

CITY COUNCIL MEETING
TUESDAY, DECEMBER 5, 2017

Presentations

Commercial Cannabis Permit Program

Adoption of Selection Process &
Amendment to Master Fee Schedule

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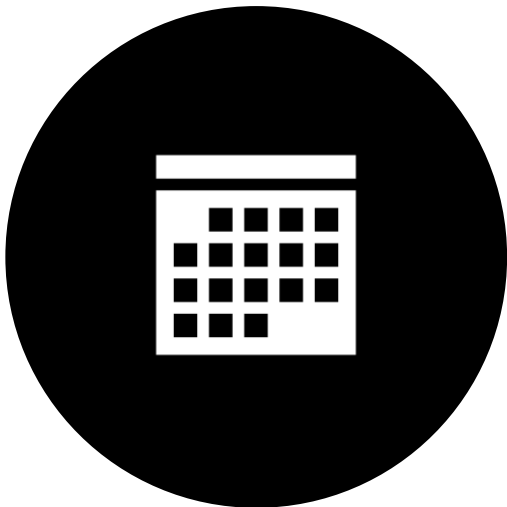
Background

- Council approved Ordinance 17-13 on October 30th, 2017
 - Established Chapter 6 of Article 14 of the Hayward Municipal Code, detailing regulations for cannabis businesses
- HMC SEC 6-14.12
 - *“The City Manager shall establish procedures for accepting and evaluating applications submitted pursuant to this article. The evaluation shall include a method for scoring and ranking applications”*
- Framework for Request for Proposals (RFP) was presented to Council on October 30, 2017

Application Review Process

- Four Stage Process
 - Stage 1: Criminal Background Investigation
 - Stage 2: Competitive Scoring and Ranking
 - Stage 3: Proposer Interviews
 - Stage 4: City Council Approval of Commercial Cannabis Permits
- Stage 2 will involve evaluation and ranking by a neutral, third party contractor, ICF.
- Following this process, applicants can advance to land use approvals.

Incorporated Council Feedback, 1



Timelines **Biannual Process**

The CCP RFP will run on six-month application periods. The first application period will commence in December 2018 while the second will commence in May 2018.



Background Checks **Applicants & Owners**

Background checks will now include applicants and owners, as defined under HMC 6-14.10.



Criteria Weights **Business Plan & Ops.**

Reduced Business Plan and Operations from 300 to 250. Redistributed 50 points evenly between Environmental Plans and Labor and Employment Practices

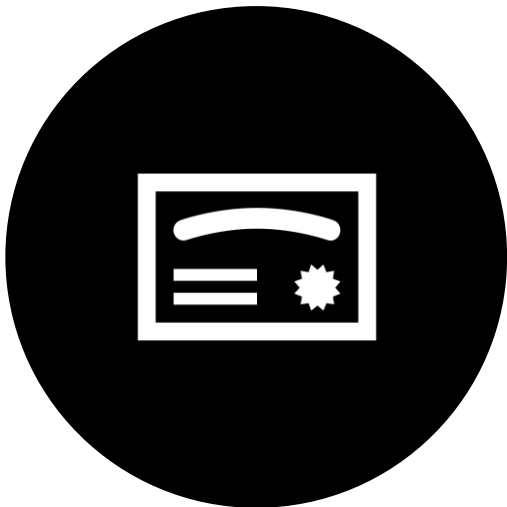
Proposed Timeline

| Month | Activities |
|--|---|
| December 5, 2017 | City Council Approval of CCP RFP |
| December 8, 2017 | Release RFP application |
| January 12, 2018 | RFP application due |
| Mid-January 2018 – Early March 2018 | Review RFP applications, scoring, and recommendations |
| Mid-March 2018 | Conduct interviews and select successful applicants |
| April 2018 | Council approval of CCP applicants |
| May 2018 | Release Second CCP RFP |

Proposed Criteria Weighting

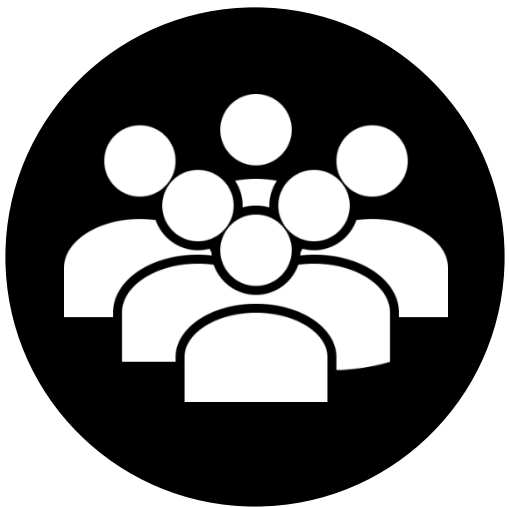
| CRITERIA WEIGHING | | |
|--------------------------------|----------------|-------------|
| Criteria | Maximum Points | % |
| Business Plan and Operations | 250 | 25 |
| Management Experience | 150 | 15 |
| Safety and Security Plan | 150 | 15 |
| Community Benefits | 150 | 15 |
| Product Testing and Safety | 100 | 10 |
| Environmental Plan | 100 | 10 |
| Labor and Employment Practices | 100 | 10 |
| Total | 1,000 | 100% |

Incorporated Council Feedback, 2



Legal Status

Applicants will now have to disclose legal status as well as provide copy of state registration.



Neighborhood Benefits and Outreach

RFP includes link to Community Services Commission funding requests. Applicants will also need to detail outreach strategies and benefits to adjacent community.



Labor Peace Agreements in Place

Applicants will have to certify they have, are or planning to negotiate a labor peace agreement. Lack of any of these will result in no awarded points for this criteria.

Incorporated Council Feedback, 3



Labor Practices Local Hire

Applicants will need to detail their policies and plans for hiring that give preference to hiring Hayward residents



Prior Criminal Record Regulatory Violations

Applicants will need to complete an Attestation Form, which describes all past criminal history, pending litigation, bankruptcies, or code violations, as well as a list of all jurisdictions in which the applicant is doing or has done cannabis business.



Education Youth and Adult

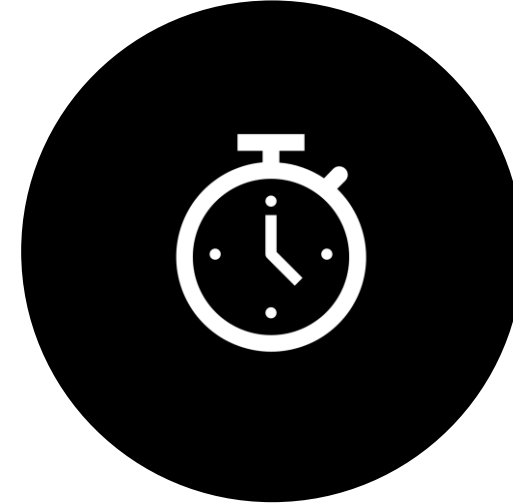
Applicants will need to detail their health education and prevention and substance abuse activities and strategies for both youths and adults.

Incorporated Council Feedback, 4



Testing Facilities Expedited Review

Testing Facilities will have an expedited review process through a separate RFP application.



Permit Expiration 6 Months

Applicants will have up to 6 months (i.e., 180 calendar days) to submit an application for land use approvals with the Development Services Planning Division. If not, the permit expires.

Staff Recommendations

- 1 Approve resolution (Attachment II) adopting Commercial Cannabis Permit Selection Process.
- 2 Approve resolution (Attachment III) amending FY2018 Master Fee Schedule for associated selection process costs.

Following approval, staff will move forward with kicking off the Selection Process on Friday, December 8, 2017

Application materials will be posted at www.hayward-ca.gov/cannabis

**Questions &
Comments?**