

HAYWARD CITY COUNCIL

RESOLUTION NO. 19-

Introduced by Council Member \_\_\_\_\_

RESOLUTION APPROPRIATING \$70,000 FROM THE GENERAL FUND (FUND 100) TO FUND CONSULTANT SERVICES RELATED TO THE REVIEW AND INTERVIEWING OF SECOND TIER APPLICATIONS FROM THE FIRST ROUND OF COMMERCIAL CANNABIS PERMITS

WHEREAS, in 2015 the state enacted a comprehensive regulatory framework (AB 243, AB 266, SB 643) for the licensing and enforcement of cultivation, manufacturing, retail sale, transportation, storage, delivery and testing of medicinal cannabis in California. The legislation was collectively known as the Medical Cannabis Regulation and Safety Act (MCRSA); and,

WHEREAS, on November 8, 2016, the voters of the state adopted Proposition 64, the Adult Use of Marijuana Act (AUMA), which legalized adult cannabis use, possession and cultivation for non-medicinal purposes and created a regulatory framework for non-medicinal cannabis businesses; and,

WHEREAS, the intent of MCRSA and AUMA was to establish a comprehensive regulatory system for cultivation, production and sale of cannabis and cannabis products, thereby weakening the illicit market for cannabis; and,

WHEREAS, on June 15, 2017 the state legislature enacted Senate Bill 94, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) which consolidated provisions of MCRSA into the regulatory framework of the AUMA, thereby creating a unified regulatory scheme for medicinal and adult use cannabis; and,

WHEREAS, per MAUCRSA, on January 1, 2018 the state began issuing licenses for businesses to engage in cultivation, manufacturing, testing, distribution and retail sale of cannabis and cannabis products; and,

WHEREAS, MAUCRSA specifically authorizes local jurisdictions to adopt and enforce local ordinances to regulate cannabis businesses licensed pursuant to state law, including local zoning and land use requirements, business license requirements, and requirements related to reducing exposure to second hand smoke, or to completely prohibit the establishment or operation of one or more types of businesses licensed pursuant to MAUCRSA; and,

WHEREAS, the City Council of the City of Hayward adopted Ordinance 17-13 at their October 30<sup>th</sup>, 2017 meeting; and,

WHEREAS, said ordinance added Article 14 to Chapter 6 of the Hayward Municipal Code which details the regulatory framework for issuance of commercial cannabis business permits and imposes specific minimum performance standards on those businesses; and,

WHEREAS, SEC. 6-14.12(a) of the Hayward Municipal Code charges the City Manager with establishing procedures for accepting and evaluating applications submitted pursuant to said article and that such evaluation process shall include a method for scoring and ranking each application; and,

WHEREAS, the City Council directed the City Manager to call for applications from any parties interested in obtaining a commercial cannabis permit at their December 5<sup>th</sup>, 2017 meeting; and,

WHEREAS, the first application round began on December 8<sup>th</sup>, 2017 and concluded in July 2018 with the approval of 15 cannabis businesses; and,

WHEREAS, the Council desires to expand the interview thresholds from the first round, creating a second tier of applicants to review and potentially award additional Commercial Cannabis Permits; and,

WHEREAS, this additional review will require approximately \$70,000 in consultant services to facilitate the interviews of each second-tier applicant; and,

WHEREAS, this additional review was not anticipated during the Fiscal Year 2019 budget process, and therefore requires an appropriation from the General Fund, which will be reimbursed by requiring the second tier applicants to submit the \$5,000 deposit.

NOW, THEREFORE, BE IT RESOLVED, the City Council appropriates \$70,000 from the General Fund (Fund 100) for consultant services for the review of Commercial Cannabis Permit second tier applications.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2019

ADOPTED BY THE FOLLOWING VOTE:

AYES:           COUNCIL MEMBERS:  
                  MAYOR:

NOES:           COUNCIL MEMBERS:

ABSTAIN:       COUNCIL MEMBERS:

ABSENT:        COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
                  City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward