

**ADDENDUM TO THE GENERAL PLAN FINAL ENVIRONMENTAL IMPACT REPORT
(SCH # 2009072096); THE GENERAL PLAN SUPPLEMENTAL PROGRAM
ENVIRONMENTAL IMPACT REPORT (SEIR) AND ADDENDA THERETO (SCH#
2009072096)**

Pursuant to Section 15164 of the CEQA Guidelines, the City of San José has prepared an Addendum to the Envision San José General Plan Final Environmental Impact Report (General Plan FEIR), Supplemental Program Environmental Impact Report (General Plan SEIR) for the Envision San José 2040 General Plan, and addenda thereto; because minor changes made to the project, as described below, do not raise important new issues about the significant impacts on the environment.

PP18-014 – San José Industrial Cannabis Municipal Code Amendment Project. The proposed project includes ordinances amending Title 6 – Business Licenses and Regulations, and Title 20 – Zoning, of the San José Municipal Code to include provisions for regulating cannabis manufacturing business, cannabis distribution-only business and cannabis testing-only businesses.

Location: Citywide

Assessor’s Parcel Number: Citywide

Council District: All.

The environmental impacts of this project were addressed by the following Final Environmental Impact Reports: "Envision San José 2040 General Plan Final EIR," adopted by City Council Resolution No. 76041 on November 1, 2011; Supplemental Program EIR entitled, "Envision San José 2040 General Plan Supplemental EIR," adopted by City Council Resolution No. 77617 on December 15, 2015, and addenda thereto.

The proposed project is eligible for an addendum pursuant to CEQA Guidelines §15164, which states that "A lead agency or responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in CEQA Guidelines §15162 calling for preparation of a subsequent EIR have occurred." Circumstances which would warrant a subsequent EIR include substantial changes in the project or new information of substantial importance which would require major revisions of the previous EIR due to the occurrence of new significant impacts and/or a substantial increase in the severity of previously identified significant effects.

The following impacts were reviewed and found to be adequately considered by the EIRs cited above:

- | | | |
|--|---|--|
| <input checked="" type="checkbox"/> Aesthetics | <input checked="" type="checkbox"/> Agriculture Resources | <input checked="" type="checkbox"/> Air Quality |
| <input checked="" type="checkbox"/> Biological Resources | <input checked="" type="checkbox"/> Cultural Resources | <input checked="" type="checkbox"/> Geology and Soils |
| <input checked="" type="checkbox"/> Greenhouse Gas Emissions | <input checked="" type="checkbox"/> Hazardous Materials | <input checked="" type="checkbox"/> Hydrology & Water Quality |
| <input checked="" type="checkbox"/> Land Use | <input checked="" type="checkbox"/> Mineral Resources | <input checked="" type="checkbox"/> Noise |
| <input checked="" type="checkbox"/> Population and Housing | <input checked="" type="checkbox"/> Public Services | <input checked="" type="checkbox"/> Recreation |
| <input checked="" type="checkbox"/> Transportation/Traffic | <input checked="" type="checkbox"/> Utilities & Service Systems | <input checked="" type="checkbox"/> Energy |
| <input checked="" type="checkbox"/> Growth Inducing | <input checked="" type="checkbox"/> Cumulative Impacts | <input checked="" type="checkbox"/> Mandatory Findings of Sig. |

ANALYSIS

The General Plan FEIR analyzed impacts from development in the subject land use designation and zoning districts. The proposed Municipal Code changes do not involve any direct physical changes to the environment, although cannabis manufacturing, distribution and testing uses would be "Restricted" uses pursuant to a Zoning Code Verification Certificate and Registration under the regulations. Development of

new facilities under the proposed regulations would be subject to development-project-level, site-specific environmental review pursuant to CEQA as part of a Development Permit. Unlike land uses that are 'Permitted,' in the Zoning Code or that require a Planning use permit, the proposed cannabis uses would not run with the land. Instead, the proposed cannabis uses would require Registration of the business operator with the Police Department. The Registration would be valid for a year. Renewal of the Registration with the Police Department may occur prior to the expiration of the currently valid Registration.

As analyzed in the attached Initial Study, the project would comply with the Greenhouse Gas Reduction Strategy identified in the 2040 General Plan and would not result in greenhouse gas emission impacts beyond those identified in the General Plan EIR and SEIR.

No new or more significant environmental impacts beyond those identified in the General Plan FEIR, and General Plan SEIR have been identified, nor have any new mitigation measures or alternatives which are considerably different from those analyzed in the EIRs been identified. The project will not result in a substantial increase in the magnitude of any significant environmental impact previously identified in the EIRs. For these reasons, a supplemental or subsequent EIR is not required and an Addendum to the General Plan FEIR, General Plan SEIR, and addenda thereto has been prepared for the proposed project.

The attached Initial Study provides background on the project description, specific project impacts, and the relationship between previous mitigation measures and the revised project. This addendum (including Initial Study) will not be circulated for public review, but will be attached to the General Plan FEIR, and General Plan SEIR as supplemented pursuant of CEQA Guidelines §15164(c).

Jenny Nusbaum
Principal Environmental Project Manager

Rosalynn Hughey, Director
Planning, Building and Code Enforcement

November 9, 2018

Date

Jenny Nusbaum

Deputy

Industrial Cannabis Municipal Code Amendments
Initial Study for Addendum

**San José Industrial Cannabis
Municipal Code Amendments
File No.: PP18-014**



November 2018

TABLE OF CONTENTS

Acronyms and Abbreviations.....	iii
Section 1.0 Introduction and Purpose	1
1.1 Purpose of the Addendum and Initial Study.....	1
1.2 Propr EIR and SEIR.....	2
1.3 Prior Initial Study/Negative Declaration and Addenda	2
1.4 Consideration of the Initial Study and Project.....	3
1.5 Notice of Determination	3
Section 2.0 Project Information	4
2.1 Project Title	4
2.2 Lead Agency Contact	4
2.3 Project proponent.....	4
2.4 Project Location.....	4
2.5 Assessor’s Parcel Number	4
2.6 General Plan Designation and Zoning District.....	4
2.7 Habitat Plan Designation	4
2.8 Project-Related Approvals, Agreements, and Permits.....	4
Section 3.0 Project Description.....	5
3.1 Baseline Conditions	5
3.2 Project Components.....	6
3.3 Direct and Reasonably Foreseeable Indirect Environmental Changes.....	7
Section 4.0 Environmental Checklist and Impact Discussion	10
4.1 Aesthetics.....	12
4.2 Agricultural and Forestry Resources	14
4.3 Air Quality	16
4.4 Biological Resources	19
4.5 Cultural Resources.....	22
4.6 Geology and Soils.....	24
4.7 Greenhouse Gas Emissions.....	27
4.8 Hazards and Hazardous Materials	28
4.9 Hydrology and Water Quality	31
4.10 Land Use and Planning.....	35
4.11 Mineral Resources	37
4.12 Noise and Vibration.....	39

4.13	Population and Housing.....	41
4.14	Public Services	43
4.15	Recreation.....	45
4.16	Transportation/Traffic.....	46
4.17	Utilities and Service Systems	49
4.18	Mandatory Findings of Significance	51
Section 5.0	References.....	54
Section 6.0	Lead Agency	55
6.1	Lead Agency.....	55

Figures

Figure 1:	Approximate Location of Eligible Parcels.....	9
-----------	---	---

ACRONYMS AND ABBREVIATIONS

BAAQMD	Bay Area Air Quality Management District
CDFW	California Department of Fish and Wildlife
CEQA	California Environmental Quality Act
EIR	Environmental Impact Report
GHG	Greenhouse Gas
MND	Mitigated Negative Declaration
NOD	Notice of Determination
RWQCB	Regional Water Quality Control Board
USFWS	United States Fish and Wildlife Service
VMT	Vehicle Miles Traveled

SECTION 1.0 INTRODUCTION AND PURPOSE

1.1 PURPOSE OF THE ADDENDUM AND INITIAL STUDY

The City of San José, as the Lead Agency, has prepared this Initial Study for the proposed amendments to the San José Municipal Code (Municipal Code) for Industrial Cannabis requirements in compliance with the California Environmental Quality Act (CEQA), the CEQA Guidelines (California Code of Regulations §15000 et. seq.) and the regulations and policies of the City of San José, California.

The CEQA Guidelines §15162 and §15164 state that when an Environmental Impact Report (EIR) has been adopted for a project, no subsequent Environmental Impact Report or ND shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in light of the whole record, that either 1) substantial changes are proposed to the project which will require major revisions to the previous EIR due to new or substantially more severe significant effects, 2) substantial changes have occurred with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR due to new or substantially more severe significant effects, or 3) new information of substantial importance that was not known and could not have been known previously with the exercise of reasonable diligence shows that the project will have one or more significant effects or substantially more severe effects than disclosed in the previous EIR, or a mitigation measure or alternative that is new or is now feasible, when previously found infeasible, would substantially reduce a significant effect and the project proponent declines to adopt it.

The proposed project is eligible for an Addendum pursuant to CEQA Guidelines §15164, which states that “a lead agency or responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in CEQA Guidelines §15162 calling for preparation of a subsequent EIR have occurred.” Circumstances that would warrant a subsequent EIR include substantial changes in the project or new information of substantial importance which would require major revisions of the previous EIR due to the occurrence of new significant impacts and/or a substantial increase in the severity of previously identified significant effects.

This Initial Study/EIR Addendum has been drafted to comply with CEQA (Pub. Res. Code § 21000 et seq.) as part of the supplemental environmental review process needed to evaluate the proposed amendments to Title 6 and Title 20. The Addendum is to an EIR on the Envision San José 2040 General Plan (the “General Plan”) (SCH# 2009072096), Supplemental Program Environmental Impact Report (SEIR) (SCH# 2009072096), and Addenda thereto. The General Plan EIR was certified by the San José City Council under Resolution No. 76041 on November 1, 2011, and the General Plan SEIR was certified by the San José City Council under Resolution No. 77617 on December 15, 2015. An Addendum to the EIR and SEIR was adopted for the Four-Year Review and Annual Review in 2016.

The purpose of this Initial Study and Addendum is to analyze the environmental impacts associated with the Project described below to determine whether such impacts are consistent with those described in the General Plan EIR, as updated in the SEIR, and Addenda thereto.

This Initial Study evaluates the environmental impacts of the proposed amendments to Title 6 and Title 20 of the Municipal Code and changes to the City Manager’s Regulations for Medical Marijuana, concerning cannabis manufacturing, distribution, or testing businesses in industrial

zoning districts on parcels that have a General Plan land use designation of Combined Industrial/Commercial, Industrial Park, Light Industrial, or Heavy Industrial in the City of San José. The categories of businesses proposed include cannabis manufacturing (limited to manufacturing and distribution only of the manufacturer’s own products), cannabis distribution-only, and cannabis testing-only businesses. These categories of businesses would not be open to the public. Additionally, these businesses may include the use of “non-volatile solvents” as defined by the State of California Code of Regulations cannabis manufacturing licensing provisions as may be amended from time to time. At no time shall these businesses include the use of “volatile solvents” as defined by the State of California Code of Regulations for cannabis manufacturing licensing provisions, as may be amended from time to time. Additionally, cannabis manufacturing operations would only be allowed to occur indoors.

This Initial Study evaluates the environmental impacts that might result from implementation of the proposed project, considering the analysis and environmental determinations that have already been made by the City in adopting the existing regulations for cannabis. These previous environmental documents are described in Section 1.2.

1.2 PROPR EIR AND SEIR

In 2011, the City approved the Envision San José 2040 General Plan, which is a long-range program for the future growth of the City. The General Plan EIR includes a programmatic analysis of the planned growth in the City of San Jose through 2040 and does not analyze specific development projects. In December 2015, the City of San José approved the Envision San José 2040 Plan Supplemental EIR (General Plan SEIR) to include and update the greenhouse gas emissions analysis. In November 2016, an Addendum to the General Plan EIR updated all the analysis as part of the Annual and Four-Year Review of the General Plan.

1.3 PRIOR INITIAL STUDY/NEGATIVE DECLARATION AND ADDENDA

The City has previously prepared environmental documents for San José Municipal Code amendments for medical and non-medical marijuana/cannabis dispensing and cultivation/manufacturing business operations in the City. The City prepared an Initial Study/Negative Declaration (File No. PP11-039) in June 2011, that evaluated the City’s regulations that now exist for the existing 16 registered cannabis collectives/businesses in the City of San José. The 2011 Initial Study/Negative Declaration (IS/ND) concluded the City’s regulations for medical marijuana/cannabis collectives in San José would not result in any significant impacts under CEQA. The City published the 2011 IS/ND for a 20-day public review and comment period. During this period, the Initial Study was available to local, state, and federal agencies and to interested organizations and individuals for review. The City Council adopted the IS/ND and approved a set of regulations for medical marijuana/cannabis on June 15, 2011.

Subsequently, in September 2011 the City adopted a First Addendum (File No. PP11-076) to the 2011 IS/ND amending Title 6 to establish regulations and a registration process pertaining to medical marijuana collectives and to the individual cultivation and use of medical marijuana. In April 2014, the City adopted a Second Addendum (File No. PP14-030) amending provisions to Title 6 and Title 20, to establish the regulatory program with modifications and land use parameters. In September 2016, the City adopted a Third Addendum (File No. PP16-076) to address the proposed regulatory changes regarding the operation of existing registered collectives. In October 2017, the City adopted

a Fourth Addendum (File No. PP17-070) to change the terminology for existing medical cannabis uses to align with State regulations and add medical and non-medical cannabis businesses as newly Restricted uses.

1.4 CONSIDERATION OF THE INITIAL STUDY AND PROJECT

At a scheduled public hearing, the City's Planning Commission will consider the item in order to make a recommendation to the City Council regarding adopting the IS/Addendum. From that recommendation, the City Council will consider the adoption of this IS/Addendum for the project at a publicly noticed public hearing. The City Council shall consider the IS/Addendum together with any comments received prior to or at the public hearing. Upon adoption of the IS/Addendum, the City may proceed with project approval actions.

1.5 NOTICE OF DETERMINATION

If the project is approved, the City will file a Notice of Determination (NOD), which will be available for public inspection and posted within 24 hours of receipt at the County Clerk's Office for 30 days. The filing of the NOD starts a 30-day statute of limitations on court challenges to the approval under CEQA (CEQA Guidelines Section 15094(g)).

SECTION 2.0 PROJECT INFORMATION

2.1 PROJECT TITLE

San José Industrial Cannabis Municipal Code Amendments

2.2 LEAD AGENCY CONTACT

Adam Petersen, Environmental Project Planner
City of San José
Department of Planning, Building & Code Enforcement
200 East Santa Clara Street
San José, CA 95113
(408) 535-1241
adam.petersen@sanjoseca.gov

Jenny Nusbaum, Principal Planner
City of San Jose Department of Planning Building, & Code Enforcement
200 East Santa Clara Street
San José, CA 95113
(408) 535-7872
Jenny.Nusbaum@sanjoseca.gov

2.3 PROJECT PROPONENT

City of San José

2.4 PROJECT LOCATION

Citywide

2.5 ASSESSOR'S PARCEL NUMBER

Citywide

2.6 GENERAL PLAN DESIGNATION AND ZONING DISTRICT

General Plan Designations: Combined Industrial/Commercial, Industrial Park, Light Industrial, and Heavy Industrial

Zoning Districts: Combined Industrial/Commercial, Industrial Park, Light Industrial, and Heavy Industrial

2.7 HABITAT PLAN DESIGNATION

Not Applicable

2.8 PROJECT-RELATED APPROVALS, AGREEMENTS, AND PERMITS

City Council adoption of ordinances amending Municipal Code Chapters Title 6 and Title 20

SECTION 3.0 PROJECT DESCRIPTION

3.1 BASELINE CONDITIONS

There are 16 registered medical and non-medical cannabis collectives/businesses (“businesses”) in the City of San José. Registered businesses are required to operate within the limits of the City’s and State of California’s regulatory framework. This framework governs who, where, and how cannabis businesses can operate in the City. Each registered cannabis business can conduct medical and non-medical cannabis cultivation and dispensing activities and deliver cannabis to customers based on provisions in the San José Municipal Code, particularly in Title 6 and Title 20. No person under the age of 21 shall be allowed at the locations and no purchases (including at the dispensary and through delivery) may be made by or to a person under the age of 21.

Under the existing City’s Municipal Code, cannabis collectives are included as cannabis businesses. Cannabis businesses that are licensed by the State and registered by the City can engage in cannabis activities, whether for medical or non-medical use. These businesses can: cultivate cannabis; process cannabis (i.e., packaging, trimming, or preparing cannabis for sale or distribution); manufacture cannabis (i.e., extraction of concentrated cannabis, or infusion of cannabis into other products); or distribute, sell, or transfer cannabis.

The proposed changes to the City’s Municipal Code would augment the cannabis business definition to include cannabis manufacturing, cannabis distribution, and cannabis testing. The City’s Zoning Ordinance will restrict these uses to specific locations in the City. The proposed eligible locations for the proposed new types of cannabis businesses are in the *CIC-Combined Industrial/Commercial, IP-Industrial Park, LI-Light Industrial, or HI-Heavy Industrial Zoning Districts where such locations in such zoning districts have General Plan land use designations of Combined Industrial/Commercial, Industrial Park, Light Industrial, or Heavy Industrial*. Light Industrial uses of comparable attributes and intensity to the proposed cannabis uses were analyzed in the General Plan EIR for potentially operating on sites that were designated *Combined Industrial/Commercial, Industrial Park, Light Industrial, or Heavy Industrial* in the General Plan. The General Plan EIR also analyzed the existing industrial areas in the City. Since that EIR analysis was completed, these industrial areas have either remained the same in size and location, or they have shrunk, meaning that adding the proposed enumerated cannabis uses in the Zoning Code would not induce an expansion of industrially designated land in the City. While retail cannabis businesses that are open to the public cannot locate in the North San José Area Development Policy boundary, International Business Park boundary, and the Edenvale Area Development Policy boundary, the proposed new cannabis businesses (manufacturers, distributors and testing laboratories) could locate in these areas.

Any proposed cannabis business would be subject to strict separation criteria prescribed by the proposed ordinance to protect sensitive uses. A map showing the approximate location of the existing parcels within the City of San Jose that meet these siting criteria is show on Figure 1.

- 600 feet of public or private preschools, elementary schools, or secondary schools, child daycare centers, community and recreation centers, parks, or libraries; and
- 150 feet of residential uses, including legal-nonconforming residential uses.

Currently, each registered cannabis business can operate a maximum of one dispensary location and two cultivation/manufacturing facilities. Businesses have the following options as to where these facilities can be located:

- One dispensary/cultivation/manufacturing co-facility located in the City of San José,
- One dispensary and one cultivation/manufacturing facility both located in San José,
- One dispensary/cultivation/manufacturing co-facility located in San José and one cultivation/manufacturing facility located in the State of California, or
- One dispensary located in San José and one cultivation/manufacturing facility located in the State.

Currently there are 17 facility locations operated by the 16 registered cannabis businesses within the City of San José, although up to 32 facilities may occur under the City’s existing Municipal Code. Of these 17 locations, 15 are combined dispensary/cultivation/manufacturing facilities, one is a cultivation/manufacturing facility, and one is a dispensary only facility. No San José-registered facilities are located outside the City of San José.

Consistent with the City of San José and the State of California cannabis regulations, the transaction/transfer of cannabis or cannabis products can occur between San José-registered/State-licensed cannabis businesses. Registered/licensed businesses are not allowed the transaction/transfer of cannabis or cannabis products with unregistered/unlicensed businesses.

The 16 currently registered cannabis businesses in San José may apply for registration to deliver medical and non-medical cannabis. Currently, ten (10) of the 16 registered businesses registered for delivery of cannabis.

3.2 PROJECT COMPONENTS

The proposed project includes ordinances amending Title 6 – Business Licenses and Regulations, and Title 20 – Zoning, of the San José Municipal Code. The proposed changes to the Municipal Code regulations are identified below.

Changes to Title 6

- Extend the scope of Title 6 to include cannabis manufacturing businesses, cannabis distribution-only businesses, and cannabis testing-only businesses.
- Create definitions in Section 6.88.200 in Chapter 6.88 to define “cannabis distribution,” “testing,” “testing laboratory,” “manufacturing site,” “distribution site,” and “combined manufacturing and distribution site”.
- Include in the framework who, where, and how cannabis manufacturers, distributors and testing laboratories can operate in the City of San José.
 - Create provisions for manufacturing facilities within the City of San José to be shared by two cannabis businesses.
 - Create provisions for each Registered Business to have up to three locations in the City of San José
 - Currently could have two locations for cultivation, manufacturing and extraction (one in San José and one anywhere within the State of California subject to state and local laws and regulations or two in San José) in addition to one dispensing-only location in San José.

- Each Registered Collective could have one additional manufacturing-only site, distribution-only site or combined manufacturing and distribution site.
- Approve other changes to update the Code to align with new State laws and update definitions.
- Make other technical, non-substantive, or formatting changes.

Changes to Title 20

New Restricted Uses

- Extend the scope of Section 20.10.040 to include cannabis manufacturing businesses, cannabis distribution Businesses, and cannabis testing businesses.
- Update Tables 20-120 and 20-135 to include the new Restricted uses.

New Specific Use Regulations

- Create a new chapter 9.76 in Section 20.80 Specific Uses to define the purpose, restrictions and conditions and compliance activities of the new cannabis businesses.

Update to Part 9.8 in Section 20.80 of the Zoning Code

- Require that each new cannabis business obtain a Zoning Code Verification Certificate issued by the Director of Planning and display or present said certificate when needed.
- Prevent the transferability of a Zoning Code Verification Certificate in the same manner, because these certificates are restricted by the current code for the new cannabis businesses.
- Make other technical, formatting or non-substantive changes within Title 6 and Title 20 of the Municipal Code, and the City Manager’s Regulations.

Add Clarifying Language to Chapters 20.50 and 20.100 related to requirements for land uses and development in Industrial Zoning Districts and for Restricted Uses.

3.3 DIRECT AND REASONABLY FORESEEABLE INDIRECT ENVIRONMENTAL CHANGES

The proposed project involves a set of changes to existing regulations and does not involve any activities by the City of San José that will directly change the baseline environmental setting described previously. Rather, the physical environmental changes that would result from the proposed project will be indirect, in that cannabis manufacturing, distribution, or testing businesses may occur in such designated industrial zoning districts, as an independent use, but only upon issuance of and in full compliance with a valid and effective Zoning Code Verification Certificate as set forth in Chapter 20.100 of Title 20 of the San José Municipal Code. These indirect effects will be realized only when such operations are proposed in the City of San José. Given there are no direct physical changes to evaluate concerning sites and facility operations, and that the environmental impacts resulting from the proposed ordinance amendments will be indirect, the analysis in this Initial Study must necessarily rely on reasonable assumptions or predictions about the way manufacturing, distribution, or testing businesses may occur because of the proposed amended regulations.

3.3.1 Reasonably Foreseeable Operational Environmental Changes

The proposed Municipal Code amendments would establish provisions for locations for cannabis manufacturing, distribution, and testing businesses in industrial zoning districts. Reasonably

foreseeable operational environmental changes that could occur include the occupation, or expansion of, unoccupied industrial buildings or new industrial structures. This would result in impacts like other industrial uses occurring in industrial zoning districts. However, unlike land uses that are “Permitted,” in the Zoning Code or that require a Planning use permit, the proposed cannabis uses would not run with the land. Instead, the proposed “Restricted” cannabis uses would require Registration of the business operator with the Police Department. The Registration would be valid for a year. Renewal of the Registration with the Police Department may occur prior to the expiration of the currently valid Registration. Manufacturing, distribution and testing uses that do not involve cannabis are already Permitted uses or conditionally permitted in industrial zoning districts. The proposed Municipal Code amendments establish stringent locational and registration provisions for cannabis wholesale manufacturing, distribution, or testing businesses in industrial zoning districts that would not be open to the public. Thus, the Municipal Code amendments for establishing the proposed cannabis uses as Restricted Uses that may occur if Registration is obtained by the operator of these uses, do not allow or permit new uses or more intensive uses than those already established in existing industrial zoning districts. The characteristics of the cannabis land uses are analogous to “Light Manufacturing” or “Medium Manufacturing” as defined in Chapter 20.200 of the Zoning Code. Light Manufacturing and Medium Manufacturing of non-cannabis products are “Permitted Uses” in the CIC, IP, LI, and HI Industrial Zoning Districts, and fit within the larger category of Light Industrial land uses analyzed in the General Plan EIR and SEIR and Addenda thereto.

3.3.2 Reasonably Foreseeable Site/Development Specific Impacts

The proposed changes to the Municipal Code regulations do not include development of site improvements such as exterior structures that might be used for cannabis manufacturing, distribution, or testing businesses in the City of San José. However, it is foreseeable that cannabis manufacturing, distribution, or testing businesses may apply for Development Permits or other land use entitlements or ministerial permits or obtain registrations from the City to locate, develop and establish operations under the existing and proposed provisions of the Municipal Code. The Municipal Code changes do not preclude businesses applying for land use entitlements from the City for development of sites intended for industrial manufacturing, distribution, or laboratory testing in the City. The site or sites cannot be predicted now in the absence of Development Permit applications by an industrial manufacturing, distribution, or testing business. Therefore, anticipated future physical changes to the environment from development or tenant improvements to structures for manufacturing, distribution, or testing businesses can only be discussed at a conceptual or programmatic level. To the extent an industrial manufacturing, distribution, or testing business seeks to develop a new facility or alter an existing facility where development may be permitted under the Municipal Code, the future discretionary development proposal would be subject to development-project-level, site-specific environmental review under CEQA. During the environmental review process, the potential for the proposed or modified manufacturing, distribution, or testing facility to result in environmental impacts would be evaluated and mitigation measures would be identified, as necessary, by the City of San José.

Proposed Zoning Regulations for Cannabis Business in San Jose

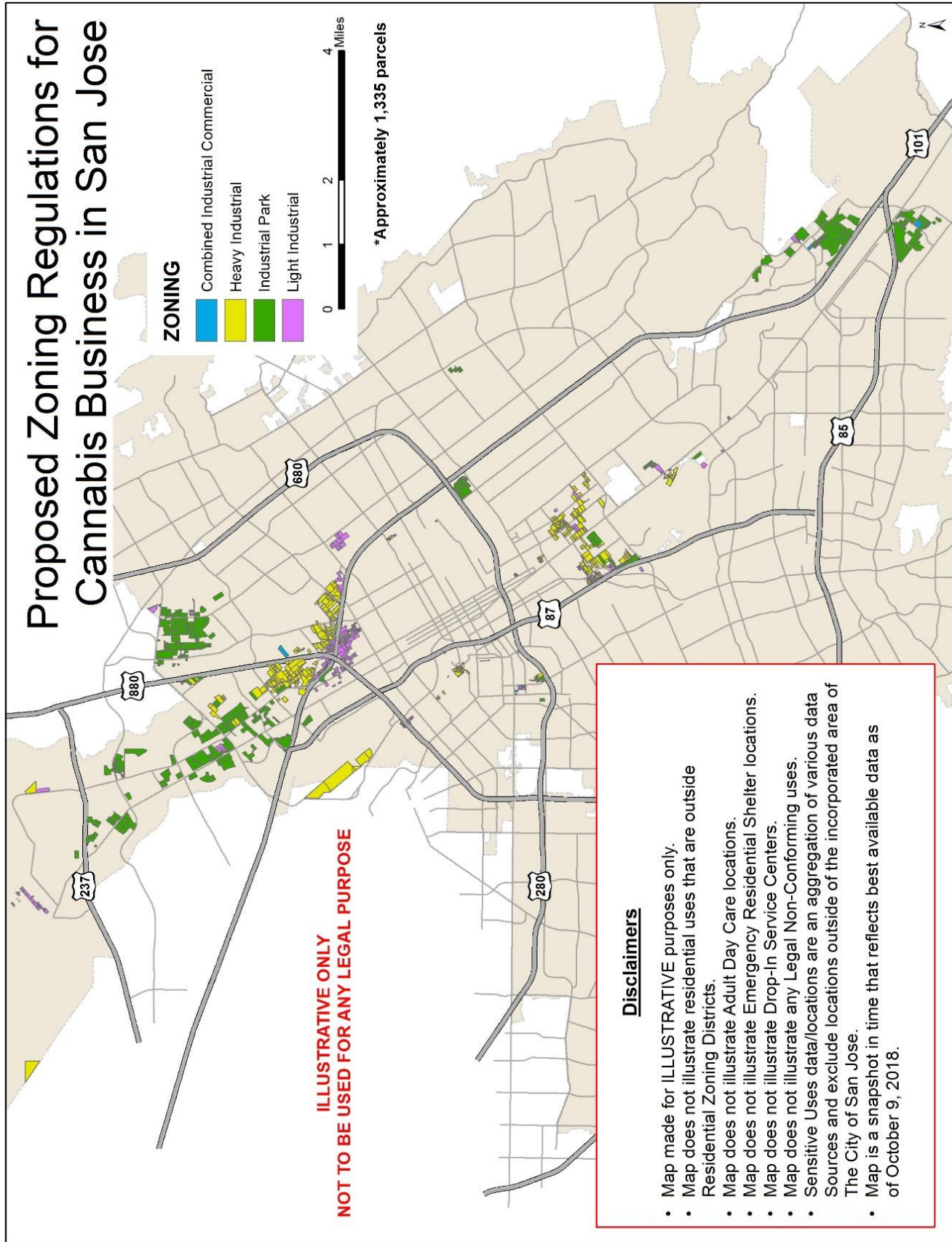


Figure 1. Approximate Location of Eligible Parcels

SECTION 4.0 ENVIRONMENTAL CHECKLIST AND IMPACT DISCUSSION

This section presents the discussion of impacts related to the following environmental subjects in their respective subsections:

4.1	Aesthetics	4.10	Land Use and Planning
4.2	Agricultural and Forestry Resources	4.11	Mineral Resources
4.3	Air Quality	4.12	Noise and Vibration
4.4	Biological Resources	4.13	Population and Housing
4.5	Cultural Resources	4.14	Public Services
4.6	Geology and Soils	4.15	Recreation
4.7	Greenhouse Gas Emissions	4.16	Transportation/Traffic
4.8	Hazards and Hazardous Materials	4.17	Utilities and Service Systems
4.9	Hydrology and Water Quality	4.18	Mandatory Findings of Significance

The discussion for each environmental subject includes the following subsections:

- **Environmental Checklist** – The environmental checklist, as recommended by CEQA, identifies environmental impacts that could occur if the proposed project is implemented. The right-hand column of the checklist lists the source(s) for the answer to each question. The sources are identified at the end of this section.
- **Impact Discussion** – This subsection discusses the project’s impact as it relates to the environmental checklist questions. For significant impacts, feasible mitigation measures are identified. “Mitigation measures” are measures that will minimize, avoid, or eliminate a significant impact (CEQA Guidelines Section 15370). Each impact is numbered using an alphanumeric system that identifies the environmental issue. For example, **Impact HAZ-1** denotes the first potentially significant impact discussed in the Hazards and Hazardous Materials section. Mitigation measures are also numbered to correspond to the impact they address. For example, **MM NOI-2.3** refers to the third mitigation measure for the second impact in the Noise section.

Important Note to the Reader

The California Supreme Court in a December 2015 opinion [*California Building Industry Association v. Bay Area Air Quality Management District*, 62 Cal. 4th 369 (No. S 213478)] confirmed that CEQA, with several specific exceptions, is concerned with the impacts of a project on the environment, not the effects the existing environment may have on a project. Therefore, the evaluation of the significance of project impacts under CEQA in the following sections focuses on impacts of the project on the environment, including whether a project may exacerbate existing environmental hazards.

The City of San José has policies that address existing conditions (e.g., air quality, noise, and hazards) affecting a proposed project, which are also addressed in this section. This is consistent with one of the primary objectives of CEQA and this document, which is to provide objective information

to decision-makers and the public regarding a project as a whole. The CEQA Guidelines and the courts are clear that a CEQA document (e.g., EIR or Initial Study) can include information of interest even if such information is not an “environmental impact” as defined by CEQA.

Therefore, where applicable, in addition to describing the impacts of the project on the environment, this chapter shall discuss operational issues that relate to policies pertaining to existing conditions. Such examples include, but are not limited to, locating a project near sources of air emissions that can pose a health risk, in a floodplain, in a geologic hazard zone, in a high noise environment, or on/adjacent to sites involving hazardous substances.

4.1 AESTHETICS

4.1.1 Environmental Checklist

	New Potentially Significant Impact	New Less Than Significant With Mitigation Incorporated	New Less Than Significant Impact	Same Impact As Approved Project	Less Impact Than Approved Project	Checklist Source(s)
Would the project:						
a) Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
c) Substantially degrade the existing visual character or quality of the site and its surroundings?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
d) Create a new source of substantial light or glare which will adversely affect day or nighttime views in the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2

4.1.2 Impact Discussion

a)-c) Have a substantial adverse effect on a scenic vista? Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway? Substantially degrade the existing visual character or quality of the site and its surrounding?

The proposed Municipal Code Amendments would not substantially alter the aesthetic environment of San José because cannabis manufacturing, distribution, or testing businesses would be in industrial zoning districts that are situated in the existing urban fabric of the City of San José. These businesses would need to comply with the existing adopted regulations and Policies pertaining to land use development in those zoning districts including but not limited to applicable regulations and Policies that have been analyzed in the General Plan EIR/SEIR as addended.

As discussed in *Section 3.0 Project Description*, the current proposed Municipal Code amendments do not involve any direct physical changes to the environment, although cannabis manufacturing, distribution, or testing businesses could establish new operations under the regulations. Future development would be subject to development-project-level, site-specific environmental review pursuant to CEQA if a new structure is proposed (e.g., a Development Permit). During the environmental review process, the potential for the proposed development to result in substantial effects on scenic vistas, damage to scenic resources within a designated state scenic highway, or degrade the existing visual character of the site and its surroundings would be evaluated and mitigation measures would be identified, as necessary.

A new business occupying an existing structure would be required to obtain a Zoning Code Verification Certificate from the Director of Planning and Registration with the San José Police Department. Further, Restricted Uses operating in existing buildings would not affect scenic vistas, damage trees, rock outcrops, or historic buildings within a state scenic highway or degrade the existing visual character because they would not create new development that changes the existing exterior physical environment. Exterior changes to those buildings or sites would be subject to a Development Permit which would then trigger the City's evaluation of impacts. Therefore, the proposed new regulations would result in a less than significant impact. **(Same Impact As Approved Project (Less Than Significant Impact))**

d) Create a new source of substantial light or glare that would adversely affect day or nighttime views in the area?

As discussed in *Section 3.0 Project Description*, the proposed Municipal Code amendments do not involve any direct physical changes to the environment. However, cannabis manufacturing, distribution, or testing businesses would be considered a Restricted Use subject to a Zoning Code Verification Certificate and Registration pursuant to the City's regulations. Future development would be subject to development-project-level, site-specific environmental review pursuant to CEQA if exterior changes to a site or a new structure is proposed (e.g., a Development Permit). During the environmental review process, the potential for the proposed development to create a new source of substantial light or glare that would adversely affect day or nighttime views in the area would be evaluated and mitigation measures would be identified, if necessary. Development occurring in San José would be subject to the City Council's Outdoor Lighting Policy for Private Development. San José's planning review process will assess compatibility of the lighting and building materials of future development with surrounding uses. A new cannabis business occupying a tenant space would have to obtain registration from the San José Police Department. Therefore, the proposed new regulations would result in a less than significant impact. **(Same Impact As Approved Project (Less Than Significant Impact))**

4.2 AGRICULTURAL AND FORESTRY RESOURCES

4.2.1 Environmental Checklist

	New Potentially Significant Impact	New Less Than Significant With Mitigation Incorporated	New Less Than Significant Impact	Same Impact As Approved Project	Less Impact Than Approved Project	Checklist Source(s)
Would the project:						
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code Section 12220(g)), timberland (as defined by Public Resources Code Section 4526), or timberland zoned Timberland Production (as defined by Government Code Section 51104(g))?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
d) Result in a loss of forest land or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2

4.2.2 Impact Discussion

a)-e) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland) to non-agricultural use?

Conflict with existing zoning for agricultural use, or a Williamson Act contract?

Conflict with existing zoning for, or cause rezoning of, forest land, timberland, or timberland zoned Timberland Production?

Result in a loss of forest land or conversion of forest land to non-forest use?

Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?

Cannabis manufacturing, distribution, or testing businesses are not an allowed or conditionally allowed use that could operate in open space or agricultural zoning districts. The proposed amendments would confine cannabis manufacturing, distribution, or testing businesses to industrial zoning districts only and contingent upon a Zoning Code Verification Certificate and Registration.

As discussed in *Section 3.0 Project Description*, the proposed Municipal Code amendments do not involve any direct physical changes to the environment. Future development would be subject to development-project-level, site-specific environmental review pursuant to CEQA if a new structure is proposed (e.g., Development Permit). During the environmental review process for a Development Permit, the potential for the proposed development to result in substantial adverse effects on agricultural or forestry resources as defined by CEQA would be evaluated and mitigation measures would be identified, if necessary. A new cannabis business occupying a tenant space would be required to obtain Registration from the San José Police Department. Therefore, the proposed new regulations would result in a less than significant impact. **[Same Impact As Approved Project (Less Than Significant Impact)]**

4.3 AIR QUALITY

4.3.1 Environmental Checklist

	New Potentially Significant Impact	New Less Than Significant With Mitigation Incorporated	New Less Than Significant Impact	Same Impact As Approved Project	Less Impact Than Approved Project	Checklist Source(s)
Would the project:						
a) Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is classified as non-attainment under an applicable federal or state ambient air quality standard including releasing emissions which exceed quantitative thresholds for ozone precursors?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
d) Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
e) Create objectionable odors affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2

4.3.2 Impact Discussion

a)-d) Conflict with or obstruct implementation of the applicable air quality plan?

Violate any air quality standard or contribute substantially to an existing or projected air quality violation?

Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is classified as non-attainment under an applicable federal or state ambient air quality standard including releasing emissions which exceed quantitative thresholds for ozone precursors?

Expose sensitive receptors to substantial pollutant concentrations?

The proposed Municipal Code amendments establish regulations that restrict cannabis manufacturing, distribution, or testing to industrial zoning districts pursuant to a Zoning Code

Verification Certificate and Registration. Cannabis manufacturing, distribution, and testing uses would create less than significant air quality impacts because these operations would be located throughout San José in structures located in zoning districts that have development standards, enumerated uses, and operational performance standards to accommodate these types of business establishments while minimizing air quality impacts. Additionally, manufacturing would occur indoors, and the proposed Title 6 regulations prohibit dispensing of cannabis from all manufacturing, distribution, and testing facilities. Therefore, cannabis manufacturing, distribution, or testing facilities would not generate traffic volumes greater than what would otherwise occur by permitted industrial uses in the industrial zoning districts. Building expansions, new development, signs, etc., would need to comply with regulations and Policies (including CEQA, if applicable) as any other physical development projects. City Policies and Municipal Code requirements would apply to these uses. Additionally, impacts to sensitive uses would be minimized because of the separation requirements between cannabis businesses and sensitive receptors as proposed in the Municipal Code amendments.

As discussed in *Section 3.0 Project Description*, the proposed Municipal Code changes do not involve any direct physical changes to the environment, although cannabis manufacturing, distribution, or cannabis testing facilities would be a Restricted use pursuant to a Zoning Code Verification Certificate and Registration under the regulations. The proposed changes could increase vehicle miles travelled (VMT) because of shipments and distribution now that deliveries would be made, and therefore, could affect air quality. Future development would be subject to development-project-level, site-specific environmental review pursuant to CEQA if a new structure is proposed (e.g., Development Permit). During the environmental review process for a new cannabis manufacturing, distribution, or cannabis testing facility, the potential for the proposed facility to conflict with or obstruct implementation of the applicable air quality plan would be evaluated and mitigation measures would be identified, as necessary. Future development in the City of San José would be required to conform to the Bay Area Air Quality Management District's (BAAQMD) 2017 Clean Air Plan. A new cannabis business occupying a tenant space would be required to obtain Registration with the San José Police Department. Therefore, the proposed new regulations would result in a less than significant impact to air quality. **[Same Impact As Approved Project (Less Than Significant Impact)]**

d) Create objectionable odors affecting a substantial number of people?

As of August 31, 2018, the City has received three odor complaints related to a Registered cannabis business. Two complaints were confirmed, inspections were completed, the violations were verified by the Code Enforcement Division of the Department of Planning, Building & Code Enforcement, and the issues have been corrected. The third is being addressed through civil litigation; City staff continues to monitor that process.¹

This number of confirmed complaints discussed above is below the “BAAQMD California Environmental Quality Act Air Quality Guidelines May 2017” threshold of significance, which is five complaints annually for each facility, with the number of complaints averaged over a three-year period.

¹ Email communication with David Woolsey, San José Police Department, October 9, 2018.

The proposed Municipal Code amendments include provisions for regulating odors. The proposed Code amendments prohibit uses that would be dangerous, obnoxious, or offensive because of odors, smoke, noise, dust, vibration, radiation or fumes, or in a manner that creates a public or private nuisance. Further, odors from these businesses will be reduced because the Code amendments prohibit incineration, and Title 6 requires cannabis to be packaged, which should help contain odors at manufacturing and distribution sites. Manufacturing would be required to be indoors. Lastly, the proposed Municipal Code Amendments establish separation requirements between potential cannabis businesses and sensitive receptors. These provisions would limit objectionable odors that affect a substantial number of people to a less than significant impact from potential cannabis manufacturing, distribution, or testing facilities.

As discussed in *Section 3.0 Project Description*, the proposed Municipal Code changes do not involve any direct physical changes to the environment, and cannabis manufacturing, distribution, or testing would be “Restricted” uses pursuant to a Zoning Code Verification Certificate and Registration under the regulations in San José. The proposed changes could result in operations that produce odors. Future development would be subject to development-project-level, site-specific environmental review pursuant to CEQA if a new structure is proposed (e.g., Development Permit). During the Registration process for cannabis manufacturing, distribution, or cannabis testing uses, the potential for the proposed uses to produce objectionable odors would be evaluated in compliance with provisions for obtaining Registration established in Title 6 of the Municipal Code. A new business occupying a tenant space would be required to comply with these provisions prior to obtaining Registration with the San José Police Department. Therefore, the proposed new regulations would result in a less than significant impact to odors. **[Same Impact As Approved Project (Less Than Significant Impact)]**

4.4 BIOLOGICAL RESOURCES

4.4.1 Environmental Checklist

	New Potentially Significant Impact	New Less Than Significant With Mitigation Incorporated	New Less Than Significant Impact	Same Impact As Approved Project	Less Impact Than Approved Project	Checklist Source(s)
Would the project:						
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife (CDFW) or United States Fish and Wildlife Service (USFWS)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the CDFW or USFWS?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2

	New Potentially Significant Impact	New Less Than Significant With Mitigation Incorporated	New Less Than Significant Impact	Same Impact As Approved Project	Less Impact Than Approved Project	Checklist Source(s)
Would the project:						
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2

4.4.2 Impact Discussion

a)-d) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the CDFW or USFWS?

Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the CDFW or USFWS?

Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?

Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, impede the use of native wildlife nursery sites?

The proposed Municipal Code amendments establishing provisions for a Zoning Code Verification Certificate and Registration for cannabis manufacturing, distribution and testing would create less than significant impacts to biological resources because these facilities would be in the urban environment of San José. There are biological resources located in urban environments such as vegetation, waterbodies, and plant and animal species; however, manufacturing operations would only be allowed to occur indoors. Any building expansions, new construction, signs, etc., would all need to comply with the same Codes and Policies (including CEQA, if applicable) as any other physical development projects.

As discussed in *Section 3.0 Project Description*, the proposed Municipal Code amendments do not involve any direct physical changes to the environment, although cannabis manufacturing, distribution and testing would be Restricted uses under the regulations in San José. Future development would be subject to development-project-level, site-specific environmental review pursuant to CEQA if a new structure is proposed (e.g., Development Permit). During the environmental review process for a Development Permit, the potential for the proposed development to result in substantial adverse effects on candidate, sensitive, or special status species, identified sensitive natural communities, federally protected wetlands, or native resident or migratory fish or

wildlife species would be evaluated and mitigation measures would be identified, as necessary. Unlike land uses that are 'Permitted,' in the Zoning Code or that require a Planning use permit, the proposed cannabis uses would not run with the land. Instead, the proposed cannabis uses would require Registration of the business operator with the Police Department. The Registration would be valid for a year. Renewal of the Registration with the Police Department may occur prior to the expiration of the currently valid Registration. This would cause a less than significant impact to biological resources compared to that of the existing conditions. Therefore, the proposed new regulations would result in a less than significant impact. **[Same Impact As Approved Project (Less Than Significant Impact)]**

e-f) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance? Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?

As discussed in *Section 3.0 Project Description*, the proposed Municipal Code amendments do not involve any direct physical changes to the environment, although new cannabis manufacturing, distribution and testing facilities would be Restricted uses pursuant to a Zoning Code Verification Certificate and Registration under the regulations. Future development would be subject to development-project-level, site-specific environmental review pursuant to CEQA if a new structure is proposed (e.g., Development Permit). During the environmental review process, the potential for the proposed development to conflict with any local policies or ordinances protecting biological resources would be evaluated and mitigation measures would be identified, as necessary. Trees removed during future development in the City of San José would be replaced at ratios consistent with the City's Tree Ordinance. During the environmental review process of a Development Permit, the potential for the proposed development to result in a conflict with an adopted habitat conservation plan or natural community conservation plan would be evaluated and mitigation measures would be identified, as necessary. Future development of site improvements in the City of San José would require an approved Development Permit, and would be required to comply with the Santa Clara Valley Habitat Plan/Natural Community Conservation Plan. Therefore, the proposed new regulations would result in a less than significant impact. **[Same Impact As Approved Project (Less Than Significant Impact)]**

4.5 CULTURAL RESOURCES

4.5.1 Environmental Checklist

	New Potentially Significant Impact	New Less Than Significant With Mitigation Incorporated	New Less Than Significant Impact	Same Impact As Approved Project	Less Impact Than Approved Project	Checklist Source(s)
Would the project:						
a) Cause a substantial adverse change in the significance of an historical resource as defined in CEQA Guidelines Section 15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
b) Cause a substantial adverse change in the significance of an archaeological resource as defined in CEQA Guidelines Section 15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
c) Directly or indirectly destroy a unique paleontological resource or site, or unique geologic feature?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
d) Disturb any human remains, including those interred outside of formal cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2

4.5.2 Impact Discussion

a)-d) Cause a substantial adverse change in the significance of an historical resource? Cause a substantial adverse change in the significance of an archaeological resource? Directly or indirectly destroy a unique paleontological resource or site, or unique geologic feature? Disturb any human remains, including those interred outside of formal cemeteries?

The Municipal Code amendments for the proposed cannabis manufacturing, distribution and testing uses would have a less than significant impact on cultural resources. Any building expansions, new construction, signs, etc., would need to comply with the same Codes and Policies (including CEQA, if applicable) as any other physical development projects. City Policies and Municipal Code requirements would continue to apply to these uses.

As discussed in *Section 3.0 Project Description*, the proposed Municipal Code amendments do not involve any direct physical changes to the environment. The Municipal Code Amendments would create provisions for new cannabis manufacturing, distribution and testing uses as “Restricted” uses pursuant to specific locational restrictions for locations in industrial zoning districts through a Zoning Code Verification Certificate and Registration. Future development would be subject to development-project-level, site-specific environmental review pursuant to CEQA if a new structure is proposed (e.g., Development Permit). During the environmental review process of a Development Permit, the potential for the proposed development to result in substantial adverse effects on cultural

resources would be evaluated and mitigation measures would be identified, as necessary. A new cannabis business occupying a tenant space would be required to obtain registration with the San José Police Department. Occupation of improved buildings would not result in new disturbed area and would be like other industrial uses occupying the spaces. This would not impact sub-surface cultural resources greater than that of the existing conditions. Therefore, the proposed new regulations would result in a less than significant impact. **[Same Impact As Approved Project (Less Than Significant Impact)]**

4.6 GEOLOGY AND SOILS

4.6.1 Environmental Checklist

	New Potentially Significant Impact	New Less Than Significant With Mitigation Incorporated	New Less Than Significant Impact	Same Impact As Approved Project	Less Impact Than Approved Project	Checklist Source(s)
Would the project:						
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:						
1. Rupture of a known earthquake fault, as described on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault (refer to Division of Mines and Geology Special Publication 42)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
2. Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
3. Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
4. Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
b) Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
c) Be located on a geologic unit or soil that is unstable, or that will become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
d) Be located on expansive soil, as defined in Section 1802.3.2 of the California Building Code (2007), creating substantial risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2

	New Potentially Significant Impact	New Less Than Significant With Mitigation Incorporated	New Less Than Significant Impact	Same Impact As Approved Project	Less Impact Than Approved Project	Checklist Source(s)
Would the project:						
e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2

4.6.2 Impact Discussion

a)-e) **Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving: i) rupture of a known earthquake fault, ii) strong seismic ground shaking, iii) seismic-related ground failure, or iv) landslides?**

Result in substantial soil erosion or the loss of topsoil?

Be located on a geologic unit or soil that is unstable, or that will become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?

Be located on expansive soil, as defined in Section 1802.3.2 of the California Building Code (2007), creating substantial risks to life or property?

Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?

The proposed Municipal Code amendments for cannabis manufacturing, distribution and testing uses would result in less than significant impacts to geology or soils. Any building expansions, new construction, signs, etc. would comply with the same regulations and Policies (including CEQA, if applicable) as any other physical development projects. City Policies and Municipal Code requirements would apply to these uses.

As discussed in *Section 3.0 Project Description*, the proposed Municipal Code changes do not involve any direct physical changes to the environment because cannabis manufacturing, distribution and testing uses would be a Restricted use pursuant to a Zoning Code Verification Certificate and Registration. Future development would be subject to development-project-level, site-specific environmental review pursuant to CEQA if a new structure is proposed (e.g., Development Permit). During the environmental review process of a Development Permit, the potential for the proposed development to result in significant geology and soils impacts would be evaluated and mitigation measures would be identified, as necessary. Future development would be required to comply with the most current California Building Code standards. A new cannabis business occupying a tenant space would be required to obtain Registration with the San José Police Department. Because these

businesses would occupy existing buildings and engage in operations indoors, they would have a less than significant impact on geology and soils compared to that of the existing conditions. Therefore, the proposed new regulations would result in a less than significant impact. [**Same Impact As Approved Project (Less Than Significant Impact)**]

4.7 GREENHOUSE GAS EMISSIONS

4.7.1 Environmental Checklist

	New Potentially Significant Impact	New Less Than Significant With Mitigation Incorporated	New Less Than Significant Impact	Same Impact As Approved Project	Less Impact Than Approved Project	Checklist Source(s)
Would the project:						
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2

4.7.2 Impact Discussion

a)-b) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment? Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?

The Municipal Code amendments establishing the provisions for cannabis manufacturing, distribution and testing uses would not significantly increase greenhouse gas emissions because potential uses would either be located in existing buildings; replaces uses that generate similar amounts of traffic, and therefore similar amounts of greenhouse gases; or propose new development that would be subject to additional environmental review and would be required to be consistent with the City's adopted regulations and Policies pertaining to land use development.

As discussed in *Section 3.0 Project Description*, the proposed Municipal Code changes do not involve any direct physical changes to the environment. While cannabis manufacturing, distribution and testing uses may result in new Restricted uses, the proposed changes could incrementally increase vehicle miles travelled (VMT) and, therefore, could generate additional greenhouse gas (GHG) emissions. Future development would be subject to development-project-level, site-specific environmental review pursuant to CEQA. During the environmental review process, the potential for the proposed development to generate GHG emissions or conflict with applicable plans, policies, or regulations adopted for reducing GHG emissions would be evaluated and mitigation measures would be identified, as necessary. Future development would be required to conform to the City's GHG Reduction Strategy. Unlike land uses that are "Permitted," in the Zoning Code or that require a Planning use permit, the proposed cannabis uses would not run with the land. Instead, the proposed cannabis uses would require Registration of the business operator with the Police Department. The Registration would be valid for a year. Renewal of the Registration with the Police Department may occur prior to the expiration of the currently valid Registration. Therefore, the proposed new regulations would result in a less than significant impact. **[Same Impact As Approved Project (Less Than Significant Impact)]**

4.8 HAZARDS AND HAZARDOUS MATERIALS

4.8.1 Environmental Checklist

	New Potentially Significant Impact	New Less Than Significant With Mitigation Incorporated	New Less Than Significant Impact	Same Impact As Approved Project	Less Impact Than Approved Project	Checklist Source(s)
Would the project:						
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, will it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, will the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
f) For a project within the vicinity of a private airstrip, will the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2

	New Potentially Significant Impact	New Less Than Significant With Mitigation Incorporated	New Less Than Significant Impact	Same Impact As Approved Project	Less Impact Than Approved Project	Checklist Source(s)
Would the project:						
g) Impair implementation of, or physically interfere with, an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2

4.8.2 Impact Discussion

a)-h) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?

Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?

Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?

Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, will it create a significant hazard to the public or the environment?

For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, will the project result in a safety hazard for people residing or working in the project area?

For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?

Impair implementation of, or physically interfere with, an adopted emergency response plan or emergency evacuation plan?

Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?

The proposed amendments to the Municipal Code establishing provisions for cannabis manufacturing, distribution, and testing as “Restricted” uses would create less than significant impacts from hazards or the use of hazardous materials. Future proposed facilities would be required to comply with the City’s existing Hazardous Materials Ordinance. Further, a Hazardous Materials Management Plan for the site may need to be approved by the San José Fire Department Prevention Bureau prior to issuance of a business license for a cannabis manufacturing, distribution, or testing business. Cannabis business operators would be required to contact the Hazardous Materials Division of the Fire Department prior to operating the business to determine whether a Hazardous Materials Plan Review is required. If required by the Hazardous Materials Division, a Hazardous Materials Management Plan would be prepared by applicants and include general project/applicant information, a general facility description, facility storage map, hazardous materials inventory statement, separation of materials information, description of monitoring systems, record-keeping forms, and emergency equipment information.

As discussed in *Section 3.0 Project Description*, the proposed Municipal Code changes do not involve any direct physical changes to the environment. While cannabis manufacturing, distribution and testing uses would be considered Restricted uses pursuant to a Zoning Code Verification Certificate and Registration under the regulations, development of new facilities would be subject to development-project-level, site-specific environmental review pursuant to CEQA as part of a Development Permit. During the environmental review process of a Development Permit, the potential for the proposed development to result in impacts because of hazards and hazardous materials would be evaluated and mitigation measures would be identified, as necessary. Numerous laws and regulations are in place at the Federal, State, and local levels to ensure the safe handling, transport, use, storage, and disposal of hazardous materials. Future development and new cannabis businesses occupying an existing tenant space would comply with all applicable Federal, State, and local hazardous material laws and regulations. Therefore, the proposed new regulations would result in a less than significant impact. **[Same Impact As Approved Project (Less Than Significant Impact)]**

4.9 HYDROLOGY AND WATER QUALITY

4.9.1 Environmental Checklist

	New Potentially Significant Impact	New Less Than Significant With Mitigation Incorporated	New Less Than Significant Impact	Same Impact As Approved Project	Less Impact Than Approved Project	Checklist Source(s)
Would the project:						
a) Violate any water quality standards or waste discharge requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there will be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells will drop to a level which will not support existing land uses or planned uses for which permits have been granted)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which will result in substantial erosion or siltation on-or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which will result in flooding on-or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
e) Create or contribute runoff water which will exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
f) Otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2

	New Potentially Significant Impact	New Less Than Significant With Mitigation Incorporated	New Less Than Significant Impact	Same Impact As Approved Project	Less Impact Than Approved Project	Checklist Source(s)
Would the project:						
g) Place housing within a 100-year flood hazard area as mapped on a Federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
h) Place within a 100-year flood hazard area structures which will impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
j) Inundation by seiche, tsunami, or mudflow?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2

4.9.2 Impact Discussion

a) **Violate any water quality standards or waste discharge requirements?**

Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there will be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells will drop to a level which will not support existing land uses or planned uses for which permits have been granted)?

Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which will result in substantial erosion or siltation on-or off-site?

Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which will result in flooding on-or off-site?

Create or contribute runoff water which will exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?

Otherwise substantially degrade water quality?

Place housing within a 100-year flood hazard area as mapped on a Federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?

Place within a 100-year flood hazard area structures which will impede or redirect flood flows?

Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?

Result in inundation by seiche, tsunami, or mudflow?

The proposed Municipal Code amendments establishing the provisions for cannabis manufacturing, distribution and testing as “Restricted” uses pursuant to a Zoning Code Verification Certificate and Registration would have a less than significant impact on hydrology and water quality. Any building expansions, new construction, signs, etc., would all need to comply with the same regulations and Policies (including CEQA, if applicable) as any other physical construction projects. City Policies and Municipal Code requirements would apply to these uses. A sampling of agencies’ regulations includes the following:

The Federal Clean Water Act and California’s Porter-Cologne Water Quality Control Act are the primary laws related to water quality. Regulations set forth by the U.S. Environmental Protection Agency (EPA) and the State Water Resources Control Board (SWRCB) have been developed to fulfill the requirements of this legislation. EPA’s regulations include the National Pollutant Discharge Elimination System (NPDES) permit program, which controls sources that discharge pollutants into the waters the United States (e.g., streams, lakes, bays, etc.). These regulations are implemented at the regional level by the regional water quality control boards, which for the San José area is the San Francisco Bay Regional Water Quality Control Board (RWQCB).

Statewide Construction General Permit

The SWRCB has implemented a NPDES Construction General Permit (CGP) for the state. Projects disturbing one acre or more of soil must obtain permit coverage under the CGP by filing a Notice of Intent (NOI) and Storm Water Pollution Prevention Plan (SWPPP) with the SWRCB prior to commencement of construction. The CGP, which became effective July 1, 2010, includes requirements for training, inspections, record keeping, and for projects of certain risk levels, monitoring.

Municipal Regional Stormwater NPDES Permit (MRP)/C.3 Requirement

The RWQCB has issued a Municipal Regional Stormwater NPDES Permit (MRP) (Permit Number CAS612008) to standardize stormwater management requirements throughout the region. This permit replaces the formerly separate countywide stormwater permits with a regional permit for 77 Bay Area municipalities including the City of San José. Under the provisions of the MRP, redevelopment projects that create or replace 10,000 square feet or more of impervious surfaces are required to design and install Low Impact Development (LID) controls to treat post-construction stormwater runoff from the site. Examples of LID controls include rainwater harvesting/re-use, infiltration, and biotreatment. The MRP also requires that stormwater treatment measures are properly installed, operated and maintained.

City of San José Grading Ordinance

All development projects, whether subject to the CGP or not, shall comply with the City of San José's Grading Ordinance, which requires the use of erosion and sediment controls to protect water quality while a site is under construction.

City of San José Post-Construction Urban Runoff Management (Policy 6-29) and Hydromodification Management (Policy 8-14)

The MRP mandates the City of San José use its planning and development review authority to require that stormwater management measures such as Site Design, Pollutant Source Control, and Treatment measures are included in new and redevelopment projects to minimize and properly treat stormwater runoff. The City of San José's Post-Construction Urban Runoff Management Policy (Policy 6-29) implements the stormwater treatment requirements of Provision C.3 of the MRP. Policy 6-29 requires all new development and redevelopment project to implement post-construction BMPs and Treatment Control Measures (TCMs) to the maximum extent practicable. This policy also establishes specific design standards for post-construction TCMs for projects that create, add, or replace 10,000 square feet or more of impervious surfaces.

The City's Post-Construction Hydromodification Management Policy (Policy 8-14) establishes an implementation framework for incorporating measures to control hydromodification impacts from development projects. Development projects that create and/or replace one acre or more of impervious surface and are in a sub-watershed or catchment that is less than 65 percent impervious, must manage increases in runoff flow and volume so that post-project runoff shall not exceed estimated pre-project rates and durations. Based on the SCVUPPP watershed map for the City of San José, the project site is exempt from the NPDES hydromodification requirements because it is in a subwatershed greater than or equal to 65 percent impervious.²

As discussed in *Section 3.0 Project Description*, the proposed Municipal Code changes do not involve any direct physical changes to the environment. While cannabis manufacturing, distribution and testing uses would be "Restricted" uses pursuant to a Zoning Code Verification Certificate and Registration, future development would be subject to development-project-level, site-specific environmental review pursuant to CEQA as part of the Development Permit review. During the environmental review process, the potential for the proposed development to result in significant hydrology and water quality impacts would be evaluated and mitigation measures would be identified, as necessary. Unlike land uses that are 'Permitted,' in the Zoning Code or that require a Planning use permit, the proposed cannabis uses would not run with the land. Instead, the proposed cannabis uses would require Registration of the business operator with the Police Department. The Registration would be valid for a year. Renewal of the Registration with the Police Department may occur prior to the expiration of the currently valid Registration. Therefore, the proposed new regulations would result in a less than significant impact. **[Same Impact As Approved Project (Less Than Significant Impact)]**

² Santa Clara Valley Urban Runoff Pollution Prevention Program. *Hydromodification Management Applicability Maps*. Accessed: March 7, 2018. Available at: http://www.securppp-w2k.com/hmp_maps.htm.

4.10 LAND USE AND PLANNING

4.10.1 Environmental Checklist

	New Potentially Significant Impact	New Less Than Significant With Mitigation Incorporated	New Less Than Significant Impact	Same Impact As Approved Project	Less Impact Than Approved Project	Checklist Source(s)
Would the project:						
a) Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2

4.10.2 Impact Discussion

a)-c) Physically divide an established community?

Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project adopted for the purpose of avoiding or mitigating an environmental effect?

Conflict with any applicable habitat conservation plan or natural community conservation plan?

The proposed Municipal Code amendments would establish provisions for cannabis manufacturing, distribution and testing uses as “Restricted” uses in specified industrial zoning districts. These uses would be pursuant to a Zoning Code Verification Certificate and Registration prior to operating these uses in specified industrial zoning districts, consistent with the character and intensity of the use and consistent with permitted industrial uses in those zoning districts, and therefore would not divide an established community. The proposed ordinance and its minimum required distance criteria from sensitive uses would reinforce boundaries between sensitive land uses and potential cannabis-related uses. Building expansions, new construction, signs, etc., would need to comply with the same regulations and Policies (including CEQA, if applicable) as any other physical development projects. City Policies and regulations would continue to apply to these uses.

