

**CITY COUNCIL MEETING
TUESDAY, JULY 17, 2018**

PRESENTATIONS

ITEM 17 – LB 18-042

**APPROVAL OF COMMERCIAL CANNABIS
PERMITS FOR RETAIL CANNABIS
DISPENSARIES**

Commercial Cannabis Permit Program

Approval of Retail Cannabis Dispensaries

John Stefanski, Management Analyst II
July 17, 2018



Recommendation

That the City Council adopt a resolution issuing a Commercial Cannabis Permit to the following cannabis companies:

- **Aunty Honey's**
- **Hayward Station**
- **Jiva Life, Inc.**

Background

- The City adopted Cannabis Regulations in October 2017
 - Ordinance 17-13 outlined the Request for Proposal process by which the City would select cannabis businesses
- Established a four-stage request for proposal process
 - Proposals requested information on the following:

| Proposal Requirement | Weighting |
|---------------------------------|------------|
| Business and Operating Plan | 250 points |
| Management Experience | 150 points |
| Safety and Security Plan | 150 points |
| Community Benefits | 150 points |
| Product Testing and Safety Plan | 100 points |
| Environmental Plan | 100 points |
| Labor and Employment Practices | 100 points |

Discussion

- Applications were due on January 12, 2018
 - The City only received 21 retail proposals
- Review of the applications began in March 2018
 - The City interviewed only those applications who met the score threshold set by the City Manager:

| Business Type | Score Range | Score Threshold | Advancing Proposals | Recommended Proposals |
|---------------|-------------|-----------------|---------------------|-----------------------|
| Retail | 438-892 | 800 | 7 | 3 |

- Interviews were held on July 6, 2018
- Panel recommended three companies to be considered by Council for approval

Aunty Honey's Application Overview

- Led by all women team
 - CEO Ester Lopez is a long time Tennyson Corridor business-owner.
- Focus on providing high-quality cannabis products in a compassionate, supportive, and educational space for patients and customers
- Labor peace agreement with Teamsters
- Will contribute 5% of their proceeds to local non-profits like Downtown Streets Team

Hayward Station Application Overview

- Led by team with experience in San Francisco and Oakland dispensaries
- Will create a highly curated retail shopping experience, specializing in organic, local, and boutique cannabis products
- Intend to enter into a labor peace agreement
- Will contribute a portion of their proceeds to local non-profits as well as continue programs they've executed in San Francisco
- Secured a location at 1004 B Street, pending land-use entitlements

Jiva Life, Inc. Application Overview

- Led by team with experience operating dispensaries in Los Angeles County and Washington state
- Will create a first class retail experience similar to a craft brewery with brand activation areas for specific products
- Labor peace agreement with Teamsters
- Will contribute 4% of their proceeds to local non-profits as well as develop the Tri-City ACE group to facilitate cannabis education and community outreach
- Secured a location at 1223 A Street, pending land-use entitlements

Commercial Cannabis Program Recap



**Total Approved
Cannabis Businesses**

15
(Including Retail)



**Estimated
Fiscal Impacts**

\$2.8M-\$4.8M
Tax Revenue



**Estimated
Economic Impacts**

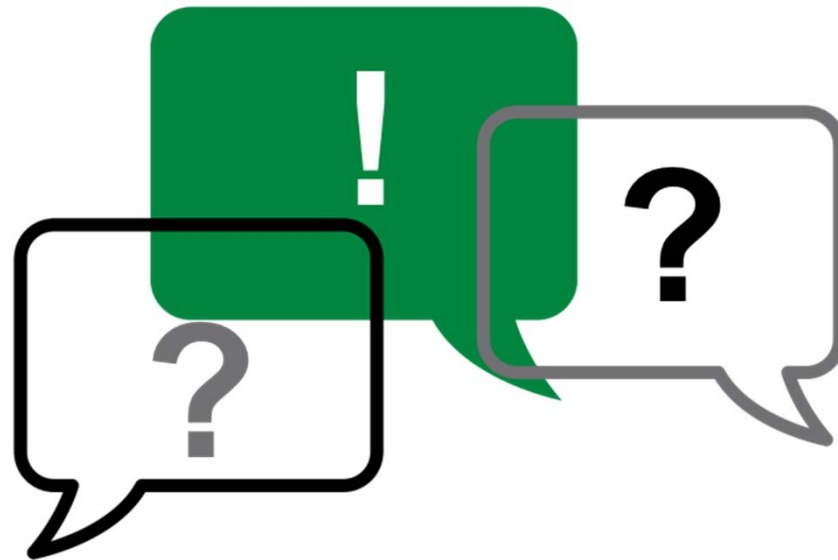
130
Jobs Created

**Estimates based on information provided in proposals*

Next Steps

- If approved, staff will process these applications and confirm that status with the State Bureau of Cannabis Control
- Approved firms will have six months to submit an application for their land use approvals

Questions & Comments?



ITEM 18 – LB 18-045

**ADOPTION OF RESOLUTIONS ESTABLISHING
NOVEMBER 6, 2018 AS THE
DATE FOR TWO PROPOSED BALLOT
MEASURES, 1) ASKING HAYWARD
VOTERS TO APPROVE AN INCREASE IN THE
REAL PROPERTY TRANSFER
TAX; AND, 2) ASKING HAYWARD VOTERS TO
APPROVE AN INCREASE IN
THE TRANSIENT OCCUPANCY TAX**

Potential November 2018 Ballot Measures

City Manager, Kelly McAdoo
July 17, 2018



Ballot Question for Proposed RPTT Increase

Shall the measure increasing the existing real property transfer tax be adopted?

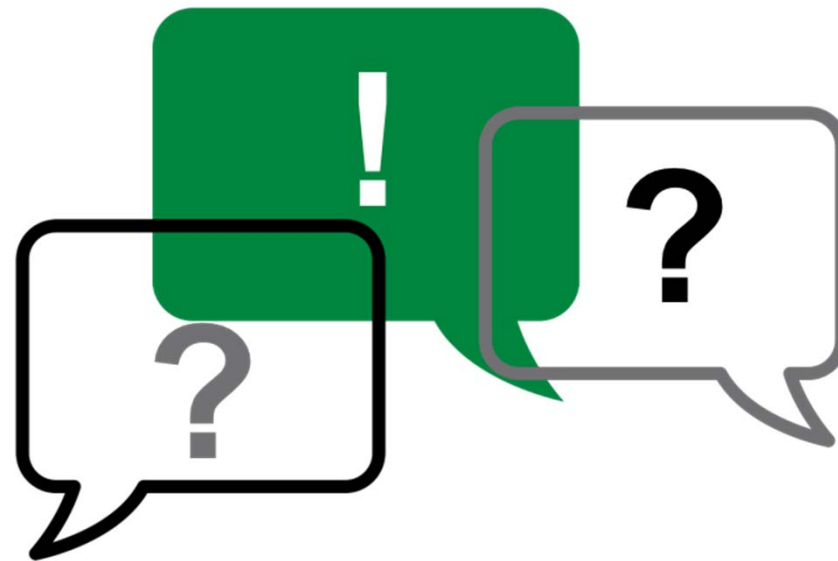
To support City of Hayward services, with revenue that cannot be taken by the State, including: repairing streets and sidewalks; 911 emergency and firefighter response times; neighborhood police patrols; disaster preparedness; extended library hours and after-school programs; and unrestricted general revenue purposes; shall Hayward increase the rate of its real property transfer tax, collected once upon purchase of real estate, from \$4.50 to \$8.50 per \$1,000, providing \$13,000,000 annually, until repealed by voters, all funds benefiting Hayward?

Ballot Question for Proposed TOT Increase

Shall the measure increasing the existing transient occupancy tax be adopted?

