

**SPECIAL PLANNING COMMISSION MEETING
THURSDAY, JANUARY 27, 2022**

**DOCUMENTS RECEIVED AFTER
PUBLISHED AGENDA**

Staff Responses to Commissioners' Questions



January 27, 2022– Planning Commission Questions

ITEM #	QUESTION	STAFF RESPONSE
1	Provide a summary of where we are with the cannabis businesses we've approved, which ones are open, which ones haven't opened, if we've made it easier to get approved, etc.	<p>Currently, only two of the City's 14 licensed cannabis operators are in business in the City: a dispensary located in Downtown Hayward and a testing lab located in the City's industrial area. Over the past year, one additional cannabis manufacturers have since ceased operation due to financing issues and the remaining cannabis applicants who have secured their land use entitlements are either in the process of building out their tenant space or are trying to secure the required State license.</p> <p>The application the Commission will be reviewing this evening for Mijosa was originally submitted in 2018, and thus has followed the City's former process of requiring Council approval of a commercial cannabis permit first, before allowing submittal of a land use entitlement application. While the applicant received approval of their commercial cannabis permit for the cultivation and manufacturing activities in 2018, and for the distribution activities in 2019, a change in the facility's location delayed the entitlement application from being deemed complete until late 2021.</p> <p>Currently, the City is accepting cannabis applications through February 28, which will be processed using the new, streamlined approach that the City Council approved in July 2021. Once these new applications have completed the review process, staff will be able to determine the efficacy of the changes instituted this past summer.</p>
1	Has the City reevaluated where distribution businesses should be located, since this project includes a	This facility includes cannabis distribution activities, which are only allowed in the City's Industrially zoned areas. Distribution activities are not allowed downtown.

	distribution? I thought originally distribution activities are only allowed downtown.	As defined in HMC Sec. 10-1.3500, a commercial cannabis distribution use involves “the procurement, sale, and transport of medical and non-medical adult recreational use cannabis and medical and non-medical adult recreational use cannabis products between commercial cannabis businesses.” No direct retail sales will be made to consumers. Rather the cannabis product produced at this site will be sold in wholesale bulk to other licensed cannabis operators.
1	Provide an update on any safety concerns or neighbor issues that have come up with cannabis businesses.	The Police Department has reported no calls for service related to any operational cannabis businesses in the industrial area. There was one call for service for a cannabis business currently undergoing tenant improvements regarding a vehicle accident that occurred on site.
1	Where are the community benefits for this project?	Community benefits are discussed on pages 19-23 of Mijosa’s Business Plan and Operations Summary, which is included as Attachment V to the agenda item. Community benefits that Mijosa has committed to include partnerships with local substance abuse organizations, a local hiring preference, annual donations toward community initiatives, and sponsorship of Chamber of Commerce dues for various non-profits.
1	Why are sections of the safety plan redacted?	Sections of the Security Plan with sensitive information, such as personal phone numbers of key employees and the locations of security cameras around the premises, have been redacted from this version of the Plan as it is available to the public. Full, unredacted copies of the Security Plan have been reviewed by City staff, including the Hayward Police Department, and have been deemed appropriate to ensure the safety of the facility, its employees and members of the public.
1	The report does not include any projections of sales tax revenue or identify the potential economic benefit to the City. Would there be any tax revenue generated for the City? If not, why does staff indicate there the project is consistent with the following General Plan goals and	Economic benefits are discussed on pages 20 – 21 of Mijosa’s Business Plan and Operations Summary, which is included as Attachment V to this agenda item. Mijosa, LLC estimates a gross sales volume of over \$32.4 million annually from the wholesale of bulk cannabis product to other licensed cannabis operators. In 2019, the Council approved a 7



	<p>policies: Land Use Policy LU-2.16, Uses to Attract the Creative Class and Economic Development Policy ED-1.4, and Economic Development Goal ED-2.</p>	<p>percent tax of gross sales on all cannabis businesses, which Mijosa will be subject to. Revenue collected from this tax is deposited in the City's General Fund for future appropriation. Since 2020, the City has received a total of \$904,734 in sales tax revenues from all cannabis businesses.</p> <p>In the Staff Report and Findings for this agenda item, Staff identified three General Plan policies that the project supports:</p> <ul style="list-style-type: none"> • <u><i>Land Use Policy LU-2.16, Uses to Attract the Creative Class.</i></u> The City shall encourage the development of uses and amenities to attract creative-class professionals and businesses to Hayward. • <u><i>Economic Development Policy ED-1.4.</i></u> The City shall establish business attraction efforts that focus on small and medium-sized businesses within emerging and growing business sectors. • <u><i>Economic Development Goal ED-2.</i></u> Cultivate a culture of entrepreneurship to encourage and support local business start-ups. <p>Cannabis is an emerging and growing sector in Hayward and California as a whole. At this point, many of the cannabis operators applying to do business in Hayward are small and start-up-like operations led by entrepreneurs looking to expand into this new marketplace. By approving businesses in the cannabis sector, Hayward is attracting a new class of professionals and technical experts as well as creating job opportunities for Hayward residents. As detailed on page 23 of the Business Plan and Operations Summary, Mijosa will employ a local hire preference, providing an opportunity for Hayward residents to gain experience in this emerging field.</p>
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