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

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

ARTICLE X:
CANNABIS OVERSIGHT COMMITTEE

SEC. 5.10-1. CREATION OF COMMITTEE.

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

SEC. 5.10-2. DEFINITIONS.
Terms not defined in this Article X shall have the meaning attributed to them in Police Code Section 1602.

SEC. 5.10-3. PURPOSE.

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

SEC. 5.10-4. MEMBERSHIP.

The Committee shall consist of nine voting members and seven non-voting members, as follows (seats 1 through 6 being non-voting members):

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

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

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

(d) Seat 4 shall be held by the Director of the Planning Department or the Director’s designee.
(e) Seat 5 shall be held by the Superintendent of the San Francisco Unified School District or the Superintendent’s designee, which may include a Member of the Board of Education. The Superintendent is not required to hold this seat or appoint a designee, but shall be invited to do so.

(f) Seat 6 shall be held by the Executive Director of the Entertainment Commission or the Executive Director’s designee, appointed by the Entertainment Commission.

(g) Seat 7 shall be held by the Chief of the Fire Department or the Chief’s designee.

(h) Seat 6 shall be held by an Owner of a Cannabis Business permitted through the Equity Program, appointed by the Board. If there are no Equity Applicant permit-holders who apply for the seat, then the Board may appoint a person who, at the time of the appointment, is an Equity Applicant, as that term is defined in Police Code Subsection 1604(b).

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

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

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

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

(m) Seat 11 shall be held by a person who, at the time of the appointment, is an Equity Applicant, as that term is defined in Police Code Subsection 1604(b), appointed by the Board. a person who lived for at least five years (between 1971-2009) in San Francisco census tracts where at least 17% of the households had incomes at or below the poverty level, appointed by the Board.
(h) Seat 142 shall be held by a person with demonstrated subject matter expertise on the State of California's Cannabis laws and regulations, appointed by the Board.

(mo) Seat 153 shall be held by a person with significant experience in workforce and economic development, appointed by the Board.

(np) Seat 164 shall be held by a person who has been a Medicinal Cannabis patient or Medicinal Cannabis consumer for at least five years, with an extensive history advocating for Medicinal Cannabis patients or involvement in implementing and running a Cannabis compassionate use program in compliance with the Compassionate Use Act of 1996, appointed by the Board.

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

(a) Voting members shall serve two-year terms and shall serve at the pleasure of the Board. Any vacancy in Seats 6 through 14 on the Committee shall be filled by the Board. Voting members may serve multiple terms.

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

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

(d) All City departments, commissions, boards, and agencies shall cooperate with the Committee in the performance of its functions. City departments shall respond within 30 days to reasonable requests for information submitted by the Committee set forth in Administrative Code Subsections 2A.420(b)(7)(A)-(J), if available, and any other reasonable requests for information submitted by the Committee relevant to its ability to discharge its powers and duties.
provided that the disclosure of such information shall not be required where it would violate Federal or State law.

(e) The Office of Cannabis shall prepare and submit to the Committee a report as set forth in Administrative Code Section 2A.24420.

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

SEC. 5.10-6. POWERS AND DUTIES.

(a) The Committee shall have the power and duty to:

(a1) Oversee the Office of Cannabis' implementation and enforcement of City laws and regulations relating to Cannabis, by convening stakeholders, gathering data, and advising the Board and the Mayor.

(b2) Gather and evaluate data, and report to the Board and Mayor, regarding the effectiveness of City laws and regulations relating to the Police Code Section 1604 Equity Program in fostering equitable access to participation in the Cannabis industry and providing assistance to communities unfairly burdened by the War on Drugs.

(c3) Gather and evaluate data, and report to the Board and Mayor, on the overall health and stability of the Cannabis industry in San Francisco and make recommendations on possible ways the City can help the industry grow and prosper.

(d4) Recommend to the Board modifications to City laws and regulations relating to Cannabis, including recommendations to maximize the creation of living wage jobs and economic opportunities for communities hit hardest by the War on Drugs. Where appropriate, the Committee's recommendations shall include draft legislation or regulations.
(b) As an advisory committee, the Committee shall not have authority to hire, fire, or evaluate personnel in the Office of Cannabis, and shall not have authority over decisions by the Office of Cannabis to issue, deny or modify permits.

SEC. 5.10-7. MEETINGS AND PROCEDURES.

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

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

SEC. 5.10-8. SUNSET DATE.

Unless the Board by ordinance extends the term of the Committee, this Article X shall expire by operation of law, and the Committee shall terminate, three years after the effective date of the ordinance in Board File No. 180800 enacting this Article. In that event, after the sunset date, the City Attorney shall cause this Article X to be removed from the Administrative Code.

Section 2. The Administrative Code is hereby amended by revising Section 2A.420 to read as follows:

SEC. 2A.420. OFFICE OF CANNABIS.

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

(b) Duties and functions.

* * * *

(7) By no later than six months after the inaugural meeting of the Cannabis
Oversight Committee ("Committee") established in Chapter 5, Article X of the Administrative
Code January 1, 2020, and biannually thereafter, the Director shall produce and submit to the
Cannabis Oversight Committee a report evaluating the growth of the City’s cannabis industry. This
report shall include, but need not be limited to, the following information, provided that the gathering
or the disclosure of such information is not required where it would violate Federal or State law, and
further provided that any reports derived from the data do not identify specific individuals:

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

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

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

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

(E) The average time for Cannabis Business Permit processing in the prior 12
months, measured from the date the Office of Cannabis receives an application for a Cannabis
Business Permit through the date the Office of Cannabis grants or denies a permit.
(F) The total number and length of time in operation of permitted Cannabis Businesses that operated for 30 days or more in the prior 12 months, categorized by each permit category listed in Police Code Section 1607.

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

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

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

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

Section 3. Effective Date. 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.

Section 4. Scope of the 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:  
JANA CLARK  
Deputy City Attorney

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

October 03, 2018 Rules Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

October 03, 2018 Rules Committee - RECOMMENDED AS AMENDED

October 16, 2018 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE
Ayes: 11 - Brown, Cohen, Fewer, Kim, Mandelman, Peskin, Ronen, Safai, Stefani, Tang and Yee

October 16, 2018 Board of Supervisors - PASSED ON FIRST READING AS AMENDED
Ayes: 11 - Brown, Cohen, Fewer, Kim, Mandelman, Peskin, Ronen, Safai, Stefani, Tang and Yee

October 23, 2018 Board of Supervisors - FINALLY PASSED
Ayes: 11 - Brown, Cohen, Fewer, Kim, Mandelman, Peskin, Ronen, Safai, Stefani, Tang and Yee
I hereby certify that the foregoing Ordinance was FINALLY PASSED on 10/23/2018 by the Board of Supervisors of the City and County of San Francisco.

Unsigned

London N. Breed
Mayor

11/2/2018
Date Approved

I hereby certify that the foregoing ordinance, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, or time waived pursuant to Board Rule 2.14.2, became effective without his approval in accordance with the provision of said Section 3.103 of the Charter or Board Rule 2.14.2.

Angela Calvillo
Clerk of the Board

11/5/2018
Date