

Thursday, January 27, 2022, 7:00 p.m.

The Planning Commission meeting was called to order at 7:00 p.m. by Chair Oquenda.

The Planning Commission held a meeting consistent with Assembly Bill 361/Government Code 54953(e), which included teleconference participation by Planning Commission members, staff members and the public.

ROLL CALL

Present:

COMMISSIONERS:

Ali-Sullivan, Bonilla, Goldstein, Lowe, Roche, Stevens

CHAIRPERSON:

Oquenda

Absent:

COMMISSIONER:

None

Staff Members Present: Blanton, Chan, Lochirco, Parras, Vigilia

PUBLIC COMMENT:

There were no speakers.

PUBLIC HEARING:

For agenda item No. 1, the decision of the Planning Commission is final unless appealed. The appeal period is 10 days from the date of the decision. If appealed, a public hearing will be scheduled before the City Council for final decision.

1. Proposed Cannabis Cultivation, Manufacturing, and distribution Facility Located at 2459 Radley Court (APN 439-0058-061-00) Requiring Approval of Conditional Use Permit and Administrative Use Permit Application No. 202101300. Alberto Giannecchini, Mijosa LLC dba G3 Consumables, Inc. (Applicant); Giannecchini Holdings, LLC (Owner).

Senior Planner Blanton provided a synopsis of the staff report.

Mr. Alberto Giannecchini, applicant, spoke about the proposed project.

Commissioner Roche asked about how cannabis products are displayed and named that makes it attractive to teens; and will solar be incorporated into this building. Mr. Giannecchini responded that their main purpose is to provide products to retail chains and have nothing to do with product names; and solar panels will not provide sufficient power for their operations.



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Mr. Giannecchini responded to Commissioner Roche's and Chair Oquenda's questions about hiring practices saying that they will follow State guidelines for hiring; and their purpose is to provide a product that will help people in the long term.

Commissioner Ali-Sullivan asked what is meant by the extraction method for products; hours of operation; plans for any building improvements; use of solar energy; and can a condition be added to require the applicant to start the operation within a certain amount of time. Mr. Giannecchini explained the different extraction methods used on products and their main objective is to produce end products that are sent to retail dispensaries. He said the operation will not be using any volatile/toxic products on the cannabis. He wants their employees to have a good life work balance and have included the 24-hour operation in case there is the need for this. Mr. Giannecchini said the most that will be done is to paint the building and install security cameras as it is important to maintain a low profile and presence.

Commissioner Lowe asked about the security operations and onsite security availability; what is the highest level of management that a Hayward resident can attain; and what constitutes excessive calls for service. Mr. Giannecchini responded that the security language is from the State guidelines; spoke about the staffing structure; the company will be hiring locally as this will enable employees to live where they work and when at full capacity, they expect to hire 25 to 30 employees.

Commissioner Goldstein asked about the impact of taxes on cannabis businesses and what will the impacts to operations be if there is a power outage. Mr. Goldstein stated the tax burden on the cannabis businesses is making it lucrative for illegal cannabis operators and undermining the legal cannabis industry. Mr. Giannecchini said his company is in a unique situation as they own the building and that the tax structure will kill the cannabis businesses as this industry needs to be treated as other businesses. Mr. Giannecchini said they have back up plans in place in case of a power outage and solar panels would not be able to sustain the amount of power needed.

Senior Planner Blanton said there are limitations when the Hayward Police Department (HPD) runs background checks and HPD is dealing with a lot of individuals on the illegal side of this industry; she noted that HPD wants to assure there are quality individuals working in the cannabis environment; stated that third shifts are normal in other industrial industries; said the standard timelines to begin operations is within three years and that the permitting and licensing is a time-consuming process; added there is a condition of approval (COA) that requires the loading and unloading of products to be conducted inside the building; said that a security guard will be onsite during normal business hours as required by City and State requirements; and noted that there is an annual review of cannabis business licenses and if there is excessive activity such as if employees and/or



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surrounding businesses are in danger; if the operation becomes a burden on City services; then the City can revoke the cannabis permit which will halt operations.

Acting Planning Manager Lochirco added that if there is an issue then there will be due process afforded to the applicant, a public hearing will be held, and the applicant will be able to state their case. Mr. Lochirco said that the City wanted to align the City's policies with the State's policies.

Chair Oquenda opened the public hearing at 7:56 p.m.

Mr. Kim Huggett, President of the Chamber of Commerce, spoke about the tax structure for the cannabis industry noting this is the reason that the black market is still thriving; said it is important to help these cannabis businesses to get going; spoke in favor of the proposed project and urged the Planning Commission to approve the application; praised Mijosa's professionalism and how Mijosa has been active in the community, especially during the pandemic.

Chair Oquenda closed the public hearing at 8:00 p.m.

Commissioner Roche thanked the applicant for their contributions to the community including the nonprofits and that this is a good site for this application; and appreciated the low-profile for the safety of both employees and the neighborhood. Ms. Roche made a motion to approve the staff recommendation.

Commissioner Bonilla seconded the motion and spoke in favor of the project and echoed Commissioner Roche's comments. Commissioner Bonilla appreciated the applicant's proposed community benefit plan, their extensive community outreach which is probably the reason the Commission did not hear any opposition from the community and appreciated Mr. Huggett's comments about the applicant's involvement in the community and noted the City needs more businesses like Mijosa.

Commissioner Stevens stated that for the three years that he has been on the Planning Commission, there have been quite a few cannabis conditional use permit (CUP) applications than other industries such as next generation technology or a manufacturing facility; said he researched the State database and that in Alameda County there are 77 cannabis licensed facilities per million people as compared to Santa Clara County where there are only four cannabis licensed facilities per million people; noted that he would like to see the industrial section of the City be filled with wonderful businesses of the future; and added that the applicant had stated that he could not find a tenant for his building and that when Mr. Stevens checked other cities there was not any space to rent for high tech and biotech companies.



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Commissioner Ali-Sullivan had concerns about the absence of visual building improvements in the application but understands the reason for this proposed project to not attract attention to the building. Mr. Ali-Sullivan said as the Planning Commission approves other projects, he would like to see the visual building improvements included in the staff report. Mr. Ali-Sullivan did not agree with how this use attracts the creative classes and encouraged amenities to attract creative professionals and businesses to Hayward. He said there are still federal taxation laws that the cannabis businesses must recognize. Mr. Ali-Sullivan said there is a high number of cannabis projects that have come before the Planning Commission and that it is frustrating and disappointing on the lack of progress and movement in the development of these projects for completion within a certain timeframe.

Commissioner Bonilla said that it is good to see these projects finally coming before the Planning Commission especially given the amount of time it takes to get to this point.

Commissioner Lowe had concerns about upward mobility and hiring of Hayward residents; hoped the applicants will seek out Hayward residents and make a conscious effort to bring diversity into their hiring and upper management. Ms. Lowe appreciated that the applicant is doing all they can in their safety and security protocols but had concerns about safety for the community as there are individuals who make it their business to find out where these operations are located. Ms. Lowe expressed support for the proposed project and permits.

Commissioner Goldstein commented that it seems the City is going back to its roots as Hayward used to be known as a cultivation community. He understood his fellow Commissioners' concerns about the number of cannabis projects brought before the Commission and as other Commissioners have stated this could just be a matter of timing. Mr. Goldstein said other types of businesses might not be opening right now due to the pandemic and that others contemplating starting businesses are not looking for a physical presence. He hoped that as businesses rebound that the City will have more startups. Mr. Goldstein stated he has concerns about the taxation aspect for the cannabis industry. Mr. Goldstein said the applicant has done an outstanding job on the proposed project and he will support the project.

Chair Oquenda said he is glad this is not another dispensary; he was most concerned that the City is getting a diverse group of cannabis owners. He stated that the State and the City have not been as proactive as he would like on social equity programming. He said State funding had run out and social equity programs are exactly what are needed for this legal area of cannabis in growing, manufacturing, cultivation, distribution, and retail. Mr. Oquenda said that individuals who have worked in this industry are incarcerated and/or have conviction histories. He said there are individuals who are transitioning from other careers into the legal cannabis industry and still there are barriers for people who were formerly incarcerated and/or impacted from previous cannabis convictions. Mr. Oquenda said that as a reentry



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attorney, he focuses on access to housing and employment for individuals with conviction histories; and has major concerns with the background check process which denies individuals with conviction histories. He said there are a great deal of people who are barred from this industry because of previous legal histories, incarceration; or prosecution from prior cannabis convictions.

A motion was made by Commissioner Roche, seconded by Commissioner Bonilla, to approve the staff recommendation. The motion passed with the following roll call votes:

AYES:

Commissioners Ali-Sullivan, Bonilla, Goldstein, Lowe, Roche, Stevens

Chair Oquenda

NOES:

None

ABSENT:

None

ABSTAIN:

None

APPROVAL OF MINUTES

2. Approval of the Planning Commission Meeting Minutes of December 9, 2021.

A motion was made by Commissioner Stevens seconded by Commissioner Lowe to approve the Planning Commission Meeting Minutes of December 9, 2021.

The motion passed with the following roll call votes:

AYES:

Commissioners Ali-Sullivan, Bonilla, Goldstein, Lowe, Roche, Stevens

Chair Oquenda

NOES:

None

ABSENT:

None

ABSTAIN:

None

COMMISSION REPORTS

Oral Report on Planning and Zoning Matters:

Acting Planning Manager Lochirco announced a Joint Work Session with City Council next Tuesday, February 1, 2022, at 7 pm to discuss the objective standards project and density bonus ordinance. Mr. Lochirco invited Planning Commissioners and public members who want to get involved in the discussion on the Housing Element, to the first Environmental Justice meeting on February 23, 2022. The information will be available on the City's website.



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Mr. Lochirco announced training opportunities for the Planning Commissioners. The American Planning Association is holding a National Planning Conference in San Diego at the end of April. He said there will also be the League of California Cities seminar in San Ramon. If Commissioners are interested to please contact him.

Mr. Lochirco announced the next Planning Commission meeting will be on February 10 and there are currently two items on the agenda.

Commissioners' Announcements, Referrals:

Commissioner Ali-Sullivan congratulated Chair Oquenda on his first successful meeting.

Commissioner Roche announced that the Latino Business Roundtable will having a discussion on Friday about the future of Mission Boulevard and there will be members from the Alameda County Transportation Commission talking about this. Ms. Roche congratulated Chair Oquenda on the meeting.

ADJOURNMENT

Chair Oquenda adjourned the meeting at 8:28 p.m.

APPROVED:

Briggitte Lowe, Secretary Planning Commission

ATTEST:

Denise Chan, Senior Secretary

Office of the City Clerk