (CPC) <anmarie.rodgers@sfgov.org>; Sider, Dan (CPC) <dan.sider@sfgov.org>; Starr, Aaron (CPC) <aaron.starr@sfgov.org>; Navarrete, Joy (CPC) <joy.navarrete@sfgov.org>; Lewis, Don (CPC) <don.lewis@sfgov.org>

Subject: File No. 190842 - REFERRAL FROM BOARD OF SUPERVISORS (Budget & Finance Committee)

Good afternoon,

This proposed ordinance referenced below is being transmitted to your office pursuant to Planning Code, Section 302(b), for public hearing and recommendation. The ordinance is pending before the Budget and Finance Committee and will be scheduled for hearing upon receipt of your response.

#### File No. 190842

Ordinance renewing and extending a prior waiver and refund of investigation fees imposed by Building Code, Section 107A.5, for persons registered with the Office of Cannabis through December 31, 2020; amending the Health Code to extend the date beyond which temporary Medical Cannabis Dispensary Permits issued under Article 33 of the Health Code are rendered invalid, from December 31, 2019, to December 31, 2020; amending the Police Code to extend the date beyond which Temporary Cannabis Business Permits issued under Article 16 of the Police Code cannot be extended from December 31, 2019, to December 31, 2020; and amending the Planning Code to extend the date by which a Grandfathered Medical Cannabis Dispensary, as defined in the Planning Code, must have received a permit to operate from the Department of Public Health to be deemed a Temporary Cannabis Sales use, as defined in the Planning Code, from December 31, 2019, to December 31, 2020.

Please feel free to contact me if you have any questions.

Best,

# Linda Wong

San Francisco Board of Supervisors 1 Dr. Carlton B. Goodlett Place, City Hall, Room 244 San Francisco, CA 94102-4689 Phone: 415.554.7719 | Fax: (415) 554-5163 Linda.Wong@sfgov.org | www.sfbos.org

Print Form

# **Introduction Form**

By a Member of the Board of Supervisors or Mayor

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

RECEIVED BOARD OF SUPERVISORS SAN FRANCISCO,

2019 OC 22 PM 3: 30

Time stamp or meeting date

		\
1. For reference to Committee. (An Ordi	nance, Resolution, Motion or C	Charter Amendment).
2. Request for next printed agenda Witho	ut Reference to Committee.	
3. Request for hearing on a subject matter	r at Committee.	
4. Request for letter beginning:"Supervision	sor	inquiries"
5. City Attorney Request.		
6. Call File No.	from Committee.	
7. Budget Analyst request (attached writte	en motion).	
✓ 8. Substitute Legislation File No. 190842		
9. Reactivate File No.		
10. Topic submitted for Mayoral Appeara	ance before the BOS on	
		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Please check the appropriate boxes. The pro-	oposed legislation should be fo	rwarded to the following:
Small Business Commission	☐ Youth Commission	Ethics Commission
Planning Commission	Building In	spection Commission
Note: For the Imperative Agenda (a resolu	tion not on the printed agend	a), use the Imperative Form.
Sponsor(s):		
Supervisor Mandelman		
Subject:		
Various Codes - Renewing and Extending W Office of Cannabis - One-Year Extension of Business Permits - Two-Year Extension of T	Medical Cannabis Dispensary 1	Permits and Temporary Cannabis
FT1		

The text is listed:

Ordinance renewing and extending a prior waiver and refund of investigation fees imposed by Building Code, Section 107A.5, for persons registered with the Office of Cannabis through December 31, 2020; amending the Health Code to extend the date beyond which temporary Medical Cannabis Dispensary Permits issued under Article 33 of the Health Code are rendered invalid, from December 31, 2019, to December 31, 2020; amending the Police Code to extend the date beyond which Temporary Cannabis Business Permits issued under Article 16 of the Police Code cannot be extended from December 31, 2019, to December 31, 2020; amending the Planning Code to extend the date by which a Grandfathered Medical Cannabis Dispensary, as defined in the Planning Code, must have received a permit to operate from the Department of Public Health to be deemed a Temporary Cannabis Sales use, as defined in the Planning Code, from December 31, 2019, to December 31, 2020; amending the Planning Code to extend the duration of a Temporary Cannabis Retail Sales Use to up to three years, to expire on January 1, 2021; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of

consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302.			
	Signature of Sponsoring Supervisor:	M	
For Clerk's Use Only		J	

# **Introduction Form**

By a Member of the Board of Supervisors or Mayor

Time-stamp 2: 13 or meeting date

I hereby submit the following item for introduction (select only one):	of meeting date Ak
1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment)	<b>).</b>
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 follo	wing:
☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission	nmission
☐ Planning Commission ☐ Building Inspection Commission	on
Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperat	tive Form
	HVC POPINI
Sponsor(s):	
Supervisor Mandelman	
Subject:	
Various Codes - Waiver and Refund of Investigation Fee for Persons Registered with the Office Year Extension of Medical Cannabis Dispensary Permits and Temporary Cannabis Business Pe	
The text is listed:	
Ordinance renewing and extending through December 31, 2020, a prior waiver and refund of in imposed by Building Code, Section 107A.5, for Persons registered with the Office of Cannabis Code to extend the date beyond which temporary Medical Cannabis Dispensary Permits issued the Health Code are rendered invalid, from December 31, 2019, to December 31, 2020; amendi extend the date beyond which Temporary Cannabis Business Permits issued under Article 16 of cannot be extended, from December 31, 2019, to December 31, 2020; and amending the Planning from December 31, 2019, to December 31, 2020, the date by which a Grandfathered Medical C as defined in the Planning Code, must have received a permit to operate from the Department of deemed a Temporary Cannabis Sales Use, as defined in the Planning Code.	g amending the Health under Article 33 of ng the Police Code to f the Police Code ng Code to extend annabis Dispensary,

Signature of Sponsoring Supervisor: