



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kip Harkness

SUBJECT: SEE BELOW

DATE: March 10, 2021

Approved

Date

03/10/21

SUPPLEMENTAL

**SUBJECT: SPECIAL MEETING OF THE CITY COUNCIL ON THE CITY
ROADMAP – FROM COVID TO RECOVERY**

REASON FOR SUPPLEMENTAL

The purpose of this supplemental memorandum is to provide a status update on Fiscal Year (FY) 2020-2021 Council Policy Priority #7 “Review Cannabis Land Use and Regulatory Provisions” which will be sufficiently completed by the end of FY 2020-2021 and therefore does not need to appear on the City Roadmap for FY 2021-2022.

BACKGROUND

At the March 5, 2019 priority setting session, the City Council approved Priority #11 (due to the February 25, 2020 update, it is now #7): Review of Cannabis Land Use and Regulatory Provisions. There are two key components of this work that are being evaluated and presented in a unified manner:

1. Updates to the Zoning Ordinance (Municipal Code Title 20) to change and expand where retail cannabis businesses may locate; and
2. Updates to the Cannabis Regulatory Ordinance (Municipal Code Title 6) and City Manager Regulations for Medical and Non-Medical Cannabis that dictate how many cannabis businesses may operate in the city and who may apply to register a business.

The Police Department’s Division of Cannabis Regulation has the responsibility to regulate cannabis businesses in the City. The Police Department is the lead on this Council Priority, as they drive the policy recommendations on all aspects of Cannabis businesses. In addition to the Division of Cannabis Regulation, this work is staffed by Planning, Building and Code Enforcement’s (PBCE) Planning Division who manage updates to the Zoning Ordinance, provide guidance on the policy recommendation, and provide technical expertise; and the City Manager’s Office’s Office of Administration, Policy, and Intergovernmental Relations who assist with interdepartmental coordination and assist the Police Department with policy work.

ANALYSIS

The 22 total policy priorities adopted on February 25, 2020 to the FY 2020-2021 Council Policy Priorities have been substantially impacted by the City's COVID-19 response efforts. The March 15, 2021 City Roadmap Special Meeting involves guidance for Fiscal Year (FY) 2021-2022 City Roadmap initiatives. It does not include the opportunity to revisit or revise the current FY 2020-2021 City Roadmap priorities, among which Council Policy Priority #7, Review Cannabis Land Use and Regulatory Provisions, is included.

Although work on the cannabis land use and regulatory provision proposals began in 2019, the COVID-19 emergency delayed stakeholder outreach, particularly with Planning policy/ordinance staff being assigned to the Emergency Operations Center. The Police Department staff were focused on creating new procedures during the pandemic for the annual Cannabis Business application renewal period which occurred from October 14 through December 14, 2020. Additionally, as cannabis businesses were determined to be essential at the beginning of the pandemic, Police Department staff had to create new procedures for remotely regulating the day-to-day operations of the businesses including video surveillance, age verification, delivery vehicle inspections, and providing identification badges, fingerprinting, photo capturing and completing background checks of close to 1,600 cannabis business employees. Work on the land use and regulatory provision proposals recommenced in January 2021, with the following items either completed, underway, or planned:

- In February, the Planning Division launched a webpage, www.bit.ly/SJCannabisOrdinance that explains the ordinance proposal.
- On March 2, staff launched a public survey in four languages on acceptable retail locations; the survey ends April 2, 2021.
- Staff will conduct virtual outreach meetings in mid-April 2021 and is currently working to confirm the dates and secure simultaneous interpretation services.
- Staff will present proposed ordinance changes and feedback from outreach to the Community and Economic Development Committee at the April 26, 2021 meeting.

Planning Commission and Council hearings to consider adoption of the ordinance updates and direction for the updates to the City Manager's Regulations are planned for May and June 2021. As this work is scheduled to be complete by the end of FY 2020-2021, it does not need to appear on the City Roadmap for FY 2021-2022 and staff recommends that this priority be re-categorized from "Backlog" to "Complete". If the Council adopts the policy and directs staff to proceed with implementation, then that work can continue as part of departmental work plans without it needing to be included on the City Roadmap.

HONORABLE MAYOR AND CITY COUNCIL

March 10, 2021

Subject: Special Meeting of the City Council on the City Roadmap – Supplemental Memo

Page 3

CONCLUSION

A roadmap is a prioritization framework to better align and focus limited resources – including limited leadership capacity – to tackle the most urgent and highest priority issues facing the City. The City Roadmap is an emerging prioritization process within the City of San José to deploy scarce resources to move our community’s vision for long-term recovery forward.

/s/

KIP HARKNESS

Deputy City Manager

For questions, please contact Rosalynn Hughey, Director of Planning, Building and Code Enforcement, at Rosalynn.Hughey@sanjoseca.gov.