

Item A-1:
Workshop on Pending Cannabis
Regulatory Ordinance and Related
Procedures

Summary

- This workshop is intended as a *continued* discussion on the basic components of the ordinance, procedural guidelines, selection criteria, and approval of cannabis business permits from the initial workshop on January 6, 2021 and January 20, 2021.

Background

- Adopted Measure R Cannabis Tax Ordinance
- Staff prepared a draft regulatory ordinance to allow, permit, regulate cannabis businesses based on current Council direction
- Business and Professions Code 26055 (h) CEQA exemption is scheduled to expire on July 1, 2021
- SB 59, if passed, would extend the CEQA exemption as currently proposed until July 1, 2028

Iterative Process

- Staff has gathered feedback and has prepared a draft ordinance
- Draft ordinance is being presented to Council
 - Draft is a *hybrid model*
 - Merit
 - Lottery
- Eventually, final will be presented to Council
- Purpose of this evening is to have Council provide additional direction to continue process

Discussion

- Step 1: Ordinance
- Step 2: Procedures & Guidelines
- Step 3: Lottery
- Step 4: Land Use Review / Public Meetings
- Step 5: City Manager Role
- Step 6: City Council Role
- Step 7: Operations

1. Ordinances	2. Procedure & Guidelines	3. Lottery	4. Land Use Review/Public Meeting	5. City Manager Role	6. City Council Role	7. Operations
<i>Step 1</i>	<i>Step 2</i>	<i>Step 3</i>	<i>Step 4</i>	<i>Step 5</i>	<i>Step 6</i>	<i>Step 7</i>
Two Municipal Code Updates	Two parts in Step 2: Procedure & Guidelines and Criteria for Review	All applications that meet the minimum point total will be drawn and placed in order to create an eligibility list	2 Public Meetings; 1 for Retail, 1 for Non-retail	Community Development Director forwards report regarding Public Input to the City Manager	City Manager Recommendations will be considered by City Council for final action	Applicants have one year to exercise their permit, or it will expire (or as determined by the City)
1. Regulatory Ordinance; Cannabis Business Permit	Criteria for review:	2 lotteries (1. Retail; 2. Non-Retail other)	A. Land Use conformity (Community Development Director)	City Manager Role: 2 Options (one or the other)	Neighbors within 300 ft are be notified of the City Council meeting	Background check on employees by City Police Dept. (or other party)
A. Framework for Cannabis Business Permit	A. Business Plan	Other Option:	B. CEQA (Community Development Director)	A. City Manager makes recommendations to Council for action.	City Council action is final	Can be suspended if suspended by a State agency or the City
B. Compliance with State Law	B. Labor, Diversity, and Inclusion Plan	1. Retail sales: Lottery	4. Some applications may require entitlements and/or CEQA	B. City Manager reviews Public Meeting comments. City Manager approves or denies permit.		City may issue conditions, measures, or penalties, suspend, or revoke a permit
C. Policies	C. Security Plan	2. Non-Retail Permits: Unlimited	Public meeting	Appeal: City Manager action may be appealed to the City Council		Permit must be renewed annually (State of CA permit is renewed annually)
D. Operational Best Practices	D. Safety Plan	Applicants that are not selected will be notified and would have an opportunity to appeal the scoring (not the outcome of the lottery).	Community Input (Solicit public input)			May be transferred with approval from the City Manager; if ownership changes more than 51%, requires City Council approval.
E. Sensitive Users recognized by State regulations: schools, daycares, youth facilities	E. Neighborhood compatibility		A. Planning Commission			If location changes, Council approval required
F. Other potential sensitive uses to consider: A) Homes, B) Parks, C) Library	F. Community Benefits		B. Community Development Director			
2. Zoning Ordinance	Guidelines establish a point system for review of every Cannabis Business Permit; 90% advances to Lottery in Step 3		Neighbors within 300 ft. are notified			
	# of permits will be outlined as part of the Procedure Guideline, as will the number of non-retail permits					
	Procedure & Guidelines:					
	A. City Manager Prepares					
	B. Council approves by Resolution					
	C. Will include forms, applications, & indemnifications					
	D. Cost recovery fees					6
	E. Owner must pass background					

Cannabis Ad-Hoc Committee

Cannabis Ad-Hoc Committee has reviewed the draft ordinance and provided the following discussion points (in no particular order):

- Community benefits from revenue
- Conditions of Project Approval
- Social Equity Retail Outlets
- State regulations vs. Best Practices

Cannabis Ad-Hoc Committee

- Community benefits from revenue
 - Establishing a housing fund to be made available to school district and local government employees to be used towards the purchase of their primary residence.

Cannabis Ad-Hoc Committee

- Conditions of Project Approval

- a. Labor Peace Agreement: Permit Labor Peace Agreements for establishments with at least 10 employees
- b. Health Certificate: Require a minimum of 30 hours of training for managers as provided by the Cal-OSHA.
- c. Local Hire Preference: Require that a minimum of 80 percent of non-management employees be from the local area.

