

CITY OF DALY CITY

Regular Meeting - CITY COUNCIL

AGENDA

**Monday, March 22, 2021
7:00 PM**

Visit Daly City's virtual meeting website to register to attend the virtual meeting via Zoom, watch the livestream of the meeting and view the agenda:

<https://bit.ly/dalycitymarch22>

COVID-19 ANNOUNCEMENT - PUBLIC MEETINGS

Pursuant to Governor Newsom's Executive Order N-29-20, members of the Daly City Council and staff will participate in this meeting via a teleconference. Members of the public are encouraged to watch the meeting via Livestream (City Council Meeting Livestream) at <http://bit.ly/dalycitymarch22>.

Public Participation:

There are two ways to submit public comment: (1) send written comments by 4:00 pm on meeting day and (2) register to speak at the meeting via Zoom.

To submit a comment in writing, please email cityclerk@dalycity.org and write "Public Comment" in the subject line. In the body of the email, include the item number and/or title of the item as well as your comments. All comments received by 4:00 pm will be emailed to the City Council members and included as an "Add to Packet" on the City's website prior to the meeting. Those comments received after 4:00 pm will be added to the record and shared with the City Council members for the public meeting. Comments are not read aloud into the record.

To speak at the meeting, you must register to join via Zoom. The City requests that you complete your registration by 5:00 pm on the meeting date. After registering, you will receive a confirmation email containing instructions on how to join the meeting, including a unique link. Your address and email will not be disclosed to the public. Public comment is limited to two minutes maximum.

To register to speak at the meeting via Zoom, visit <http://bit.ly/mar22zoomreg>. You must familiarize yourself with Zoom prior to joining the meeting. When you would like to speak on an item during the public comment portion of the meeting, you will need to use the "raise hand" feature in Zoom. The City will not be providing technical support.

If you do not wish to speak, the City requests that you watch the livestream of the meeting on the City's virtual meeting website at <http://bit.ly/dalycitymarch22>.

Persons with disabilities who require auxiliary aids or services in attending or participating in this meeting should call the office of the City Clerk at 991-8078 as soon as possible.

AVAILABILITY OF PUBLIC RECORDS:

All public record to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the City Clerk's Office, City Hall located at 333 90th Street, Daly City, CA during normal business hours, at the same time that the public records are distributed or made available to the legislative body.

CALL TO ORDER:

PLEDGE TO THE FLAG:

ROLL CALL:

PRESENTATIONS:

HIP 2021 Housing Calendar Presentation
(Chris Sturken, Community Outreach Specialist)

Proclaiming March 2021 as American Red Cross Month
(John Woodell, Bay Area Red Cross Government Relations Committee)

Proclaiming March 2021 as Women's History Month

Proclaiming April 4 - 10, 2021 as National Library Week
(Celina Tirona, Library Assistant II, Allison Green, Library Assistant II, and Sarah Spence, Librarian II-Youth Services Librarian)

APPROVAL OF MINUTES:

Regular Meeting of March 8, 2021

APPROVAL OF AGENDA:

CONSENT AGENDA

All items listed on the Consent Agenda are considered to be routine and may be approved by one roll call vote of the City Council. There shall be no separate discussion of the matters on the Consent Agenda unless requested by a member of the City Council. If discussion is required, that item will be removed from the Consent Agenda and will be considered separately at the end of the Agenda.

Resolutions:

1. Setting Time and Place of Public Hearing Regarding Linda Vista Area of Benefit Fiscal Year 2021-2022 **Set Hearing: 05/10/21**
2. Approving Notice of Completion for Westlake Library HVAC and Roof Replacement Project

CONSENT AGENDA: Continued

3. Setting Time and Place for a Public Hearing to Consider Amending Title 15 Buildings and Construction of the Daly City Municipal Code to include Reach Codes
Set Hearing: 04/26/21
4. Approving Time Extension for Permit UPR-6-19-14071 and Design Review DR-11-19-14321 – Hilldale School Expansion at 25 and 79 Florence Street
5. Setting Time and Place for a Public Hearing to Consider One-Year HUD Action Plan for Fiscal Year 2021-22
Set Hearing: 04/26/21
6. Approving Termination of the Police Department Red Light Program

END OF CONSENT AGENDA

PUBLIC HEARINGS:

7. Amendments to the Zoning Ordinance and Zoning Map Establishing -CC Commercial Cannabis Combining District - Zone Change ZC 01-21-14846

- A. Findings
- B. EA - Exempt pursuant to Section 15061
- C. ZC 01-21-14846

Staff: Van Lonkhuysen

Recommended Action: Open/Close Hearing

Recommended Action: Motion for City Attorney to Read by Title Only

Recommended Action: Councilmember Introduce Ordinance

8. Introduction of Ordinance to Amend Chapter 5.104 of Title 5 of the Daly City Municipal Code - Regulation of Commercial Cannabis Operations & Establishment of Fees For Commercial Cannabis Business License Application Submittals

Staff: Phipps

Recommended Action: Open/Close Hearing

Recommended Action: Motion for City Attorney to Read by Title Only

Recommended Action: Councilmember Introduce Ordinance

Recommended Action: Adopt Resolution by Roll Call

COMMUNICATIONS:

9. Time Extension of Use Permit UPR-5-17-12820 — Temporary Storage of New Automobiles on Vacant Drive In-Theater Site at 607 Carter Street

Staff: Van Lonkhuysen

Recommended Action: Adopt Resolution by Roll Call

ORDINANCES:

10. Second Reading, Ordinance No. 1444, Repealing and Replacing Chapter 10.12 of the Daly City Municipal Code Re: Speed Limits

Staff: Zimmerman

Recommended Action: Adopt Ordinance by Roll Call

PUBLIC APPEARANCES/ORAL COMMUNICATIONS:

NOTE: Speakers are limited to two minutes, unless modified by the Mayor.
The Council cannot take action on any matter raised under this item.

APPOINTMENTS: Board/Commission Membership Committee Appointments

REPORTS:

11. Council Committee
 - A Council Committee Meetings March 9 - 22, 2021
12. City Council
13. Staff

ADJOURNMENT:

PROCLAMATION

AMERICAN RED CROSS MONTH 2021

- WHEREAS, March is American Red Cross Month, a special time to honor the kindness of our neighbors who aid families in need every day in Daly City, across the United States and around the world. Their dedication touches millions of lives each year as they carry out the organization's 140-year mission of preventing and alleviating suffering; and
- WHEREAS, during the trying times of the coronavirus pandemic, people have stepped up to help others in need, whether it was responding to this year's record-breaking disasters across the country or rolling up their sleeves to give blood when our country faced a severe blood shortage; and
- WHEREAS, last year, the Red Cross collected 1,075 blood donations in San Mateo County, and provided First Aid, CPR, and AED training to 3,097 individuals; and
- WHEREAS, families have relied on Red Cross volunteers for comfort and hope by addressing their urgent needs like food, lodging and recovery support. Last year, Red Cross volunteers helped residents affected by 30 home fires in San Mateo County; and
- WHEREAS, Red Cross supports local families in other ways too. Last year, Red Cross volunteers installed 285 smoke alarms to make 136 San Mateo County households safer; and
- WHEREAS, this lifesaving work is vital to strengthening our community's resilience. Nearly 200 years since the birth of American Red Cross founder Clara Barton, we dedicate this month of March to all those who continue to advance her noble legacy, and we ask others to join in their commitment to care for people in need.
- NOW, THEREFORE, I, Juslyn C. Manalo, Mayor and members of the City Council of the City of Daly City, do hereby proclaim **MARCH 2021 as AMERICAN RED CROSS MONTH** and encourage all Americans to support this organization and its humanitarian mission.

Signed and sealed by the Mayor and City Council
of the City of Daly City this 22nd day of
March 2021.

Juslyn C. Manalo, Mayor

Roderick Daus-Magbual, Vice Mayor

Raymond A. Buenaventura, Councilmember

Pamela DiGiovanni, Councilmember

Glenn R. Sylvester, Councilmember

Proclamation

WOMEN'S HISTORY MONTH 2021

WHEREAS, the United States Congress first proclaimed National Women's History Month in 1987, and in each successive year since then; and Daly City has observed Women's History Month every March since 2005, celebrating Daly City women of all ages for continually making our community a better place in which to live, work, and play; and

WHEREAS, the National Women's History Month theme for 2021 is #ChoosetoChallenge, the idea is that from challenge comes change, so the theme urges the calling out of gender bias and inequality with the goal of making a major change to make things more inclusive; and

WHEREAS, as of 2020, 126 (105D, 21R) women hold seats in the United States Congress, comprising 23.6% of the 535 members; 25 women (25%) serve in the U.S. Senate, and 101 women (23.2%) serve in the U.S. House of Representative, as well as four women non-voting delegates (2D, 2R) also represent American Samoa, the District of Columbia, Puerto Rico and the Virgin Islands in the United States House of Representatives; and

WHEREAS, March is the month that we honor women who have shaped America's history and its future through their tireless commitment to ending discrimination against women and girls; we celebrate women fighting not only against sexism, but also against the many intersecting forms of discrimination faced by American women including discrimination based on race and ethnicity, class, disability, sexual orientation, veteran status, and many other categories; and

WHEREAS, Daly City's population balance tips slightly in favor of women, with approximately 55,234 of residents identifying as female, though at the time of Daly City's incorporation in 1911, women were not afforded the right to vote.

NOW, THEREFORE, I, Juslyn C. Manalo, Mayor, and members of the City Council of the City of Daly City do hereby proclaim March 2021 as **WOMEN'S HISTORY MONTH** in Daly City, California.

Signed and sealed by the Mayor and City Council
of the City of Daly City this 22nd day of March
2021.

Juslyn C. Manalo, Mayor

Roderick Daus-Magbual, Vice Mayor

Raymond Buenaventura, Councilmember

Pamela DiGiovanni, Councilmember

Glenn R. Sylvester, Councilmember

Proclamation

NATIONAL LIBRARY WEEK – APRIL 4-10, 2021

- WHEREAS, libraries are accessible and inclusive places that foster a sense of belonging and community; and
- WHEREAS, for people lacking broadband at home, libraries provide access to computers and wi-fi, even checking out internet hotspots and laptops; and
- WHEREAS, in times of crisis, libraries, librarians, and library workers play an invaluable role in supporting their communities both in person and virtually; and
- WHEREAS, libraries have long served as trusted and treasured institutions for all members of the community regardless of race, ethnicity, creed, ability, sexual orientation, gender identity, or socio-economic status; and
- WHEREAS, the Daly City Public Library strives to sustain a transformative library-community partnership; and
- WHEREAS, the Daly City Public Library is committed to contributing to a more just society in which all community members can realize their full potential; and
- WHEREAS, the Daly City Public Library was selected to participate in the California State Library's 2021 California Libraries Cultivating Race, Equity and Inclusion (CREI) Initiative, the Library is committed to applying a race and equity lens to collections, programs, policy, and staffing; and
- WHEREAS, libraries, librarians, and library workers are joining library supporters and advocates across the nation to celebrate National Library Week.
- NOW, THEREFORE, I, JUSLYN C. MANALO, Mayor, and members of the City Council of the City of Daly City, do hereby proclaim **April 4-10, 2021 as National Library Week** in Daly City. During this week, we encourage all residents to visit their library online to access resources and services. Because of you, libraries transform lives and communities.

Signed and sealed by the Mayor and City Council of the City of
Daly City this 22nd day of March 2021.

Juslyn C. Manalo, Mayor

Roderick Daus-Magbual, Vice Mayor

Raymond A. Buenaventura, Councilmember

Pamela DiGiovanni, Councilmember

Glenn R. Sylvester, Councilmember

CITY OF DALY CITY
MINUTES – REGULAR MEETING - CITY COUNCIL
MARCH 8, 2021

To view videos of the City Council meetings, visit <http://yt.vu/+dalycitycouncil>

The meeting was called to order by Mayor Manalo at 7:00 P.M. by video conference call pursuant to Governor Gavin Newsom's Executive Order N-29-20.

ROLL CALL: Councilmembers Present:
 Juslyn C. Manalo, Mayor
 Rod Daus-Magbual, Vice Mayor
 Raymond A. Buenaventura
 Pamela DiGiovanni
 Glenn R. Sylvester

Staff Present:
 Shawna Maltbie, City Manager
 Rose L. Zimmerman, City Attorney
 K. Annette Hipona, City Clerk

PRESENTATION:

Proclamation for International Women's Day
(Mayor Manalo)

APPROVAL OF MINUTES:

Regular Meeting of February 22, 2021

It was moved by Councilmember Sylvester, seconded by Councilmember DiGiovanni and carried to approve the minutes of the regular meeting of February 22, 2021.

APPROVAL OF AGENDA:

It was moved by Councilmember Sylvester, seconded by Councilmember DiGiovanni and carried to approve the agenda.

CONSENT AGENDA:

It was moved by Councilmember DiGiovanni, seconded by Councilmember Sylvester and carried to approve the consent agenda.

Check Registers:

Check Registers for the Month of February 2021

END OF CONSENT AGENDA

Note on Public Comments: For this meeting, members of the public were encouraged to watch the meeting via livestream at <https://bit.ly/dalycityfeb22> and to register and speak at the meeting via Zoom, and/or submit public comments via email to cityclerk@dalycity.org prior to the public meeting. Persons with disabilities who require auxiliary aids or services in attending or participating in this meeting were instructed to call the office of the City Clerk at 991-8078 prior to the meeting.

CITY OF DALY CITY
MINUTES – REGULAR MEETING - CITY COUNCIL
MARCH 8, 2021

PUBLIC HEARINGS:

Ordinance Amending Chapter 10.12 of the Daly City Municipal Code - Speed Limits

Traffic Engineer Shirley Chan presented the recommended speed limits resulting from speed survey evaluations conducted by staff. Decreased speed limits were recommended for four roadway segments, specifically in areas with a high concentration of fatalities or serious injuries for pedestrians and bicyclists (Hickey Blvd., John Daly Blvd., Junipero Serra Blvd. and St. Francis Blvd.). Staff answered questions regarding speed enforcement methods, cost recovery, and posted speed limit signs.

It was moved by Councilmember DiGiovanni, seconded by Councilmember Sylvester and carried to open the public hearing. There were no speakers on this matter.

It was moved by Councilmember Sylvester, seconded by Councilmember DiGiovanni and carried to close the public hearing.

It was moved by Councilmember Sylvester, seconded by Councilmember Buenaventura and carried by unanimous roll vote to adopt the following resolution:

Resolution 21-19, Approving the Engineering and Traffic Study 2021

It was moved by Mayor Manalo for City Attorney to Read by Title Only

Councilmember Sylvester introduced the following ordinance:

Ordinance 1444, Repealing and Replacing Chapter 10.12 of the Daly City Municipal Code Re: Speed Limits

Urgency Ordinance to Require Grocery Stores to Provide Hazard Pay to Their Employees

City Attorney Rose Zimmerman requested a public hearing to consider an ordinance requiring large grocery stores to provide hazard pay to their employees; the urgency ordinance proposed a hazard pay at a rate of \$5 per hour in addition to the base wage for covered workers.

Mayor Manalo motioned to make the following amendments to the ordinance: include drug stores to the ordinance; change the number of grocery workers who tested positive with COVID-19 from 700 to 2,000; reduce 12,000 sq. feet to 10,000 sq. feet for store size; change the size requirement of space dedicated to household foodstuffs from “70% or more” to “10% or more”; and, add the provision of COVID-19 vaccination paid leave for covered employees.

Councilmember Buenaventura recommended considering the hazard pay be increased to \$6 per hour. Councilmember Sylvester recommended pharmacists to be included in the covered employees and to exclude shifts during non-operational hours when stores are closed.

It was moved by Councilmember DiGiovanni, seconded by Councilmember Sylvester and carried to open the public hearing.

CITY OF DALY CITY
MINUTES – REGULAR MEETING - CITY COUNCIL
MARCH 8, 2021

The following speakers voiced support for passing the hazard pay in Daly City, thanking the Council for the proposed ordinance. Commenters made the following requests: for the inclusion of shelf stockers and confidential workers; for the inclusion of retro-active pay; to revisit the City's minimum wage and work towards a living wage; and, to ask neighboring cities to follow suit in passing hazard pay ordinances. Speakers listed a variety of reason for the necessity of hazard pay, including: current working conditions for retail workers involving high risk of COVID exposure; grocery workers not having the luxury of working from home that others do; grocery workers facing stresses while continuing to serve the community; hazard pay could help recover lost income for those in need; chain stores continue to have record profits without extending benefits to their workers; the lack of a clear timeline for vaccinations; and, how crucial grocery and retail workers are at keeping the economy running.

Nick Occhipinti	Julie Lind, San Mateo County Central Labor Council
Cynthia Lewkowitz	Leon Wong, UFCW5
Richard Hodges	Eduardo Gonzalez, resident
Dan Larsen, President of United Food and Commercial Workers (UFCW) Local 648	

It was moved by Councilmember Sylvester, seconded by Councilmember DiGiovanni and carried to close the public hearing.

Discussion ensued between Council regarding the proposed amendments and the public input received. Ms. Zimmerman provided some parameters with potential challenges to the proposed amendments, particularly retroactivity. Ms. Zimmerman answered questions regarding other jurisdictions' hazard pay amounts and the judgment in the City of Long Beach's hazard pay ordinance. Staff and Mr. Larsen clarified questions on confidential workers and the effective retroactive date.

Councilmember Buenaventura added the friendly amendment to the initial motion to raise the hazard pay to \$7 per hour and to have the hazard pay be retro-active to March 8, 2021. Mayor Manalo concurred.

It was moved by Mayor Manalo, seconded by Councilmember Buenaventura and carried by unanimous roll vote to adopt the following ordinance, as amended.

Ordinance 1445, Urgency Ordinance Adding Chapter 5.106 to the Daly City Municipal Code to Require Certain Grocery and Drug Stores in City of Daly City to Pay Employees Hazard Pay During the Novel Coronavirus (COVID-19) Pandemic

At 9:50 PM, it was moved by Mayor Manalo to reconsider this item for a revote after receiving new information. The motion was seconded by Councilmember Buenaventura and carried by unanimous roll call vote to reconsider this item for a revote.

It was moved by Mayor Manalo to bring the hazard pay back to the standard \$5 per hour due to information received from UFCW indicating that raising it higher could potentially cause layoffs of these employees; the existing aforementioned amendments remained unchanged except for the pay rate amount. The motion was seconded by Councilmember Sylvester and carried by unanimous roll call vote to adopt the Ordinance 1445, as amended.

CITY OF DALY CITY
MINUTES – REGULAR MEETING - CITY COUNCIL
MARCH 8, 2021

COMMUNICATIONS:

Requesting Use of State Asset Forfeiture Funds to Purchase Patrol Car Computers and Communication Headsets for the Police Department

Police Captain Cameron Christensen requested use of the subject funds to purchase 23 patrol car computers and 25 police radio headsets. Captain Christensen answered questions regarding budget allocation for deferred maintenance of police technology and the GPS capabilities of the requested technology. Councilmember Sylvester requested the consideration of using asset forfeiture funds towards programs or events to benefit the whole community.

It was moved by Councilmember Sylvester, seconded by Councilmember Buenaventura and carried by unanimous roll call vote to adopt the following resolution

21-20, Authorizing Use of State Asset Forfeiture Funds to Purchase Patrol Car Computers and Communication Headsets for the Police Department

Restoration of Fire/Paramedic Engine Company Restoration (Engine 95) for North County Fire Authority

City Manager Shawna Maltbie reported one of the top priorities the Council unanimously identified at its recent Council retreat was the reinstatement of Engine 95, and thereby requested approval of the funding allocation for service restoration of this engine. Ms. Maltbie provided background of the service impacts of the Great Recession, the failure of 2016's Public Safety Parcel Tax (Measure V) and the passing of Daly City's Local Recovery & Relief Measure (Measure Q) in 2020. Community surveying conducted in 2020 revealed a strong level of support for emergency response services. The estimated general fund impact to restore Engine 95 is close to \$2.9 million annually.

Council thanked staff on their work on Measure Q, thanked the Daly City voters for passing the measure, and the firefighters for their hard work. Fire Chief Ron Myers answered questions regarding the estimated timeline for Engine 95 being fully operational. Council discussed the timing of this item being agendaized.

The following speakers voiced concern with allocating Measure Q funds before the public has had an opportunity for input and oversight at the upcoming March 15th townhall meeting. Commenters asked Council to postpone or table this item until after the townhall. Public commenters raised the following issues: Measure Q being mislabeled; using almost half of the estimated revenues from Measure Q for the proposed engine restoration; a previous measure to restore Engine 95 being rejected by voters in 2016; and the lack of transparency or accountability in this process. Speakers requested information on the top priorities identified from the City surveys and requested conducting public processes to have community trust. Commenters also voiced their support for firefighters, Engine 95, and first responders, pointing out that their objections were based on the timing of the decision to restore the engine.

Eduardo Gonzalez
Nick Occhipinti

Holly L.
Jay G.

It was moved by Mayor Manalo, seconded by Councilmember DiGiovanni and carried by unanimous roll call vote to adopt the following resolution:

CITY OF DALY CITY
MINUTES – REGULAR MEETING - CITY COUNCIL
MARCH 8, 2021

21-21, Approving Fire/Paramedic Engine Company Restoration (Engine 95) for North County Fire Authority

PUBLIC APPEARANCES/ORAL COMMUNICATIONS:

Melinda Dart commended the Council on passing the hazard pay ordinance and bringing back Engine 95. Ms. Dart also voiced concern over the possible development on Thornton Beach, citing the importance of access to nature specially during the pandemic. She encouraged Council to preserve this piece of land to be accessible for residents.

Eduardo Gonzalez requested consideration of taking oral communications and public comments in the beginning of the meetings rather than near the end to make it more accessible to the youth. Mr. Gonzalez also requested for the recent Council retreat be made available to the public via YouTube and have it be more accessible for public engagement.

Nick Occhipinti urged Council to forego the development of Thornton Beach, citing the serious climate change happening and the need for preserving the few green open spaces for future generations. Mr. Occhipinti also voiced opposition to the Serramonte Del Rey development, which would eliminate a garden and redwood trees. He urged Council to investigate the matter further before making a decision based on land developers' recommendations.

REPORTS:

Council Committee Meetings

CDBG Committee (Manalo/Daus-Magbual)
SFO Legislative Committee (DiGiovanni)
Social Justice Committee (Buenaventura)
Peninsula Clear Energy Committee (Daus-Magbual)

City Council

Councilmember Sylvester reminded the public of a PG&E rebate for using a smart thermostat in their homes. Councilmember Sylvester expressed support for the protection of Asians in the community after hearing of the targeted assaults recently being perpetrated against them. Councilmember Sylvester urged developing a plan for strict enforcement and investigations of these assaults and raise the penalty for hate crimes based on race, sexual orientation, and religion. He recommended to: strengthen public and safety communications programs and resources for the Asian American community, educate youth on the xenophobia and different types of racism, hire multi-eastern language speaking community officers, and create a program for welcoming the engagement of immigrants and non-English speaking people.

Mayor Manalo reported on the continuing COVID-19 vaccinations happening in our hyper local community including those at Jefferson High School and the Nevin Health Center, encouraging people to get vaccinated in order to reach herd immunity. Mayor Manalo reported on Ms. Maltbie working on having more vaccination sites in the local community. The Mayor announced the following events: San Mateo County's API Caucus panel discussion on hate crimes data on March 27th, and a trivia night event for Women's History Month on March 25th. Mayor Manalo recommended the idea of having an online space where businesses can look to hire locally, and individuals can search local job listings; she made the recommendation to the City's Small Business Commission.

CITY OF DALY CITY
MINUTES – REGULAR MEETING - CITY COUNCIL
MARCH 8, 2021

Vice Mayor Daus-Magbual reported attending and speaking at the Daly City Filipino American Agenda Program on March 6th to discuss issues affecting the Filipino American community. The following groups took part in the event: National Alliance for Filipino Concerns (NAFCON), the Kabataan Alliance, the Malaya Movement, the Filipino Migrant Center, and the Filipino Community Center (SF); the event was sponsored by Philippine American Democratic Club San Mateo, Pinoy/Pinay Educational Partnerships, Filipino Mental Health Initiative and Pilipino Bayanihan Resource Center (PBRC). The event focused on the topics of small businesses, education, women & LGBTQ communities, and foreign policy & immigration.

ADJOURNMENT:

At 10:33 PM, Mayor Manalo adjourned the meeting in memory of Kenneth C. P. Romano, Tim Quan, Ernesto Atienza Guevarra, Fuaa'e Martha Fa'alilo Malaga Head, Jun Garcia, David Tejada, and Angelo Quinto.

Approved as submitted, this 22nd

day of March, 2021.

City Clerk

Mayor



City Council Meeting Agenda Report

Item # _____

Meeting Date: March 22, 2021

Subject: Setting Time and Place of Public Hearing Regarding Linda Vista Area of Benefit Fiscal Year 2021-2022

Recommended Action

Set May 10, 2021 as the date for public hearing to establish the services and assessments for Linda Vista Area of Benefit for Fiscal Year 2021-2022.

Background

The City Council established the Linda Vista Area of Benefit on February 12, 1990, to provide for the maintenance of storm water detention basins and other storm facilities within the Linda Vista and Bay Ridge Subdivisions and the downstream Outfall Channel, through annual Benefit Assessments. It is necessary to re-establish each year the assessment rate for the coming fiscal year.

Discussion

Per the Government code that empowers the City Clerk to proceed, I have set the Public Hearing for the Linda Vista Assessment District for the Regular City Council Meeting of May 10, 2021, at 7:00 P.M.

All agencies, districts and parties interested will be notified by mail. The Notice of Hearing will also be posted in the Linda Vista Area of Benefit area as well as in City Hall and the public libraries.

Summary/Conclusion

Staff is available to provide any additional information desired by the Mayor or Councilmember.

Respectfully submitted,

K. Annette Hipona

K. Annette Hipona
City Clerk



City Council Agenda Report

Item # _____

Meeting Date: March 22, 2021

Subject: Notice of Completion for Westlake Library HVAC and Roof Replacement Project

Recommended Action

Staff recommends that the City Council authorize the filing of the Notice of Completion and accept the improvements completed in compliance with the construction contract for the Westlake Library HVAC and Roof Replacement project.

Background

On January 27, 2020, the City Council authorized the award of a construction contract to Roofing & Solar Construction, Inc. of Novato, California, in the amount of \$952,000.00 for the Westlake Library HVAC and Roof Replacement project. The scope of work was to replace four HVAC units, four exterior roof enclosures, associated ductwork and piping, exhaust fans, Direct Digital Control (DDC) temperature control system, guard rail, and associated structural and electrical work. The built-up roof was also replaced with this project as an identified need in the Facility Assessment Report prepared for Westlake Library.

Discussion

Roofing & Solar Construction, Inc. has completed all improvements required by the construction contract documents for a total amount of \$983,410.98, including all change orders totaling \$31,410.98. The original contract amount was for \$952,000.00. The increase in cost of 3.3% between the original and final contract amounts was due to additional work needed to install tapered insulation, electrical for an additional control panel, additional supports for fan coil units, and enclosure door reinforcements. Upon acceptance of the project, the one-year warranty period will begin.

Fiscal Impact

The contract was completed in the total amount of \$983,410.98 with funds available in FY 2017-18 CIP Account 31-313-526 Westlake Library HVAC and Roof Replacement project.

Notice of Completion for the Westlake Library HVAC and Roof Replacement Project

Meeting Date: March 8, 2021

Page 2 of 2

Summary/Conclusion

The contractor's work is now complete and acceptable for City maintenance. Staff recommends that the City Council authorize the filing of the Notice of Completion and accept the completed improvements for the City's maintenance.

Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted,



Roland Yip
Senior Civil Engineer



Richard Chiu, Jr.
Director of Public Works

Attachments:

1. Location Map
2. Resolution
3. Notice of Completion

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO

OFFICE OF THE CITY CLERK
CITY OF DALY CITY
333 - 90th Street
Daly City, California 94015

Notice of Completion

NOTICE IS HEREBY GIVEN as follows:

1. The date of completion of the work of improvement is: 03/22/2021
2. The owner of the work of improvements is: City of Daly City, a Municipal Corporation.
3. The address of the owner of the work of improvement is: City Hall
333 - 90th Street
Daly City, California 94015
4. The nature of the owner's interest or estate is: In fee.
5. The work of improvement is located in Daly City, California, and is particularly described as follows:

WESTLAKE LIBRARY HVAC AND ROOF REPLACEMENT PROJECT

The name of the original contractor for the work of improvement is:

Roofing & Solar Construction, Inc.
15 Crissy Place
Novato, CA 9494

Dated: _____

The undersigned, being duly sworn, says: That he is the owner of the aforesaid interest or estate in the property described in the foregoing notice; that he has read the same, and knows the contents thereof, and that the facts stated therein are true.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

CITY OF DALY CITY, OWNER

Richard Chiu, Jr., Public Works Director

STATE OF CALIFORNIA,

COUNTY OF SAN MATEO } ss.

Subscribed and sworn to (or affirmed) before me on this _____ day of _____, 2021.

by _____, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature _____

Name (Typed or Printed)
Notary Public in and for said County and State

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DALY CITY ACCEPTING
COMPLETION OF CERTAIN PROJECT IN THE
DEPARTMENT OF PUBLIC WORKS

(Westlake Library HVAC and Roof Replacement Project)

A. The Project Manager has advised that the project set forth hereinafter has been completed in accordance with the terms of the contract with the City of Daly City and Roofing & Solar Construction, Inc., an S Corporation.

B. The City Council of the City of Daly City desires to acknowledge the completion of such project so that notice of completion may be given.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Daly City that pursuant to the above, the City of Daly City does hereby accept as complete the following described project:

WESTLAKE LIBRARY HVAC AND ROOF REPLACEMENT PROJECT

BE IT FURTHER RESOLVED by the City Council of the City of Daly City that said project be, and it is hereby accepted as complete, and at the expiration of fifty-five (55) days from this date, final payment in connection with this project be, and it is hereby authorized, provided that all statutory liens, claims and withholds are satisfied pursuant to law.

I hereby certify the foregoing to be a true copy of a Resolution adopted by the City Council of Daly City, California, at a special meeting thereof held on the _____ day of _____, 20____, by the following vote of the members thereof:

AYES, and in favor thereof, Councilmembers: _____

NOES, Councilmembers: _____

ABSENT, Councilmembers: _____

CITY CLERK OF THE CITY OF DALY CITY

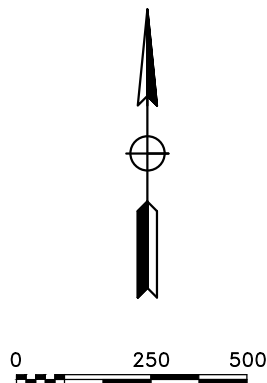
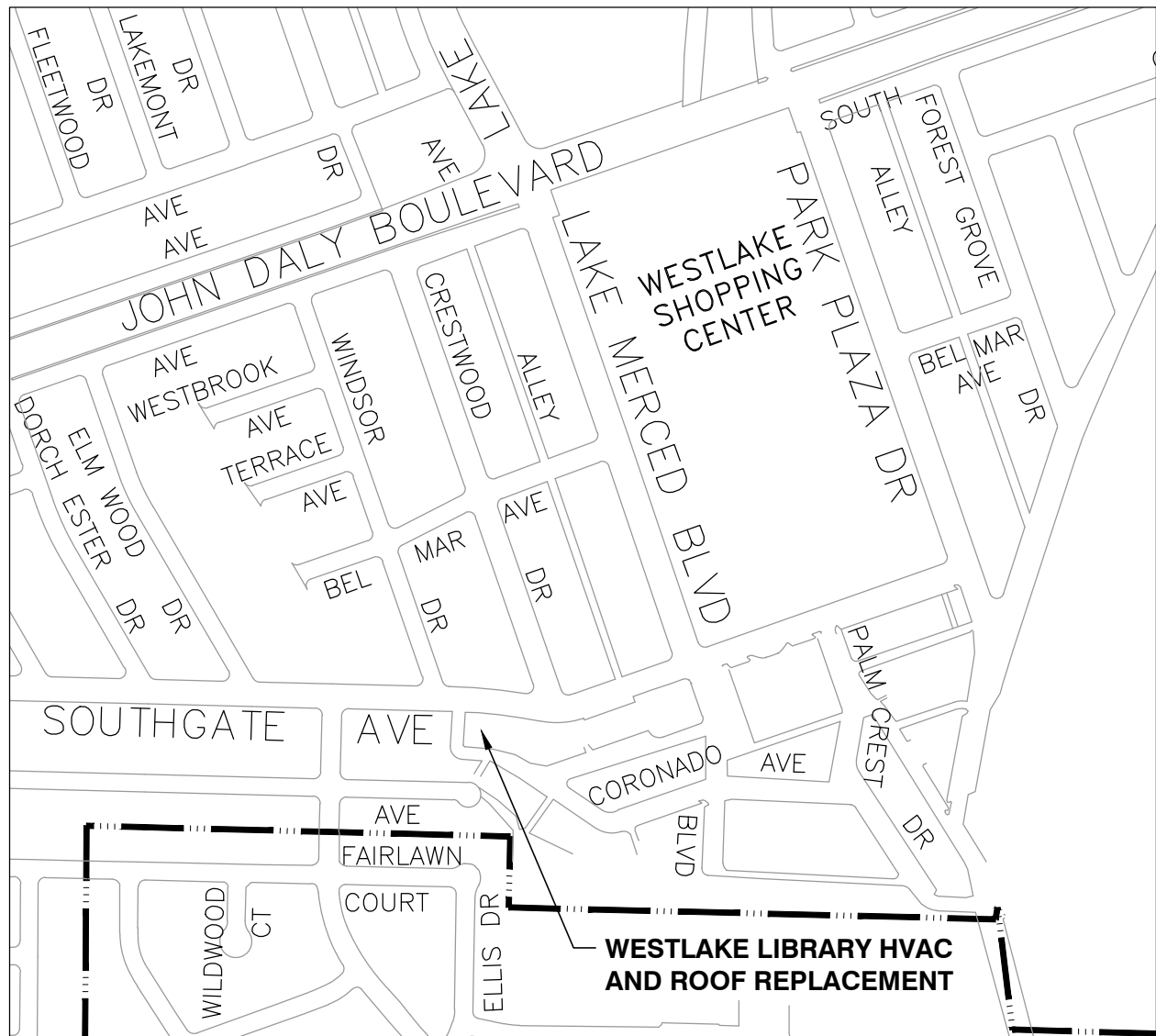
APPROVED:

MAYOR OF THE CITY OF DALY CITY

CITY OF DALY CITY
SAN MATEO COUNTY, CALIFORNIA

PROJECT LOCATION MAP

**WESTLAKE LIBRARY HVAC AND ROOF
REPLACEMENT**





City Council Meeting Agenda Report

Item # _____

Meeting Date: March 22, 2021

Subject: Setting Time and Place for a Public Hearing to Consider Amending Title 15 Buildings and Construction of the Daly City Municipal Code to include Reach Codes

Recommended Action

Set time and place for a public hearing on April 26, 2021, to consider proposed amendments to Title 15 Building and Construction of the Daly City Municipal Code to include Reach Codes.

Background

Peninsula Clean Energy (PCE) was established as the community choice aggregator and primary provider of clean electricity in San Mateo County. PCE intends to provide 100% renewable electricity for all its customers in San Mateo County by 2025. PCE has coordinated regionally with Silicon Valley Clean Energy, County of San Mateo, and with the California Energy Commission (CEC) to develop building and transportation electrification Reach Codes.

On November 12, 2019, the City committed to participating in the Building Reach Code development process with the intent of considering adoption of the model Reach Code. The City adopted new CEC-established building codes as part of the statewide three-year code adoption, but cities and counties may adopt more advanced, or enhanced, building codes. The City of Daly City is proposing building code amendments to incorporate Reach Code standards that will aim to reduce reliance on natural gas and gasoline by requiring electrification of new buildings.

Respectfully submitted,

Mario Sigala
CBO / Building Supervisor

Tatum Mothershead
Director of Economic and Community
Development



City Council Meeting Agenda Report

Item # _____

Meeting Date: March 22, 2021

**Subject: Time Extension for Permit UPR-6-19-14071 and Design Review DR-11-19-14321
– Hilldale School Expansion at 25 and 79 Florence Street**

Recommended Action

Approve the Time Extension, subject to the Findings and Conditions adopted by the City Council on January 13, 2020.

Background

On January 13, 2020, the City Council approved a request by John Sittner to modify an application approved by the City Council in 2018 to increase the enrollment of the Hilldale School located at 25 Florence Street from 150 to 210 students. The enrollment increase is associated with the construction of three new buildings on the property totaling 6,858 square feet of classroom and support space, and a 1,340 square foot covered patio. To accommodate the additional parking required by the Zoning Ordinance to accommodate the increased enrollment, the applicant also received approval to construct a six-space carport accessible through a driveway extension to be constructed in the Thiers Street right-of-way south of the project site.

The Conditions of Approval imposed upon the project required that the use permit approval be valid for a period of one year. Because the applicant has not received a building permit for the project, he is requesting a two-year time-extension of the permit. The applicant has cited delays related to the Covid-19 epidemic requiring additional time to complete the plan check for the building.

Conclusion

Staff recommends approval of the Time Extension to January 13, 2023.

Respectfully submitted,

Michael Van Lonkhuysen
Planning Manager

Tatum Mothershead
Director of Economic and Community
Department



City Council Meeting Agenda Report

Item # _____

Meeting Date: March 22, 2021

Subject: Set Time and Place for a Public Hearing to Consider One-Year HUD Action Plan for Fiscal Year 2021-22

Recommended Action

Set a Public Hearing for April 26, 2021 for the purpose of citizen review and comment on Daly City's One-Year Action Plan under the Community Development Block Grant (CDBG) and HOME programs for FY 2021-22.

Background

The One-Year Action Plan identifies how CDBG and HOME monies will be allocated. Prior to Council allocating these funds for FY 2021-22, the Department of Housing and Urban Development (HUD) requires the City to hold a public hearing to allow for citizen comment on Daly City's proposed One-Year Action Plan for Fiscal Year 2021-22.

Discussion

CDBG funds can be used for various activities including Administration, Economic Development, Capital Projects, Housing and Public Services. HOME funds may be used for activities that expand the supply of decent, affordable housing for lower income families.

Pursuant to the City's Community Participation Plan, the City's HUD Action Plans will be available for a 30-day public comment period prior to the public hearing and Council consideration. The comment period will begin on March 23 and extend through April 26. In light of the closure of City offices due to COVID-19, the draft 2021.22 Action Plan will be available on the City's website at http://www.dalycity.org/City_Hall/Departments/ECD/hcd/hcd_news.htm or provided upon request to the Department of Economic and Community Development (650-991-8034). Notice of the availability of this document and a summary of the draft FY 2021-22 Action Plan will be published in *The Examiner*.

Summary/Conclusion

Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted,

Betsy ZoBell
Housing and Community Development Supervisor

Tatum Mothershead
Director, Economic & Community Development



City Council Meeting Agenda Report

Item # _____

Meeting Date: March 22, 2021

Subject: Termination of the Police Department Red Light Program

Recommended Action

Request approval to terminate the Redflex Traffic Systems contract and discontinue the Police Department Red Light program.

Background

The photo enforced red-light program began in 2009 and was intended to reduce collisions at identified intersections (Junipero Serra/Washington, Junipero Serra/San Pedro, John Daly/Sheffield, Hickey/Gellert). A recent analysis of the program suggests no general or continued reduction in collisions at the enforced intersections and the program is expending staff resources and personnel costs.

Discussion

In October of 2020, the police department identified an error in the yellow light timing, challenging the validity of all straight lane violations beginning in July of 2020. The department proactively worked with the courts to reverse all related violations and refund all fines and traffic school costs already paid. During this process, we analyzed the red-light program and learned that collision data remained constant or increased over the most recent years at the associated intersections. Revenue throughout the lifespan of the program has fluctuated, but in general remained within approximately 10% +/- of cost neutral every year. One major expense not considered, as it is not separately tracked, is court appearance costs for officer testimony. Red light subpoenas have doubled in recent years, with nearly 600 being issued in 2020. Each subpoena requires a specially trained and certified motor officer to attend court, often on overtime, which not only increases cost, but more importantly reduces time for focused traffic enforcement in our community. We currently only have two Motor Officers because of staffing levels, and the related court appearances nearly ensures no targeted traffic enforcement on a consistent basis. The Daly City Police Department recently renewed the contract with Redflex Traffic Systems in January of 2020. This contract renewal included a convenience separation clause with a 30-day notice.

Fiscal Impact

Upon contract termination, there are amortized equipment related costs that are not to exceed \$90,000, which will be covered by the existing Red Light Program fund balance.

Summary/Conclusion

Staff is available to provide any additional information desired by the Mayor or Councilmembers.

Respectfully submitted,

Cameron Christensen
Captain

Patrick Hensley
Chief of Police



City Council Meeting Agenda Report

Item # _____

Meeting Date: March 22, 2021

Subject: Amendments to the Zoning Ordinance and Zoning Map Establishing -CC Commercial Cannabis Combining District - Zone Change ZC 01-21-14846

Recommended

On February 2, 2021, the Planning Commission voted 5-0 to recommend that the City Council approve Zone Change ZC 01-21-14846, establishing the -CC Commercial Cannabis Combining District. The Commission unanimously agreed to recommend that the City Council exclude subareas 4A, 4B, and 4C from the new combining district, which would cover School Street, East Market/Mission/San Pedro, and Hillside Boulevard, respectively. Additional Planning Commission discussion topics are provided in bold italics below.

Background

In 2016, California voters enacted Proposition 64, intended to create a comprehensive system to legalize, control, and regulate the cultivation, processing, manufacture, distribution, testing, and sale of non-medical cannabis, and to tax the cultivation and retail sale of cannabis for non-medical use. In November 2018, Daly City voters approved a business license tax on all cannabis businesses of up to ten percent of gross receipts in anticipation of the future allowance of cannabis sales. In October 2019, the City Council adopted an ordinance which authorizes commercial cannabis activities and establishes the process for permitting and regulating commercial cannabis activities in Daly City (see Attachment A – Existing Commercial Cannabis Regulations).

As adopted, the ordinance requires that, in addition to a State license, operators of commercial cannabis businesses in Daly City obtain a Commercial Cannabis Business License from the City. All such licenses will be reviewed by the Chief of Police and will include a background check, Live Scan fingerprinting, security plan, and ensure compliance with the State Licensing Procedures.

The ordinance also requires staff to present for adoption to the Planning Commission and City Council an overlay district in which commercial cannabis operations would be allowed to operate. Staff has met with a Council Committee on three occasions to discuss the general parameters of such an overlay district, which has been subsequently titled the Commercial Cannabis Combining District, or -CC for short. In combination with a base zoning district, such as the C-1 Light Commercial District, the combining district would provide the allowance for retail cannabis sales as an additionally permitted land use (see Attachment B – Proposed Combining District Zoning Language and Attachment C – Maps of Properties Proposed for -CC Combining District).

Discussion

The proposed combining district regulations and the selection of properties that would be subject to the new combining district have been presented to, reviewed by, and advanced for recommendation by a Council Committee. In November 2020, the Council Committee accepted for recommendation to the Planning Commission and City Council a series of maps intended to implement an approximate 600-foot buffer zone around schools and youth centers throughout Daly City. These overlay district maps are based generally on whether the frontage of a property (where the property

abuts the public right-of-way) is greater than 600 feet from a public/private school and/or youth center.

The Committee agreed with staff that certain properties should be excluded from the overlay district even if they are outside the buffer zone. These include any properties that are in the Coastal Zone, situated on the County line with San Francisco, State-owned, or any property that is zoned Commercial Office (C-O), Manufacturing (M), or PD (Planned Development). These exclusions have essentially removed the ability for cannabis retail sales on the Cow Palace property, Serramonte Shopping Center, Westlake Shopping Center, industrially zoned properties on the Bayshore neighborhood, all gasoline stations, and several other properties.

Aggregating the buffer zones around schools and youth centers, and the exclusions identified in the previous paragraph, the following areas are tentatively identified as areas/parcels where retail sale of cannabis could be permitted:

1. Skyline Plaza Shopping Center
2. Saint Francis Square Shopping Center
3. Alto Serramonte Shopping Center
4. Gellert Marketplace
5. Serramonte Plaza (office building south of Gellert Marketplace)
6. City Heights Shopping Center
7. Commercially-zone properties north of Pierce Street between Sullivan Avenue and
8. Edgeworth Avenue
9. Commercially-zone properties fronting School Street;
10. Commercially-zone properties fronting Mission Street between Crocker Avenue and
11. Templeton Avenue;
12. Commercial building bounded by Junipero Serra, Washington Street, and San Pedro Avenue
13. Commercially-zone properties fronting Geneva Avenue between Castillo Street and Calgary Street
14. Commercially-zone properties fronting Geneva Avenue west of Bayshore Boulevard
15. Commercially-zone properties in the vicinity of Hillside Boulevard and Chester Street; and
16. Commercially-zone properties in the vicinity of the Mission Street/East Market Street intersection.

As proposed, the combining district would apply to approximately 230 properties in 12 distinct eligibility zones (see Attachment D – Proposed Retail Cannabis Eligibility Zones). As currently proposed, each eligibility zone would permit one cannabis retailer, thereby capping to the total potential retailers to 12, citywide.

In addition to the locational requirement for potential cannabis retailers, the Council Committee has opted to recommend that no discretionary land use entitlement such as a use permit be required to operate retail cannabis sales within the proposed overlay district. The allowance of retail sales without a use permit would forego the need for a public hearing prior to the issuance of each retail cannabis sales permit. Instead, the current public hearing process which includes public hearings held by the Planning Commission on February 2 the City Council meeting on March 22 are intended to present the overlay district to neighboring property owners of the new overlay district. Over 2,200 property owners whose properties are within 300 feet of any property where retail cannabis sales would be allowed have been notified about tonight's public hearing.

- *Commissioner Proaño asked if there were other cannabis retail stores in the area and how it was going with those stores. Staff responded that similar stores are located in San Francisco and Pacifica, and, using an existing retail business in Pacifica as an example, offered an anecdotal response as to what the Commission could expect in terms of how such businesses would appear from the exterior.*
- *Commissioner Satorre asked what the proposed regulated distances were between retail cannabis retail uses and schools and churches. Staff explained that the maps that were being presented to the Commission illustrated a potential 600-foot separation between cannabis retailers and school and facilities that served youth. Staff added that when churches are added as a distance criterion that there would be very few areas within the City where cannabis retailers would be allowed.*
- *Commissioner Satorre asked about the revenue the City would receive from the cannabis retailers. Staff responded that when the City Council adopted the commercial cannabis ordinance that the Council considered that the voters had approved collection of a tax of up to a ten percent tax on retail cannabis sales in addition to regular sales tax, and that the Council will set the tax rate after the overlay zoning is established. Staff added that although there are various factors to consider, such as the quality and size of each dispensary, any given dispensary could potentially generate approximately \$250,000 in tax revenue each year to the City.*
- *Commissioner Villanueva stated that there was concern about the overlay on School Street due to its proximity to Jefferson High School. She stated that the experience in Pacifica has been that even though cannabis coming onto campus can't be controlled, it would help not having a physical storefront on the way to school. She proposed the Council omit all properties on School Street from the proposed overlay map. Commissioner Proaño expressed a similar concern but noted that cannabis sales are regulated to individuals 21 and over. She added that it might not be the best idea to have a cannabis retail use on School Street. Commissioner Pacheco added that he had reservations about the overlay zone located on Hillside Drive due to its proximity to Susan B. Anthony School.*
- *Commissioner Proaño asked that the Commission consider a recommendation doubling the recommended 600-foot buffer to 1,200 square feet. Staff responded that the 600-foot buffer was the same as that standardized by State laws pertaining to cannabis retail sales, but that cities could increase that distance. Commissioner Satorre disagreed with changing the distance because Daly City was too small for such large buffers. He stated that it is better to have more effective regulations than to increase the buffer distances. Commissioner Proaño clarified that if the distance wasn't changed, it would be beneficial to exclude certain areas. The Commission unanimously agreed to recommend that the City Council exclude subareas 4A, 4B, and 4C from the new combining district, which would cover School Street, East Market/Mission/San Pedro, and Hillside Boulevard, respectively.*
- *Ron Foy, 89 Goethe Avenue, stated that it would be a huge mistake to allow cannabis business anywhere in Daly City due to the potential for increased crime.*

- *Raymond and Teresa Fung, 59 Carlton Avenue, expressed concerns about the potential overlay due to high rate of high school students who have access to drugs and the addiction associated with drug and abuse.*
- *Paul L., resident of First Avenue, expressed concern about retail cannabis next to a family residential area.*
- *Melinda Hue, resident of Crestview Circle, asked that the Commission consider removing School Street from the overlay zone. She stated that this area was the main route to school for many Jefferson High School students and that neighborhood businesses should be reserved for more appropriate uses. She added that a parking issue in the area made it even less viable for cannabis retail uses.*
- *Mary Behr, Director of Prevention Services at Jefferson Union High School urged the Planning Commission to consider a 1,000 foot buffer. She added that youth are affected by cannabis sold in the neighborhood and this then becomes the social norm. Instead, she said, we need to create social norms that lead to positive outcomes.*
- *Francesca Lomotan, San Mateo Community Prevention Program Director, stated that the density of retail cannabis disproportionately affects communities of color and that the Planning Commission should consider how the location and advertising impacts of such uses impacts these communities.*
- *Diodora Trunko, resident of San Diego Avenue, stated that no racial or socio-economic considerations appear to have been included in the overlay boundary area selection process. She stated that the areas do not appear to have been taken into account how applicants have been disproportionately affected by the war on drugs, and that minority, female, or local ownership equity do not seem to be promoted by the proposed overlay.*
- *Makio Akima, resident of Canterbury Avenue and youth leader specialist for the Daly City Prevention Collaborative at Thomas R. Pollicita School stated there have been numerous discussions around the amount of exposure youth have had with cannabis. He said that since the beginning of Covid, youth have already shown an increased amount of concern about their peers, classmates, and friends partaking in cannabis usage and by allowing additional cannabis-based businesses in the area place youth at a much higher risk to exposure and curiosity, and potentially consuming more cannabis based products. He asked that when the Commission makes a decision concerning the zoning of these businesses it take into account the increased risk this puts our youth, in a similar fashion to alcohol and the allowance of liquor stores to dominate a multitude of neighborhoods. He stated that the increased amount of cannabis-based businesses will only normalize the narrative of cannabis use in our society.*

Since the Planning Commission staff report was released, staff has received written communication from Cypress Lawn, the Town of Colma, and Dan Tealdi. These letters are included as Attachments E, F, and G, respectively. Regarding Mr. Tealdi's letter specifically, it will be necessary at this point for Mr. Tealdi to apply to rezone his property into the -CC Commercial Cannabis Combining District, should the City Council enact to establish the overlay. The reason for this is that a Planning Commission recommendation is required by State law in order to effectuate

any change of zoning and the properties mentioned in Mr. Tealdi's letter were not considered by the Planning Commission for inclusion in the currently proposed Combining District.

