



**MINUTES OF THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE**

SAN JOSE, CALIFORNIA

MONDAY, JUNE 28, 2021

Consistent with the California Governor’s Executive Order No. N-29-20, Resolution No. 79450 from the City of San José and the Santa Clara County Health Officer’s March 16, 2020 Shelter in Place Order, the City Council meeting was not physically open to the public. Public comments were accepted via eComment, email, by phone/Webinar or online.

The Community and Economic Development Committee of the City of San Jose was teleconferenced from remote locations and convened at 1:30 p.m.

Present: Councilmembers - Foley, Esparza, Mahan, Peralez, Carrasco.

Absent: Councilmembers - All Present.

Staff: Office of the City Manager, Rosalynn Hughey; City Attorney Office, Johnny Phan; City Clerk, Toni Taber; Mayor’s Office, Kelly Kline; and City Clerk’s Office, Yasmin Johnson.

B. Review of Work Plan

1. Economic Recovery Status Report. (Economic Development)

Public Comments: Caller ‘5140’ spoke to Vision Zero costs.

Action: Upon motion by Councilmember Maya Esparza , seconded by Councilmember Matt Mahan and carried unanimously, the Committee dropped and deferred the Fall 2021 Work Plan with committee approval and placed it on the July 28, 2021 Joint Meeting for the Rules and Open Government Committee. (5-0)

Deputy City Manager, Office of the City Manager, Rosalynn Hughey offered the Status Report and responded to questions.

2. Citywide Residential Anti-Displacement Strategy Verbal Status Report. (Housing)

Public Comments: (1) Blair Beekman addressed displacement issues, mixed-income housing, and thanked the staff for extending the Eviction Moratorium to the month of August. (2) Paul Soto stated that gentrification needs to be a priority that's discussed.

Deputy City Manager, Office of the City Manager, Rosalynn Hughey offered the Status Report and responded to questions.

Action: Upon motion by Councilmember Maya Esparza, seconded by Councilmember Matt Mahan and carried unanimously, the Committee dropped and deferred the Citywide Residential Anti-Displacement Strategy from the January- June 2021 Work Plan with committee approval and placed it on the July 28, 2021 Joint Meeting for the Rules and Open Government Committee to come back in the Fall of 2021 in August. (5-0.)

C. Consent Calendar

None provided.

D. Reports to Committee

1. Economic Development Activities Verbal Update. (Economic Development)

Public Comments: (1) Paul Soto requested information on why the Paulson House Museum is being removed and spoke to gentrification and redlining. (2) Blair Beekman spoke to small business loans, East Side San José businesses, air filtration systems, and redlining issues. (3) Caller '5140' spoke to the public comment process. (4) Skyler Smith, a previous small businesses owner, addressed the impacts zoning has on business renting prices, the middle class, and the high cost of living in San José.

Public Information Manager, Office of Economic Development, Elisabeth Handler and Deputy Director, Economic Development, Director of Real Estate, Nanci Klein offered the verbal update and responded to questions.

Action: Upon motion by Councilmember Magdalena Carrasco, seconded by Councilmember Maya Esparza and carried unanimously, the Committee accepted the brief verbal update on recent announcements, significant accomplishments, and upcoming events related to economic development; with additional direction for staff to include accountability reports that cover data on the demographics and the outreach plans, breakdowns of the Paycheck Protection Program (PPP) Loans, City Grants, and State Grants, and to provide informational memorandum and evaluate if this is an avenue for the Office of Immigrant Affairs to advocate and work into their recovery plan for next year. (5-0.)

2. Downtown Progress Report. (Economic Development)

Public Comments: (1) Blair Beekman addressed small businesses and crime rates in the Downtown San José area. (2) Paul Soto spoke to the history of Native Americans and his concerns of the cities future. (3) Peter Ortiz, an Eastside business advocate spoke to the importance of the services mentioned in this item and the lack of assistance to small businesses in the Eastside and Downtown San José during the pandemic. (5-0.)

Downtown Manager, Blage Zellich and Deputy Director, Economic Development, Director of Real Estate, Nanci Klein offered the presentation and responded to questions.

Action: Upon motion by Councilmember Raul Peralez, seconded by Councilmember Magdalena Carrasco and carried unanimously, the Committee accepted the informational report highlighting Downtown progress from July 2019 to June 2021. (5-0.)

3. Fiscal Year 2020-2021 City Council Policy Priority #7: Review of Cannabis Land Use and Regulatory Provisions. (Police/Planning, Building and Code Enforcement)

Public Comments: (1) Blair Beekman stated he was interested in learning more about this topic. (2) Sean Kali-Rai thanked the staff for their efforts, outreach for cannabis dispensaries, spoke to the second license, and is in support of this item. (3) William Armaline spoke to Prop 64 and restorative justice. (4) Hirsh Jain stated he's in support of Councilmember Mahan's memorandum. (5) Conrad Gregory expressed his gratitude for the analysis staff compiled and is in support of Councilmember Mahan's memorandum.

SJPD Division Manager, Division of Cannabis Regulation, Wendy Sollazi; Division Manager, Planning, Building, and Code Enforcement Department, Jared Heart; and San José Police Officers' Association, Director, David Woolsey offered the presentation and responded to questions.

Motion: Councilmember Pam Foley made a friendly amendment to include *all* urban village areas into the alignment of other setbacks; so that it's not limited to only include the 13 urban villages that have undergone the planning process and have adopted urban village plans as noted below in the "Action".

Action: Upon motion by Councilmember Raul Peralez, seconded by Councilmember Maya Esparza and carried unanimously, including the friendly amendment made by Councilmember Pam Foley, the Committee accepted the progress update on Fiscal Year 2020-2021 City Council Policy Priority #7: Review of Cannabis Land Use and Regulatory Provisions and further analysis on the following: Assessing allowing current cannabis businesses to obtain a second retail license to open a second location, assessing modifying the audit requirement for cannabis businesses, further analysis on setbacks of

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D. 3 (Cont'd.)

1,000 feet from sensitive areas, 150 feet setbacks from residential use and *all* urban village areas in alignment of other setbacks with California's Guidelines, further analysis on 1,000 foot separations between new retail storefronts, a separate review on Downtown San José Core locations, consideration of prohibiting new cannabis retail storefronts from opening in police beats with crime reports 20% above the average of reported crimes, assessing allowing five new equity-owned businesses that qualify under the equity plan, and for staff to report back to the Committee for further discussion on their analysis of the Committee's recommendations on cannabis manufacturing, distribution, and testing business registration. (5-0.)

Open Forum

1. Blair Beekman addressed the Diridon Station planning ideas, bringing the California High Speed Rail (CHSR) into the Bay Area, and the completion dates of the (CHSR) throughout California.

Adjournment

Councilmember Pam Foley adjourned the Committee meeting at 4:51 p.m.

Councilmember Pam Foley, Chair
Community and Economic Development Committee

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