



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Councilmember Pam Foley
Councilmember Raul Peralez
Councilmember Magdalena Carrasco

SUBJECT: SEE BELOW

DATE: February 11, 2022

Approved:

Date: 2/11/2022

SUBJECT: CANNABIS PROGRAM

RECOMMENDATION

Accept staff's recommendation with the following clarifications:

1. Direct the City Manager to add a requirement that new applicants or renewing applicants that demonstrate compliance with state law by submitting a copy of a labor peace agreement with a bona fide labor organization as part of their initial registration packet and/or annual renewal. This provision would be added to the City Manager's Regulations for cannabis registration. If a cannabis business failed to provide the documentation, the Division of Cannabis Regulation would be unable to issue a Notice of Completed Registration.
2. Accept staff's recommendations regarding buffer distances between storefront retail cannabis businesses as a primary public store entrance to primary public store entrance measurement.
3. Refer a pilot program for outdoor cannabis sales and consumption to the next priority-setting process for the Citywide Roadmap.

BACKGROUND

Revenue-generating policy actions only come before the council every so often. This item has the potential to generate millions of more dollars. Those dollars could then be reinvested to create a more equitable, more affordable, and safer San José. One of the most exciting aspects of this policy action is that it allows us to generate additional tax dollars from residents of other cities.

Today, cannabis dispensaries are located almost exclusively in two city council districts and clustered within small industrial areas. This creates an unfair burden on these areas, this policy action will help us better disperse dispensaries throughout our city.

These dispensaries are highly trafficked and are almost exclusively accessed by automobile. By allowing for cannabis dispensaries in additional locations, we can reduce the intensified burden of dispensaries in the council districts that have their fair share of other unmitigable impacts, such as homelessness, a high crime rate, and/or low socioeconomics. And further, we can reach our city's goals of creating a more environmentally sustainable city predicated on access by alternative modes of transportation.

While we are expanding the number of cannabis business licenses, this proposal maintains control over where those businesses can operate, and the number of licenses allowed. This policy respects buffers to schools, community centers, nearby cannabis businesses, and other sensitive locations.

This policy proposal aligns the City of San José with major cities such as Los Angeles, San Francisco, and West Hollywood. It clarifies that the cannabis dispensary buffer is from storefront to storefront, which opens more potential locations for more retail dispensaries. And lastly, we have seen a growing demand for safe cannabis consumption events; just like those held in other cities.

As we look to the future, we can both control and expand our Cannabis program, and it is ideal for us to get ahead of what potentially can bring in more city revenue. In discussing with city staff, exploring the opportunity for outside cannabis events is relatively a large policy lift and will need time and coordination. Therefore, exploring an opportunity to allow for outside, event-driven cannabis consumption, should be sent to our next city's Roadmap Priority Setting session.

With today's action, the San José City Council can take the cannabis market head-on, increase city revenues, and create a more walkable, bikeable, vibrant City of San José.

The signers of this memorandum have not had, and will not have, any private conversation with any other member of the City Council, or that member's staff, concerning any action discussed in the memorandum, and that each signer's staff members have not had, and have been instructed not to have, any such conversation with any other member of the City Council or that member's staff.