

**CITY OF HAYWARD PLANNING DIVISION
PROPOSED CANNABIS MICROBUSINESS WITH CULTIVATION, MANUFACTURING,
DISTRIBUTION, AND DELIVERY ACTIVITIES
AMERICAN HOLDINGS, 2730 CAVANAGH COURT
CONDITIONAL USE PERMIT APPLICATION NO. 201805798**

DRAFT FINDINGS FOR APPROVAL

Conditional Use Permit

Pursuant to Hayward Municipal Code Section 10-1.3225, The Planning Commission or other approving authority may approve or conditionally approve an application when all the following findings are made:

1. *The proposed use is desirable for the public convenience or welfare;*

The proposed cannabis microbusiness with cultivation, manufacturing, distribution, and delivery uses would be desirable for the public convenience and welfare in that it would result in establishment of a new cannabis facility in an existing building within the General Industrial (IG) Zoning District. The proposed cannabis microbusiness would positively contribute to the City by paying local taxes and contributing to the diversification of uses within the industrial area. Building improvements would be made to facilitate the new use and enhance security. Site improvements would include new security fencing and screening. The applicant would also provide security guard service and video surveillance, benefitting the neighborhood.

2. *The proposed use will not impair the character and integrity of the zoning district and surrounding area;*

The proposed facility would occupy an existing building. In the IG District, a cannabis microbusiness with manufacturing activities and cultivation in a space over 5,000 square feet is allowed with approval of a Conditional Use Permit. If approved, the cannabis microbusiness would operate in similar fashion as other surrounding industrial uses.

To ensure that the proposed use would not impair the character and integrity of the applicable zoning district, the facility would adhere to all the requirements set forth by the City's Cannabis Ordinance, in addition to the requirements set forth by the Hayward Police Department, Hayward Fire Department, Hayward Building Division, and all other pertinent regulations established by State, County and local laws.

Only minor changes to the building exterior are proposed to allow for the relocation of a door on the west elevation. Site improvements include new fencing surrounding the property as well as a security screen leading to the main entrance. These minor changes will enhance security while maintaining a consistent appearance with the surrounding area.

3. *The proposed use will not be detrimental to the public health, safety, or general welfare; and*

The proposed cannabis microbusiness would not be detrimental to the public health, safety, or general welfare in that the facility, as conditioned, would operate within the permit requirements and regulations established by State and local laws. The applicant has provided an Odor Mitigation Plan to ensure that cannabis odors cannot be detected outside of the building, and a detailed Security and Safety Plan that includes installation of security cameras inside and outside of the building and a security guard to be present at all times during operating hours. Additionally, the facility would have an alarm system; have controlled access for any areas where cannabis and cannabis products are stored; maintain compliance with a State-mandated track and trace program to prevent diversion of cannabis; maintain a records retention program; and provide identification of a local contact to handle all safety and security issues. The applicant and all employees associated with the business are subject to extensive background screening by the Hayward Police Department and will be subject to employee training.

4. *The proposed use is in harmony with applicable City policies and the intent and purpose of the zoning district involved.*

Per Table 10-1.1603 of the Hayward Municipal Code, a cannabis microbusiness with manufacturing activities and cultivation in a space over 5,000 square feet is an allowed use in the IG District with the approval of a Conditional Use Permit. The proposed use would contribute positively to the City's tax base and support the following General Plan goals and policies:

- Land Use Policy LU-2.16, Uses to Attract the Creative Class. The City shall encourage the development of uses and amenities to attract creative-class professionals and businesses to Hayward.
- Economic Development Policy ED-1.4. The City shall establish business attraction efforts that focus on small and medium-sized businesses within emerging and growing business sectors.
- Economic Development Goal ED-2. Cultivate a culture of entrepreneurship to encourage and support local business start-ups.

Cannabis Ordinance

In addition to the required findings contained in HMC Section 10-1.3225 (Conditional Use Permit), every land use application requiring discretionary review for cannabis and cannabis products shall be required to make the following findings per HMC Section 10-1.3609 prior to issuance:

1. *The proposed cannabis use will not be detrimental to the public health, safety, or general welfare in that the cannabis operation is situated in an appropriate location where sensitive land uses will not be adversely impacted;*

The proposed cannabis microbusiness would not be detrimental to the public health, safety, or general welfare in that the facility, as conditioned, would operate within the permit requirements established by the State and by the City. Per the City's land use requirements, cannabis facilities with manufacturing activities and cultivation in a space over 5,000 square feet are allowed in the IG District with the approval of a Conditional Use Permit.

The proposed project includes a Security and Safety Plan, including but not limited to an on-site security guard, cameras, controlled access areas, employee background checks, loading and unloading of vehicles behind a security screen, and Conditions of Approval related to odor, loitering, and other potential nuisances. In addition, the facility would not be open to the public. Together, these measures and conditions protect public health and safety within the vicinity of the subject site.

2. *Appropriate measures have been taken to address nuisances related to odor, noise, exhaust, and waste related to the cannabis operation;*

Physical and operational safeguards are in place to ensure this cannabis microbusiness operates at the proposed location without impacts to other properties. The proposed project includes an Odor Mitigation Plan and a Security and Safety Plan that contain measures including, but not limited to, installing a forced exhaust system and air filtration/scrubbing system reviewed by a professional engineer or industrial hygienist, installing security cameras inside and outside of the building, providing an on-site security guard, submitting to employee background checks, and securing and properly disposing of cannabis waste.

As part of the initial RFP process, the applicant's business plan was reviewed and scored by an independent, outside consultant who determined this operator would meet the City's objectives related to cannabis industry best practices. Furthermore, per the proposed Conditions of Approval and as required by the Municipal Code, the applicant's Commercial Cannabis Permit shall be renewed annually. This provides the City a yearly opportunity to reevaluate the proposed business, and ensure compliance with the approved business plan, the Conditions of Approval, and all pertinent City regulations.

3. *The cannabis operation is designed to be safe, secure, and aesthetically compatible with the surrounding area; and*

The proposed cannabis microbusiness would occupy an existing building. The relocation of a door on a non-street facing façade is the only change proposed to the exterior of the building. Site improvements include the installation of an attractive metal security fence and a security screen by the main entrance. As conditioned, the final design of the security screen shall be approved by the Planning Division during the building permit process. These changes will ensure aesthetic compatibility with the surrounding area as well as promote enhanced security for the cannabis facility.

4. *The cannabis operation will not place a burden on the provision of public services disproportionate to other industrial or commercial uses.*

The proposed use would operate in an existing industrial building. The energy and water needs of the proposed facility are not anticipated to exceed those of similar industrial and wet industrial uses. In addition, the applicant would be subject to annual review, which would require inspection of the cannabis microbusiness by the City's Code Enforcement Division, Police Department and Fire Department. Further, as conditioned, any excessive calls for service, including nuisance and code violations, may result in the revocation of the approval.

Environmental Review

1. The proposed project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Class 1), Existing Facilities, in that the proposed use would occupy a tenant space within an existing industrial building to accommodate a cannabis microbusiness. As proposed and conditioned, the proposed use will not result in any significant impacts related to traffic, noise, air quality and water quality.