



CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

Cover Memo

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DATE: December 17, 2019

TO: Mayor and City Council

FROM: Development Services Director

SUBJECT

Update on Commercial Cannabis Permit Process and Program (Continued from October 29, 2019)

RECOMMENDATION

That the City Council provides feedback and guidance on policy options for updating the Commercial Cannabis Regulatory and Land Use Ordinances and adopts the Resolution (Attachment II) authorizing the City Manager to negotiate and execute an amendment to the Agreement with ICF Incorporated LLC to review and update the Commercial Cannabis Program.

SUMMARY

On October 30, 2017, the City Council adopted Ordinances 17-13 and 17-15, which established the City's regulatory and land use ordinances that apply to cannabis operators in the City. In the past 18 months, the City Council has approved Commercial Cannabis Permits for 23 cannabis businesses that include delivery, testing labs, manufacturing, distribution, cultivation, and retail dispensaries. Currently, two of those cannabis businesses are fully operational and several others are approved and/or waiting on building permit issuance; however, a majority of licensees have yet to submit their planning application (s) or their application(s) remains incomplete.

During the past two years that Hayward's cannabis program has been operational, staff has identified several issues and inconsistencies with processes and local regulations that should be resolved before embarking on a new request for applicant proposals. During this same time, the State of California has promulgated several new laws and regulations related to cannabis as the broader industry has evolved. While the City's regulatory and land use ordinances were sufficient to accommodate the first round of applicants, the lack of resources coupled with a greater demand for operational processes and protocols have also presented challenges to the administration and management of the cannabis program in the City.

This report identifies opportunities and recommendations to the current cannabis program to ensure long term success, including an evaluation of what has worked well and what could be improved, taking stock of changes in the broader industry and state regulatory system, and learning from effective and

innovative practices from other jurisdictions. The purpose of this work session is to obtain feedback from the City Council on opportunities to update the City's ordinances to be consistent with the latest State regulations as well as obtain direction on streamlining administrative processes, strengthening auditing and compliance reporting, and enhancing organizational capacities to ensure effective program implementation.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution