

Council Economic Development Committee



November 6, 2023

How to Provide Public Comments

The Council Economic Development Committee is accepting public comments prior to the meeting via email or during the meeting via the Zoom link or Zoom dial-in information listed on the published agenda.

If you are making your comments during the meeting please note:

- Click the “Raise Hand” button to request to speak when the Staff Liaison calls for public comments on an eligible agenda item. You will be permitted to speak during your turn and muted after the allotted time (3 minutes).
- When joining by phone, click *9 to raise a hand to speak. Press *6 to unmute. We kindly request speakers to mute or turn down the meeting video when it is their opportunity to speak as it may cause interference with the speaker system.
- Use headphones/mic for better sound quality and less background noise
- Decorum: Please be mindful that virtual meetings are public and will be recorded. All meeting rules of procedure and decorum, including speaker time limits, will apply. The Staff Liaison, via the host, may remove individuals for persistent disruption or any conduct or statements that threaten the safety of any person(s) at the meeting.

Approval of Minutes from October 2, 2023
Regular Meeting

Commercial Cannabis Program: Status Update on Existing Cannabis Businesses and Discussion on a Possible Restorative Justice Component Tied to Program Enforcement

Commercial Cannabis Program: Status Update on Existing Cannabis Businesses

Council Economic Development Committee Meeting
November 6, 2023
Rozalynne Thompson, Senior Planner
Jeremy Lochirco, Planning Manager

Project Background

- On June 27, 2017, Governor Jerry Brown signed into law a single regulatory scheme for both medical and non-medical cannabis known as the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).
- In November 2017, Council adopted new regulatory and land use ordinances to establish guidelines for personal cultivation and provide a set of land use guidelines and development standards to allow commercial cannabis cultivation, distribution, delivery, manufacturing, testing, and retail dispensaries.
- In July 2021 , Council amended the cannabis regulatory framework to address several issues and inconsistencies with local processes and regulations, to update the City's ordinance to reflect best practices, and to streamline review and selection of commercial cannabis operators.
- In February 2023 , Council approved an updated fees and penalties section of the Master Fee Schedule, which clarified how these new fees and penalties would be assessed.

Status of Commercial Cannabis Businesses

- As part of the initial process adopted in 2017, commercial cannabis operators were reviewed and selected through a Request for Proposals (RFP) process.
- Since the ordinance became effective, 13 operators have been subject to the RFP review and selection process.
- To date, 4 of those 13 operators have successfully secured their Planning entitlement and are fully operational.
- Eight operators have secured their planning entitlement and are at various stages of the building permit or state licensing process.
- One operator has yet to submit a complete application.

Primary Factors Impeding Cannabis Businesses

- Lack of Securing Financing. Cannabis businesses are not eligible for Small Business Administration loans because cannabis is not legal on a federal level.
- High Tax Rate. The local Hayward tax rate is 7% of all gross sales and applies to all cannabis activities, regardless of size or land use type. In addition to the 7% local tax rate, the State of California imposes a tax of \$9.65/dry weight ounce for flowers, \$2.87/dry weight ounce for leaves, and an excise tax of 15%, which is applied to all cannabis products sold.
- Illicit Market. It is estimated that California's illicit cannabis market is valued at approximately \$8 billion annually and that the high taxes and operating costs of a legal cannabis business are allowing the illicit market to thrive.

Restorative Justice

- The efforts to create and support a restorative justice program for the City may extend beyond just cannabis activities.
- Staff is currently collaborating with the City Attorney's Office and other Departments to determine how this program could be consistently and equitably applied.

Questions for CEDC

1. Does the CEDC support adding a sunset provision to the current Commercial Cannabis Ordinance that establishes a timeframe to vest their Commercial Cannabis Permit?
2. Does the CEDC recommend staff explore a lower tax rate for cannabis businesses to make Hayward more attractive for cannabis operators?

Hayward Upward Economic Recovery Plan Update: Tuition Assistance



Together for Hayward Tuition Assistance Program

PAUL NGUYEN

Chief Economic Development Officer

DANIEL MAO

Economic Development Specialist

Tuition Assistance Program



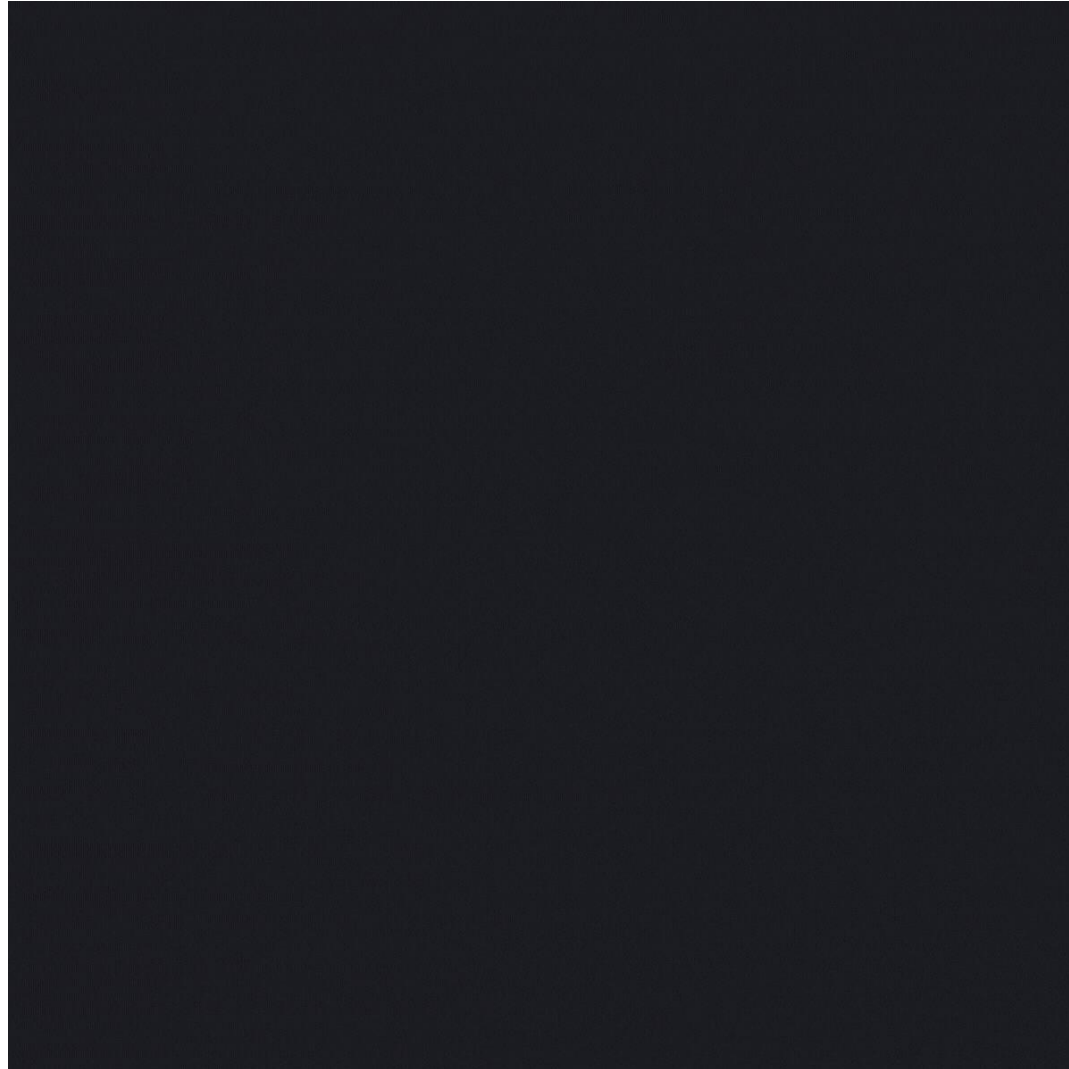
- **Program Overview:**
 - Tuition Assistance Program for residents and businesses in Hayward.
 - Aims to enhance resident employment competitiveness and develop a workforce development pipeline for local advanced industry employers.
- **Fiscal Partners:**
 - Collaboration with CSUEB and Chabot College.
 - Shared commitment to fostering educational growth in the community.
- **Anticipated Length of Program:**
 - Program duration extends through Fall 2024.
 - Multiple grant cycles to support continuous educational opportunities.
- **Emphasis on Specific Industries:**
 - Focused support for industries critical to Hayward's economic development.
 - Priority given to applications aligning with targeted sectors; advanced industry, biotech, manufacturing, machinery.

Allocated Budget \$400,000

Spring 2023 Chabot Grantee Data

Ethnicity	Number of Students	Percentage of Grantees
Hispanic/Latinx/Chicanx	50	37%
Not Hispanic/Latinx/Chicanx	84	63%
Multiracial	62	46%
Multiracial: Black/African American/White	1	1%
Multiracial: Native American/American Indian/Alaskan Native/White	2	1%
Multiracial: Native American/Am. Indian/Alaskan Native & Black African American	4	3%
Multiracial: Asian/White	10	7%
Other Multi-Racial	45	34%
Black/African American	32	24%
Native American/American Indian/Alaskan Native	2	1%
White	19	14%
Asian	14	10%
Korean	1	1%
Asian Indian	1	1%
Filipino	3	2%
Vietnamese	4	3%
Chinese	5	4%
Middle Eastern/Arab	5	4%
Additional Demographic Data		
Single-Parent	51	38%
Low-Income	109	81%
Student with Disability	13	10%
Foster Youth	12	9%

Job Fairs - Career Corner @ Promise Fest



Next Steps

Continued Grant Distribution:

Ongoing grant distribution throughout Fall 2024.

Opportunities for multiple application cycles.

Job and Career Fair Spring 2024

Questions



Future Meeting Topics as of November 6, 2023



**Council Economic Development Committee
Future Meeting Topics as of November 6, 2023**

RESPONSIBLE STAFF	FUTURE MEETING AGENDA ITEMS	PRESENTATION DATE*
Economic Development	Hayward Upward Economic Recovery Program Updates	Standing Item
Development Services	Development Services Department Activities Update	December 2024
Public Works/ Information Technology	Update on City Fiber/Broadband Initiatives (Following update to CIC)	To be scheduled

*Subject to change

Committee Member/ Staff Announcements and Referrals

Adjournment