As discussed in *Section 3.0 Project Description*, the proposed Municipal Code changes do not involve any direct physical changes to the environment, although cannabis manufacturing, distribution and testing uses would be “Restricted” uses pursuant to a Zoning Code Verification Certificate and Registration under the regulations. Development of new facilities under the proposed regulations would be subject to development-project-level, site-specific environmental review pursuant to CEQA as part of a Development Permit. During the environmental review process for a Development Permit, the potential for the proposed development to physically divide an established community, conflict with any applicable land use plan, policy, or regulation, or conflict with any habitat conservation plan or natural community conservation plan would be evaluated and mitigation measures would be identified, as necessary. As discussed in *Section 4.4 Biological Resources*, future development would be required to comply with the Santa Clara Valley Habitat Plan/Natural Community Conservation Plan. Unlike land uses that are 'Permitted,' in the Zoning Code or that require a Planning use permit, the proposed cannabis uses would not run with the land. Instead, the proposed cannabis uses would require Registration of the business operator with the Police Department. The Registration would be valid for a year. Renewal of the Registration with the Police Department may occur prior to the expiration of the currently valid Registration. The registration of cannabis uses would not divide an established community because the uses would be located in already existing buildings. Therefore, the proposed new regulations would result in a less than significant impact. **[Same Impact As Approved Project (Less Than Significant Impact)]**

4.11 MINERAL RESOURCES

4.11.1 Environmental Checklist

	New Potentially Significant Impact	New Less Than Significant With Mitigation Incorporated	New Less Than Significant Impact	Same Impact As Approved Project	Less Impact Than Approved Project	Checklist Source(s)
Would the project:						
a) Result in the loss of availability of a known mineral resource that will be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2

4.11.2 Impact Discussion

a)-b) Result in the loss of availability of a known mineral resource that will be of value to the region and the residents of the state? Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?

The State Mining and Geology Board under the Surface Mining and Reclamation Act of 1975 (SMARA) has designated an area of Communications Hill in Central San José, bounded by the Union Pacific Railroad, Curtner Avenue, State Route 87, and Hillsdale Avenue, as a regional source of construction aggregate materials. Other than the Communications Hills area, San José does not have mineral deposits subject to SMARA.

The proposed Municipal Code amendments establishing the provisions for cannabis manufacturing, distribution and testing as “Restricted” uses pursuant to a Zoning Code Verification Certificate and Registration would create less than significant impacts to mineral resources. These code amendments apply to industrial zoning districts. These industrial areas are in substantially urbanized portions of the City, therefore making their potential for containing mineral resources low.

As discussed in *Section 3.0 Project Description*, the proposed Municipal Code changes do not involve any direct physical changes to the environment. Future development proposals would be subject to development-project-level, site-specific environmental review pursuant to CEQA. During the environmental review process for a Development Permit, the potential for a proposed project to result in the loss of availability of a known mineral resource or a locally important mineral resource recovery site would be evaluated and mitigation measures would be identified, as necessary. Further, a new cannabis business occupying a tenant space would be required to obtain Registration from the San José Police Department. Because these business will occupy existing structures, they would not

impact mineral resources greater than that of the existing conditions. Loss of known mineral resources or a locally-important mineral recovery site would not occur because existing structures occupy the sites and potential uses of the site would not involve mineral extraction. Therefore, the proposed new regulations would result in a less than significant impact. **[Same Impact As Approved Project (Less Than Significant Impact)]**

4.12 NOISE AND VIBRATION

4.12.1 Environmental Checklist

	New Potentially Significant Impact	New Less Than Significant With Mitigation Incorporated	New Less Than Significant Impact	Same Impact As Approved Project	Less Impact Than Approved Project	Checklist Source(s)
Would the project result in:						
a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
b) Exposure of persons to, or generation of, excessive groundborne vibration or groundborne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, will the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
f) For a project within the vicinity of a private airstrip, will the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2

4.12.2 Impact Discussion

a)-f) Result in exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?

Result in exposure of persons to, or generation of, excessive groundborne vibration or groundborne noise levels?

Result in a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?

Result in a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project

For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, will the project expose people residing or working in the project area to excessive noise levels?

For a project within the vicinity of a private airstrip, will the project expose people residing or working in the project area to excessive noise levels?

The proposed Municipal Code amendments establishing regulations for cannabis manufacturing, distribution and testing uses pursuant to a Zoning Code Verification Certificate and Registration would result in less than significant noise impacts. Cannabis manufacturing would occur inside buildings, which would insulate the noise generated by business operations. San José Municipal Code Chapter 20.50 states that for enumerated land uses in the City’s Industrial Zoning Districts “the sound pressure level generated by any use or combination of uses shall not exceed the decibel level at any property line as shown in Table 20-135, except upon issuance and in compliance with a Special Use Permit as provided in Chapter 20.100.” These provisions would limit noise from the proposed cannabis uses. Further, proposed development would be required to meet the City’s existing adopted regulations and Policies pertaining to noise. Operation of cannabis manufacturing, distribution, or testing uses would be subject to Zoning Ordinance requirements for noise.

As discussed in *Section 3.0 Project Description*, the proposed Municipal Code changes do not involve any direct physical changes to the environment. Future development would be subject to development-project-level, site-specific environmental review pursuant to CEQA as part of the Development Permit review process. During the environmental review process for said Development Permit, the potential for the proposed development to result in substantial noise or vibration impacts would be evaluated and mitigation measures would be identified, as necessary. Occupation of improved buildings would be similar to permitted industrial uses occupying the spaces, and would be subject to Municipal Code standards that limit noise from industrial operations. Lastly, the proposed Municipal Code amendments establish separation requirements between restricted cannabis businesses and other uses, which will further reduce noise impacts from business operations. Therefore, the proposed new regulations would result in a less than significant impact. **[Same Impact As Approved Project (Less Than Significant Impact)]**

4.13 POPULATION AND HOUSING

4.13.1 Environmental Checklist

	New Potentially Significant Impact	New Less Than Significant With Mitigation Incorporated	New Less Than Significant Impact	Same Impact As Approved Project	Less Impact Than Approved Project	Checklist Source(s)
Would the project:						
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2

4.13.2 Impact Discussion

- a) **Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?**

The proposed Municipal Code amendments establishing regulations for cannabis manufacturing, distribution and testing uses as “Restricted” uses pursuant to a Zoning Code Verification Certificate and Registration would not result in substantial growth, either directly or indirectly.

As discussed in *Section 3.0 Project Description*, the proposed Municipal Code changes do not involve any direct physical changes to the environment. Any new or modified facilities that occur indirectly are not expected to attract or support large employment populations to San José specifically. The facilities are similar in physical form and intensity of uses to existing permitted warehouse/manufacturing uses and, therefore, the potential for the proposed amended regulations to induce substantial population growth is minimal. Therefore, the proposed new regulations would result in a less than significant impact. **[Same Impact As Approved Project (Less Than Significant Impact)]**

- b)-c) **Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?**

Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?

The proposed Municipal Code amendments establishing regulations for cannabis manufacturing, distribution and testing as “Restricted” uses pursuant to a Zoning Code Verification Certificate and Registration in industrial zoning districts would not displace people or housing units. The proposed amendments would not displace people or housing resulting in the construction of replacement housing because cannabis manufacturing, distribution and testing uses would not take place in a residential area.

As discussed in *Section 3.0 Project Description*, the proposed Municipal Code changes do not involve any direct physical changes to the environment, although cannabis manufacturing, distribution, or testing uses would be “Restricted” uses that may occur pursuant to a Zoning Code Verification Certificate. Future development would be subject to development-project-level, site-specific environmental review pursuant to CEQA. Further, a new cannabis business occupying an existing tenant space would be required to obtain Registration with the San José Police Department. Occupation of improved buildings would be similar in physical form and intensity to permitted industrial uses occupying spaces in industrial zoning districts. These occupancies would not displace housing or people because the spaces would be unoccupied tenant spaces first, in order to be able to be leased to a cannabis business. Therefore, the proposed new regulations would result in a less than significant impact. **[Same Impact As Approved Project (Less Than Significant Impact)]**

4.14 PUBLIC SERVICES

4.14.1 Environmental Checklist

	New Potentially Significant Impact	New Less Than Significant With Mitigation Incorporated	New Less Than Significant Impact	Same Impact As Approved Project	Less Impact Than Approved Project	Checklist Source(s)
Would the project						
a) Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
- Fire Protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
- Police Protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
- Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
- Parks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
- Other Public Facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2

4.14.2 Impact Discussion

a) Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for public services?

The proposed Municipal Code amendments establishing regulations that restrict cannabis manufacturing, distribution, or testing uses pursuant to a Zoning Code Verification Certificate and Registration would have a less than significant impact on public services. The proposed Municipal Code amendments would have a less than significant impact because the cannabis manufacturing, distribution, or testing uses would be subject to the Title 6 and Title 20 criteria related to distances standards from schools, parks, and other public facilities consistent with State law. Any proposed use would be similar in intensity and character to permitted industrial uses in industrial zoning districts and would be subject to the provisions and ministerial permitting requirements of the Fire Code. Additionally, the San José Police Department has proposed amendments to Title 6, and has not issued statements objecting to the proposed ordinances. Therefore, the proposed Municipal Code amendments would result in a less than significant impact to public services.

As discussed in *Section 3.0 Project Description*, the proposed Municipal Code changes do not involve any direct physical changes to the environment, although cannabis manufacturing, distribution, or testing uses would be “Restricted” uses pursuant to a Zoning Code Verification Certificate and Registration. New or modified facilities are not expected to attract or support large employment populations to San José specifically. The facilities are similar in physical form and intensity of uses to warehouse/manufacturing uses, and therefore the proposed ordinance and regulation amendments would not result in increased demands for public services that would cause the need for new or physically altered governmental facilities. The cannabis manufacturing, distribution, or testing uses restricted under the ordinances pursuant to a Zoning Code Verification Certificate and Registration would be operated in compliance with Fire and Building codes, as well as other life-safety codes, and may generate calls for emergency personnel at various times. However, calls for service are a fiscal impact, and the facilities will pay taxes and other fees to help offset any increased calls for service. CEQA is not concerned with fiscal impacts that do not translate to physical changes to the environment. Therefore, the proposed new regulations would result in a less than significant impact. **[Same Impact As Approved Project (Less Than Significant Impact)]**

4.15 RECREATION

4.15.1 Environmental Checklist

	New Potentially Significant Impact	New Less Than Significant With Mitigation Incorporated	New Less Than Significant Impact	Same Impact As Approved Project	Less Impact Than Approved Project	Checklist Source(s)
a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility will occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2

4.15.2 Impact Discussion

a)-b) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility will occur or be accelerated?

Include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?

The proposed Municipal Code amendments establishing regulations that restrict cannabis manufacturing, distribution and testing uses pursuant to a Zoning Code Verification Certification and Registration would result in a less than significant impact to recreation. The impact would be less than significant because the Municipal Code amendments require a minimum required distance separation from sensitive uses consistent with State law.

As discussed in *Section 3.0 Project Description*, the proposed Municipal Code changes do not involve any direct physical changes to the environment. Cannabis manufacturing, distribution and testing uses would be “Restricted” uses pursuant to a Zoning Code Verification Certificate and Registration. New facilities and occupation of existing facilities, required to obtain Registration with the San José Police Department, are not expected to attract to or support large employment populations in San José specifically. These facilities are similar in physical form and intensity of uses to permitted warehouse/manufacturing uses operating in industrial zoning districts, and do not include recreational facilities nor require construction or expansion of recreational facilities that might have an adverse effect on the environment. Therefore, the proposed new regulations would result in a less than significant impact. **[Same Impact As Approved Project (Less Than Significant Impact)]**

4.16 TRANSPORTATION/TRAFFIC

4.16.1 Environmental Checklist

	New Potentially Significant Impact	New Less Than Significant With Mitigation Incorporated	New Less Than Significant Impact	Same Impact As Approved Project	Less Impact Than Approved Project	Checklist Source(s)
Would the project:						
a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
b) Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible land uses (e.g., farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
e) Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
f) Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2

4.16.2 Impact Discussion

- a), b), f) **Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?**

Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?

Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?

The proposed Municipal Code amendments establishing regulations that restrict the use of cannabis manufacturing, distribution, or testing facilities pursuant to a Zoning Code Verification Certificate and Registration would result in less than significant transportation or traffic impacts. The Municipal Code amendments prohibit cannabis from being dispensed from any of the potential facilities. Therefore, the potential cannabis manufacturing, distribution, or testing uses would have similar transportation characteristics as uses permitted in industrial zoning districts, such as warehouses and distribution centers.

As discussed in *Section 3.0 Project Description*, the proposed Municipal Code changes do not involve any direct physical changes to the environment. Cannabis manufacturing, distribution, or testing facilities would be Restricted uses, pursuant to a Zoning Code Verification Certificate and Registration, and may require development of new facilities. Future development would be subject to development-project-level, site-specific environmental review pursuant to CEQA as part of a Development Permit. During the environmental review process, the potential for any proposed cannabis manufacturing, distribution, or testing uses to conflict with any applicable plans, policies, or regulations regarding transportation would be evaluated and mitigation measures would be identified, as necessary. Therefore, the proposed new regulations would result in a less than significant impact.

A new cannabis manufacturing, distribution or testing operation may occupy an existing tenant space in the identified industrial zoning districts, pursuant to Registration with the San José Police Department. Deliveries may occur during peak hours at times, but there is not expected to be a high volume of delivery vehicles, and those trips would also be made off-peak at times. The proposed cannabis businesses would generate comparable levels of traffic to that of other industrial uses located on similarly zoned industrial sites. Therefore, the proposed new regulations would result in a less than significant impact. **[Same Impact As Approved Project (Less Than Significant Impact)]**

- c) **Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?**

As discussed in *Section 3.0 Project Description*, the proposed Municipal Code changes do not involve any direct physical changes to the environment, although cannabis manufacturing, distribution, or testing uses may be established as “Restricted” uses pursuant to a Zoning Code

Verification Certificate and Registration. Future development would be subject to development-project-level, site-specific environmental review pursuant to CEQA during Development Permit review. During the environmental review process, the potential for the proposed development to result in a change in air traffic patterns would be evaluated and mitigation measures would be identified, as necessary. Registering with the San José Police Department for occupation of existing structures in industrial zoning districts would result in a less than significant impact to air traffic patterns because the physical structures have already been constructed and evaluated for impacts to air traffic patterns, levels or location. Therefore, the proposed new regulations would result in a less than significant impact. **[Same Impact As Approved Project (Less Than Significant Impact)]**

d)-e) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible land uses (e.g., farm equipment)? Result in inadequate emergency access?

As discussed in *Section 3.0 Project Description*, the proposed Municipal changes do not involve any direct physical changes to the environment, although cannabis manufacturing, distribution, or testing facilities would be “Restricted” uses pursuant to a Zoning Code Verification Certificate and Registration under the regulations. Development of new structures for occupation by the Restricted uses under the proposed regulations would be subject to development-project-level, site-specific environmental review pursuant to CEQA as part of the Development Permit review process. During the environmental review process, the potential for the proposed development to substantially increase hazards due to a design feature or incompatible land use or result in inadequate emergency access would be evaluated and mitigation measures would be identified, as necessary.

Existing structures in industrial zoning districts would result in a less than significant impact due to a hazard or design feature or result inadequate emergency access because they have already been established as existing structures, and new tenant improvements would require review by the Department of Planning, Building and Code Enforcement, Fire Department, and other City departments for compliance with City Policies and regulations. These provisions would be implemented so that tenant improvements do not result hazardous design features or inadequate emergency access, and therefore, the proposed new regulations would result in a less than significant impact. **[Same Impact As Approved Project (Less Than Significant Impact)]**

4.17 UTILITIES AND SERVICE SYSTEMS

4.17.1 Environmental Checklist

	New Potentially Significant Impact	New Less Than Significant With Mitigation Incorporated	New Less Than Significant Impact	Same Impact As Approved Project	Less Impact Than Approved Project	Checklist Source(s)
Would the project:						
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
c) Require or result in the construction of new stormwater drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2

4.17.2 Impact Discussion

a)-f) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?

Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?

Require or result in the construction of new stormwater drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?

Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?

Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?

Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs

The proposed Municipal Code amendments establishing the regulations that restrict cannabis manufacturing, distribution, or testing uses pursuant to a Zoning Code Verification Certificate and Registration would not require construction of new facilities for wastewater treatment, storm drainage, water, or waste disposal. The code amendments would restrict new facilities, pursuant to a Zoning Code Verification Certificate and Registration, to be similar in intensity to permitted industrial manufacturing, distribution or testing uses in industrial zoning districts. New wastewater, storm drainage, water or waste disposal facilities would not be required because the ordinance would direct cannabis manufacturing, distribution, or testing uses to locations in the City of San José Urban Service Area where such facilities exist, and have the capacity to serve them.

As discussed in *Section 3.0 Project Description*, the proposed Municipal Code changes do not involve any direct physical changes to the environment. New structures proposed would be subject to development-project-level, site-specific environmental review pursuant to CEQA as part of the Development Permit. During the environmental review process, the potential for the proposed development to result in substantial adverse effects on utilities and service systems would be evaluated and mitigation measures would be identified, as necessary. Occupation of existing facilities would use and discharge comparable amounts of water and wastewater to that of other industrial uses located on similarly zoned industrial sites. Therefore, future cannabis manufacturing, distribution, or testing uses that would be in San José would also be expected to use and discharge comparable amounts of water and wastewater. Therefore, the proposed new regulations would result in a less than significant impact. **[Same Impact As Approved Project (Less Than Significant Impact)]**

4.18 MANDATORY FINDINGS OF SIGNIFICANCE

4.18.1 Environmental Checklist

		New Potentially Significant Impact	New Less Than Significant With Mitigation Incorporated	New Less Than Significant Impact	Same Impact As Approved Project	Less Impact Than Approved Project	Checklist Source(s)
a)	Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
b)	Does the project have impacts that are individually limited, but cumulatively considerable (“cumulatively considerable” means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
c)	Does the project have the potential to achieve short-term environmental goals to the disadvantage of long-term environmental goals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2
d)	Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1-2

4.18.2 Impact Discussion

- a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the**

number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?

- b) Does the project have impacts that are individually limited, but cumulatively considerable?**
- c) Does the project have the potential to achieve short-term environmental goals to the disadvantage of long-term environmental goals?**
- d) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?**

The proposed Municipal Code amendments establishing the regulations that restrict cannabis manufacturing, distribution, or testing uses pursuant to a Zoning Code Verification Certificate and Registration would not result in significant cumulative impacts, would not significantly degrade the quality of the environment, would not significantly reduce the habitat of a fish or wildlife species, threaten a plant or animal community, or rare or endangered plant or animal, or impact cultural resources. The proposed amendments would result in less than significant impacts because the amendments facilitate uses similar in attributes and intensity to Permitted uses or Restricted uses on properties in industrial zoning districts on sites already designated in the General Plan for industrial uses in an urbanized area. Industrial uses in these locations were already evaluated in the General Plan EIR, SEIR, and Addenda thereto. Further, the proposed Municipal Code amendments would not achieve short-term goals to the disadvantage of long-term goals, nor would there be adverse effects on humans, either directly or indirectly.

The analysis provided in this 2018 Initial Study/Negative Declaration, Sections 4.1 through 4.17, documents the proposed regulatory amendments to Title 6 and Title 20 related to cannabis manufacturing, distribution, or testing uses. There would be no significant impacts, either directly or indirectly, resulting from the proposed changes, and therefore none of the conditions included in CEQA Guidelines Section 15162 calling for preparation of an EIR or a Mitigated Negative Declaration are present, and the project qualifies for the IS/ND.

Checklist Sources

1. Professional judgment and expertise of the environmental specialist preparing this assessment, based upon a review of the existing collective facilities in San José and Municipal Code regulations.
2. Medical Marijuana Land Use Regulations Ordinance Initial Study/Negative Declaration, File No. PP11-039.
3. First Addendum to the Medical Marijuana Land Use Regulations Ordinance Initial Study/Negative Declaration, File No. PP11-076.
4. Second Addendum to the Medical Marijuana Land Use Regulations Ordinance Initial Study/Negative Declaration, File No. PP14-030.
5. Third Addendum to the Medical Marijuana Land Use Regulations Ordinance Initial Study/Negative Declaration, File No. PP16-076.
6. Fourth Addendum to the Medical Marijuana Land Use Regulations Ordinance Initial Study/Negative Declaration, File No. PP17-070.

SECTION 5.0 REFERENCES

1. City of San José. *Envision San José 2040 General Plan*.
2. City of San José. *Envision San José 2040 General Plan Environmental Impact Report, Supplemental Environmental Impact Report, and Addenda thereto*.
3. City of San José. *Medical Marijuana Land Use Regulations Ordinance Initial Study/Negative Declaration*. May 2011.
4. City of San José. *Addendum to the Medical Marijuana Land Use Regulations Ordinance Initial Study/Negative Declaration*. September 2011.
5. City of San José. *Addendum to the Medical Marijuana Land Use Regulations Ordinance Initial Study/Negative Declaration*. April 2014.
6. City of San José. *Addendum to the Medical Marijuana Land Use Regulations Ordinance Initial Study/Negative Declaration*. September 2016.
7. City of San José. *Addendum to the Medical Marijuana Land Use Regulations Ordinance Initial Study/Negative Declaration*. October 2017.
8. San José Municipal Code.
9. State of California Code of Regulations.

SECTION 6.0 LEAD AGENCY

6.1 LEAD AGENCY

City of San José

Department of Planning, Building, and Code Enforcement

Rosalynn Hughey, Director

Jenny Nusbaum, Principal Planner

Krinjal Mathur, Environmental Planner

Adam Petersen, Environmental Planner