

**Meeting Date:** 5/10/2016

**Report Type:** Staff/Discussion

**Report ID:** 2016-00560

**Title:** Update on Medical Marijuana Ordinance Timeline

**Location:** Citywide

**Recommendation:** Review and comment on the proposed timeline for updating City Codes related to Medical Marijuana under the Marijuana Regulation and Safety Act.

**Contact:** Randi L. Knott, Director of Governmental Relations, (916) 808-5771, Office of the City Manager

**Presenter:** Randi L. Knott, Director of Governmental Relations, (916) 808-5771, Office of the City Manager

**Department:** City Manager / Finance

**Division:** Executive Office

**Dept ID:**

**Attachments:**

1-Description/Analysis

2-Cannabis Work Plan

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**City Attorney Review**

Approved as to Form

Steve Itagaki

5/5/2016 11:20:03 AM

**Approvals/Acknowledgements**

Department Director or Designee: Howard Chan - 5/4/2016 4:17:28 PM

## Description/Analysis

**Issue Detail:** A multi-departmental team, including representatives from the City Manager's Office, City Attorney's Office, Finance Department, Community Development Department, Economic Development Department and Police Department, is addressing future permitting of medical marijuana uses such as manufacturing, delivery and cultivation. Staff is providing the Committee with an updated project timeline. (Attachment 2) This timeline was developed to provide adequate time to create a cannabis cultivation permitting process before the current moratorium expires on September 18, 2016.

**Policy Considerations:** In 2015, the Governor signed into law three bills that comprise the Medical Marijuana Regulation and Safety Act (MMRSA). Under these new statutes, several activities related to medical marijuana are now permissible if cities choose to enact the appropriate ordinances. The City currently allows collectives or cooperatives made up of qualified patients to operate dispensaries on a not-for-profit basis. Other business activities related to medical marijuana remain illegal under the City's current Code and therefore it must be updated to accommodate the additional uses that will be allowed through dual permitting with the State Bureau of Medical Marijuana Regulation.

Staff anticipates needing additional time for adequate research and stakeholder involvement to implement cultivation, delivery and manufacturing before the moratorium deadline. The Committee may request that a moratorium extension be brought to the City Council for approval or, alternately, have delivery and manufacturing on a separate track that is not impacted by the current cultivation moratorium.

**Economic Impacts:** The Economic Development Department is developing a request for proposals (RFP) for a study on the economic impact of marijuana-related businesses.

**Environmental Considerations:** This project is exempt from CEQA because it does not have the potential for causing a significant effect on the environment. (CEQA Guidelines §15061(b)(3).)

**Sustainability:** Not applicable

**Commission/Committee Action:** At the April Law and Legislation Committee meeting, the Committee requested that the City's Code be updated to allow for legal manufacturing, delivery and cultivation of medical marijuana and that the Committee be kept abreast of the timeline.

**Rationale for Recommendation:** In order to ensure transparency in the process for the Committee, the public and stakeholders, staff will continue to provide updates throughout the process. Staff recommends moving forward on drafting the cannabis cultivation permit process first and then devoting resources to delivery and manufacturing to avoid a need to extend the moratorium.

**Financial Considerations:** Not applicable.

Work Plan Cannabis Cultivation Operating Permit			
Item	Responsible	Time Frame	Status
Estimate growing space required	Finance	02/18-03/04	In progress
Share draft work plan with City staff	Finance	2/23	Complete
Outreach to Dispensaries for cultivation registration	Finance	02/09-03-03	Complete
Schedule meetings with stakeholders - Dispensaries (3/03) - Business Associations (03/18) - Residential Associations (03/22) - Individuals expressing interest (03/10) - All parties together	Finance	02/23-02/26	Complete
Draft moratorium extension staff report	Finance, Community Development, City Attorney	2/24	Complete
Develop initial permitting goals	Finance, Community Development, City Attorney, Economic Development, City Manager's Office	2/29	In progress
Brief councilmembers on extension	Finance, Community Development, City Attorney	03/01-03/15	Complete
Conduct stakeholder meetings	Finance, Community Development, City Attorney,	03/01-04/05	Complete
Council meeting on moratorium extension	Finance, Community Development, City Attorney,	3/15	Complete
Cultivation Association meeting	Finance, City Manager's Office	3/29	Complete
Schedule cultivation tours -Sacramento, Reno, Oakland	Finance	4/8	In progress
L&L update meeting -Add delivery and manufacturing permit	Finance, City Manager's Office	4/19	Complete
Review cultivation registration forms	Finance	5/1-5/6	In progress
Outreach to surrounding jurisdictions	Finance	5/9-5/20	
Economic analysis on marijuana businesses	Economic Development		
Cultivation site tours	Finance, Community Development, City Attorney, Economic Development, City Manager's Office	5/16, 5/19	
Draft outline of permit process	Finance	5/20-5/25	

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Item	Responsible	Time Frame	Status
Share outline with stakeholders	Finance	6/2	
Receive input from stakeholders	Finance	6/3-6/10	
Stakeholder meeting	Finance, Community Development, City Attorney, Economic Development, City Manager's Office	6/8	
Draft L&L report	Finance	6/13-6/20	
Draft City Code for permit process	City Attorney	6/13-6/20	
Cannabis business conference in Oakland	Finance, Community Development, City Attorney, Manager's Office	6/21-6/22	
Final legal review of proposed ordinance	City Attorney	7/1	
Conduct L&L committee member briefings	Finance, Community Development, City Attorney, Economic Development, City Manager's Office, Police		
Share report with stakeholders	Finance	7/7	
L&L meeting	Finance, Community Development, City Attorney, Economic Development, City Manager's Office, Police	7/14	
Draft Council report	Finance	7/14-7/25	
Planning and Design Commission	Community Development	7/28	
Brief councilmembers	Finance, Community Development, City Attorney, Economic Development, City Manager's Office, Police	8/1-8/16	
City Council Meeting	Finance, Community Development, City Attorney, Economic Development, City Manager's Office, Police	8/16	
New ordinance effective	Finance, Community Development, City Attorney, Economic Development, City Manager's Office, Police	9/15	
Cultivation moratorium expires		9/18	