To support City of Hayward services, with revenue that cannot be taken by the State, including: repairing streets and sidewalks; 911 emergency and firefighter response times; neighborhood police patrols; disaster preparedness; extended library hours and after-school programs; and unrestricted general revenue purposes; shall the City of Hayward increase the transient occupancy tax paid only by hotel and motel guests from 8.5% to 12%, providing \$3,000,000 annually, until repealed by voters, all funds benefiting Hayward?

Questions



ITEM 19 – LB 18-039

**ADOPTION OF A RESOLUTION TO RESCIND
AUTHORIZATION FOR THE
CALIFORNIAFIRST PACE PROGRAM TO
OPERATE IN HAYWARD**



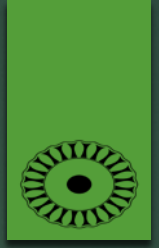
CaliforniaFirst PACE Program

UTILITIES & ENVIRONMENTAL SERVICES

Erik Pearson
Environmental Services Manager

July 17, 2018

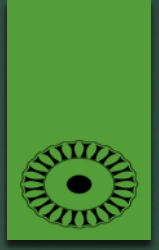
Property Assessed Clean Energy (PACE)



Overview

- ▶ What is PACE?
- ▶ PACE Programs Authorized to Operate in Hayward
- ▶ Benefits of PACE
- ▶ CaliforniaFirst Marketing
- ▶ Sustainability Committee Recommendation
- ▶ Draft Resolution

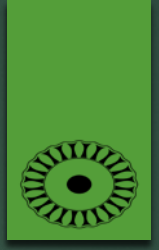
Property Assessed Clean Energy (PACE)



What is PACE?

- ▶ Financing for clean energy projects (solar & energy efficiency)
- ▶ Make payments via property tax bill
- ▶ Assessment stays with property upon transfer of ownership
- ▶ CaliforniaFirst became first PACE program in 2009

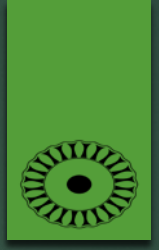
Property Assessed Clean Energy (PACE)



Programs Authorized to Operate in Hayward:

- ▶ California Municipal Finance Authority (CMFA)
- ▶ California Statewide Communities Development Authority (CSCDA)
- ▶ California Enterprise Development Authority (CEDA)
- ▶ Golden State Finance Authority (GSFA)
- ▶ Western Riverside Council of Governments (WRCOG)

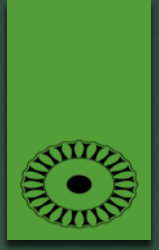
Benefits of PACE



- ▶ PACE-Funded Projects Can:
 - ▶ Reduce GHG emissions
 - ▶ Lower utility bills
 - ▶ Enhance Property Value

- ▶ PACE Assessment automatically stays with the property upon transfer of ownership

Regional Collaborative Services Agreement



Developed by ABAG to improve transparency and reporting standards for residential PACE Programs

- ▶ Designates ABAG as liaison regarding implementation of the Agreement
- ▶ Requires all residential PACE programs to have clearly visible disclosures regarding FHFA policies
- ▶ Requires participation in the State's PACE Loan Loss Reserve
- ▶ Requires data sharing between the PACE programs and local governments

Marketing Practices – Fall 2017



Go To: WWW.HELPHAYWARD.COM

Want to know what upgrades your home is eligible for? Visit our site and enter in your **ACCESS CODE** to see your home and learn more about Hayward's new home renovation program.

WWW.HELPHAYWARD.COM

In order to keep California's promise to lead the US in Home Efficiency, Select Cities in Northern California have approved programs to assist homeowners with the financial tools to upgrade their home.

You can use the funds for:

- HVAC
- Roofing
- Windows
- Solar

And More!

Questions:
We are here to help!
Call us Toll-Free at:
(833) 228-8393

PRSR STD
U.S. POSTAGE
PAID
CONCORD, CA
Permit No. 835

ACCESS CODE: D4QW0

Hayward, CA 94542-1043

ATTENTION HAYWARD HOME-OWNERS!

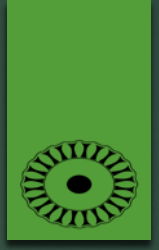
Newly released Government sponsored program allows you to upgrade your home's outdated roof, solar, windows, HVAC and more using government authorized funds!

WWW.HELPHAYWARD.COM

City of Hayward
SPONSOR OF PACE

HVAC
ROOFING
SOLAR
WINDOWS

New Customer Protections



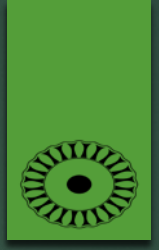
CSCDA Board amended contracts with their PACE administrators requiring:

- ▶ PACE administrators maintain a list of contractors eligible to provide PACE Program services
- ▶ Not approve projects procured through misleading marketing efforts

SB 242 & AB 1284:

- ▶ Established new underwriting standards predicated on income verification and ability-to-pay
- ▶ Require recording an oral confirmation that property owner reviewed key terms of the contract.
- ▶ Expands “right to cancel” provisions for property owner

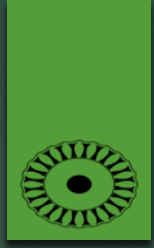
Sustainability Committee



On May 14, 2018, the Sustainability Committee recommended:

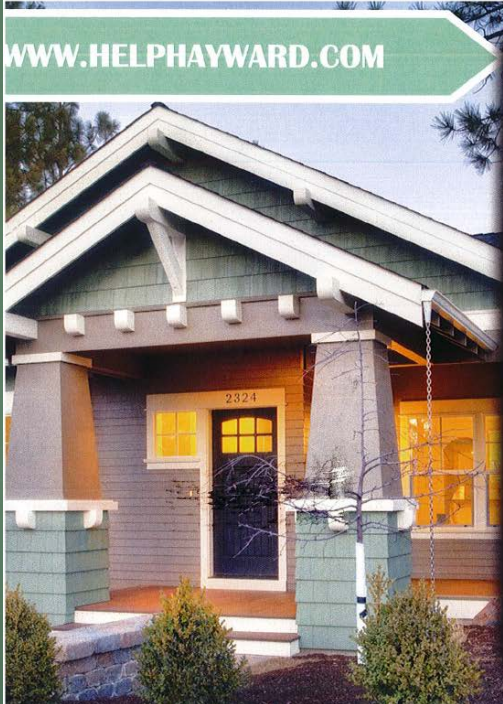
- ▶ City cancel any PACE provider that has not signed the Regional Collaborative Services Agreement (RCSA),
- ▶ Rescind authorization for CaliforniaFirst to operate in Hayward for two years.

PACE Funding Group



PACE Funding Group:

- ▶ More Postcards began arriving May 22, 2018
- ▶ Letter from ABAG on May 24
- ▶ Letter from PACE Funding on May 24 (terminated relationship with Flex Energy)



WWW.HELPHAYWARD.COM

SOLAR

WINDOWS


HVAC

ROOFING

ATTENTION HAYWARD HOME-OWNERS!

Newly released **Government Backed Program** and authorized by the city helps you to upgrade your **WINDOWS, ROOFING, SOLAR, HVAC AND MORE!**

SEE REVERSE FOR DETAILS.

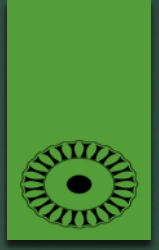
 **CSCDA**
OPEN PACE
PACEFUNDING

HAYWARD
AUTHORIZED PROGRAM

WWW.HELPHAYWARD.COM



Recent Actions by CaliforniaFirst



- ▶ May 30, 2018 – Signed RCSA
- ▶ June 15, 2018 – Letter to Council
- ▶ June 29, 2018 – Terminated relationship with True Renewable Energy

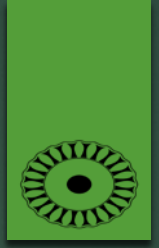


RENEW
FINANCIAL



California**FIRST**TM

Staff Recommendation



- ▶ Adopt Resolution to Rescind CaliforniaFirst for One Year
- ▶ Return to Council in 12 months for Reconsideration

Questions & Discussion