Cannabis Ad-Hoc Committee

- Social Equity Retail Outlets
 - Allow for 2 social equity retail establishments, for a total of 8 retail stores.

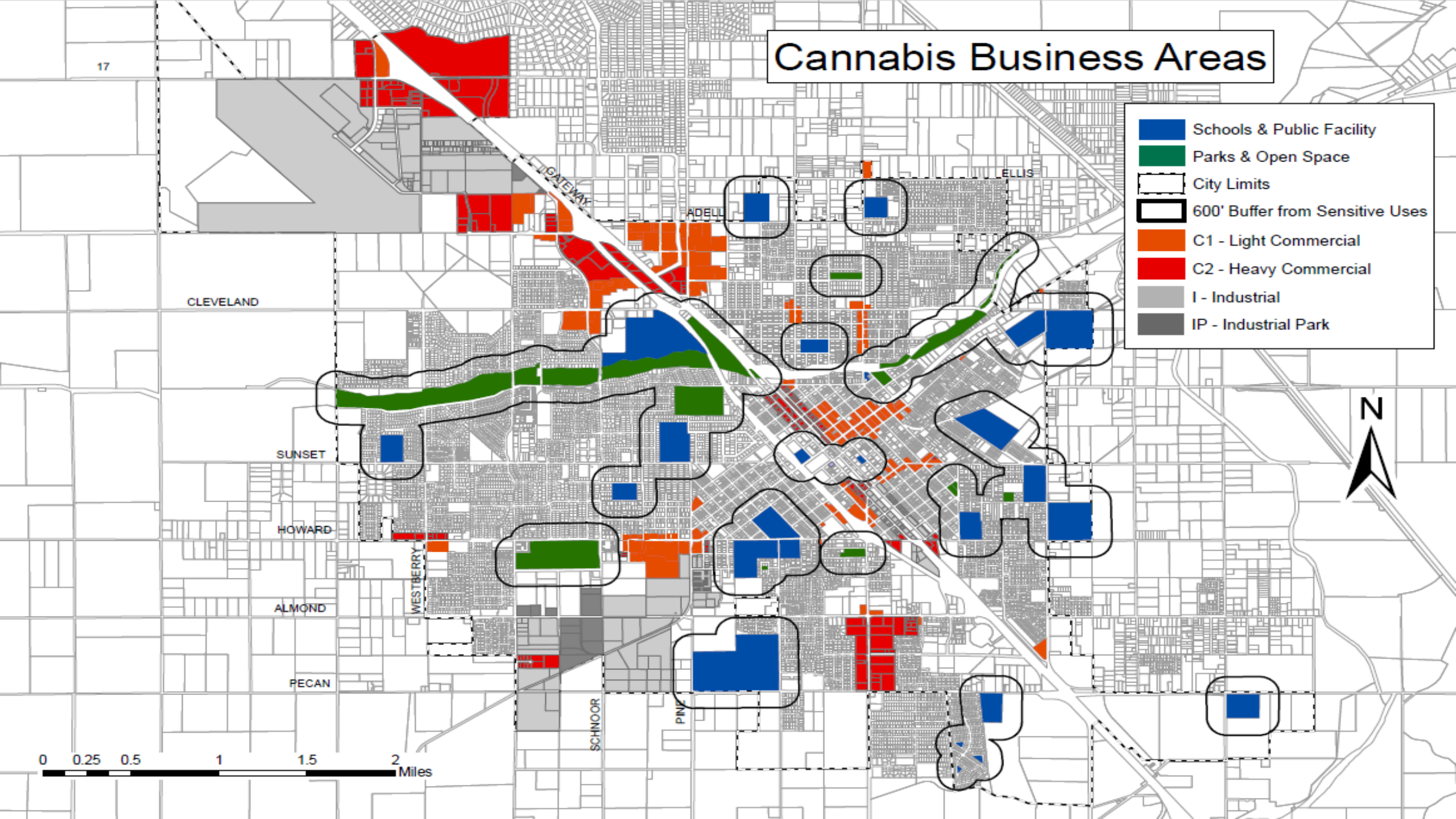
Discussion

- Commercial and Industrial Zone Districts
 - Retail
 - Testing
 - Production
 - Growing

Note: Analysis of required buffer from commercial day care facilities underway for a more comprehensive land use implications evaluation.

Cannabis Business Areas

- Schools & Public Facility
- Parks & Open Space
- City Limits
- 600' Buffer from Sensitive Uses
- C1 - Light Commercial
- C2 - Heavy Commercial
- I - Industrial
- IP - Industrial Park



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0 0.25 0.5 1 1.5 2 Miles

Discussion & Direction from Council

- Draft includes lottery process
 - Should lottery also be used for non-retail permits
 - If not, different process will be added
- Social equity cannabis shops
 - Add?
 - Subject to lottery?

Discussion & Direction from Council

- Draft code reflects State Guidelines, in addition to best practices.
 - Signage
 - Drive-thru's
 - Hours of operation