Updates to Cannabis Ordinance

As discussed previously, in 2019 the City Council adopted an ordinance which authorizes the retail sale of cannabis in n Daly City, along with other cannabis related uses such as cannabis delivery and testing. Since that time, staff has identified additional areas where the existing Cannabis Ordinance merits revision and refinement. The City Council will consider these revisions and refinement under a separate public hearing item at the City Council meeting.

Environmental Assessment

The proposed regulations are exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section of 15061 - Review for Exemption. The proposed regulations do not have the potential to cause significant effects on the environment and it can be seen with certainty that there is no possibility that the regulations would have a significant effect on the environment.

Findings

The Planning Commission has found that the proposed Zone Change ZC 01-21-14846 – Establishment of Commercial Cannabis Combining District is in accordance with Titles 5 and 17 of the Daly City Municipal Code. Approval of the proposed amendments to the Zoning Ordinance will not be detrimental to the health, safety, morals, comfort and general welfare of persons residing or working in Daly City. The proposed project would not be injurious or detrimental to property and improvements in any neighborhood or result in substantial environmental damage or disturbance. Staff is recommending that the Planning Commission adopt the following findings of fact:

1. In accordance with Title 17 of the Daly City Municipal Code, as well as applicable State zoning enabling legislation, the City Council conducted a public hearing on March 22, 2021; notice of said hearing was by newspaper publication, and posting and first class mailing to property owners within 300 feet of any property proposed for rezoning to the Commercial Cannabis Combining District, on March 12, 2021;
2. Since 1996, Cannabis for personal medicinal purposes, when recommended by a physician, has been legal in the State of California;
3. In 2016, California voters enacted Proposition 64, intended to create a comprehensive system to legalize, control, and regulate the cultivation, processing, manufacture, distribution, testing, and sale of non-medical cannabis, including cannabis products, for use by adults twenty one (21) years and older, and to tax the cultivation and retail sale of cannabis for non-medical use;
4. In 2017, the Governor signed a bill to combine the regulation of both medical and nonmedical cannabis under one (1) umbrella licensing and regulatory system, entitled the "Medical and Adult-Use Cannabis Regulation and Safety Act" (MAUCRSA or Act);

5. The Act does not limit the authority of a local governing body to adopt and enforce local ordinances regulating businesses licensed under the Act or to completely prohibit such businesses within the local jurisdiction to the full extent authorized to a local agency by the Act;
6. The use, cultivation, distribution, production, possession and transportation of Cannabis or cannabis remains illegal under Federal law, and Cannabis remains classified as a "controlled substance" by both California and Federal law;
7. The City Council, upon adoption of Daly City Municipal Code Chapter 5.104 in October 2019, intended to regulate the use, acquisition, cultivation, production, and distribution of commercial cannabis activity in a manner that is consistent with the California Constitution and the Act. The regulations were intended to apply to all commercial cannabis operations in the city by any cannabis business licensed under the state law.
8. The Commercial Cannabis ordinance adopted by the City Council requires staff to present for adoption to the Planning Commission and City Council an overlay district in which commercial cannabis operations would be allowed to operate.
9. Staff has met with a Council Committee to discuss the general parameters of such an overlay district, which has been subsequently titled the Commercial Cannabis Combining District, or -CC for short.
10. In combination with a base zoning district, the combining district would provide the allowance for retail cannabis sales as an additionally permitted land use, by right, and without the requirement for any discretionary land use entitlement, such as a use permit;
11. This chapter is to be construed to protect the public over commercial cannabis business interests. Operation of a commercial cannabis business is a revocable privilege and not a right in the city. There is no property right for an individual or business to have a commercial cannabis business in the city;
12. Commercial cannabis is a heavily regulated industry in the city, and the city has a zero tolerance policy for violations of this chapter.

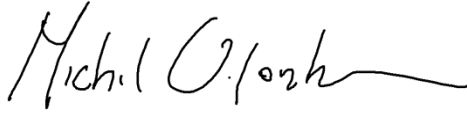
Recommendations

Based on the findings enumerated above, the Planning Commission recommends that the City Council:

1. Adopt the Findings as outlined herein;
2. Find that the proposed regulations are exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section of 15061 - Review for Exemption; and
3. Approve Zone Change ZC 01-21-14846, establishing the Commercial Cannabis Combining District and amendment to the Daly City Zoning Map as described in attachments. The Commission recommends that the City Council exclude subareas 4A, 4B, and 4C from the new combining district.

Staff is available to provide any additional information desired by the Council members.

Respectfully submitted,



Michael Van Lonkhuysen
Planning Manager



Tatum Mothershead
Director of Economic and Community
Development

Attachments

- Attachment A – Existing Commercial Cannabis Regulations
- Attachment B – Proposed Combining District Zoning Language
- Attachment C – Maps of Properties Proposed for -CC Combining District
- Attachment D – Proposed Retail Cannabis Eligibility Zones
- Attachment E – Correspondence from Cypress Lawn
- Attachment F – Correspondence from Town of Colma
- Attachment G – Correspondence from Dan Tealdi

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DALY CITY
ADDING CHAPTER 5.104 TO THE DALY CITY MUNICIPAL CODE RE:
COMMERCIAL CANNABIS REGULATIONS

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF DALY CITY DOES
ORDAIN AS FOLLOWS:

SECTION 1: Chapter 5.104 of Title 5 of the Daly City Municipal Code is hereafter added to
read as follows:

Chapter 5.104
COMMERCIAL CANNABIS REGULATIONS

5.104.00	Findings
5.104.10	Purpose and Intent
5.104.20	Definitions
5.104.30	Commercial Cannabis Business License and State License Required
5.104.40	Commercial Cannabis Business License Fees
5.104.50	Conditions of Operation.
5.104.60	Commercial Cannabis Business License – General Provisions
5.104.70	Commercial Cannabis Business License– Approval and Denial
5.104.80	Expiration and Renewal of Commercial Cannabis Business Licenses.
5.104.90	Suspension and Revocation by City
5.104.100	Inspection of Operations
5.104.120	Indemnification, Insurance, Limitation of City’s Liability
5.104.130	Outdoor Commercial Cannabis Cultivations and Activities Prohibited

5.104.00 Findings.

The City Council finds:

A. Since 1996, Cannabis for personal medicinal purposes, when recommended by a physician, has been legal in the State of California; and

B. In 2016, California voters enacted Proposition 64, intended to create a comprehensive system to legalize, control, and regulate the cultivation, processing, manufacture, distribution, testing, and sale of non-medical cannabis, including cannabis products, for use by adults twenty-one (21) years and older, and to tax the cultivation and retail sale of cannabis for non-medical use; and

C. In 2017, the Governor signed a bill to combine the regulation of both medical and non-medical cannabis under one (1) umbrella licensing and regulatory system, entitled the "Medical and Adult-Use Cannabis Regulation and Safety Act" (MAUCRSA or Act); and

D. The Act does not limit the authority of a local governing body to adopt and enforce local ordinances regulating businesses licensed under the Act or to completely prohibit such businesses within the local jurisdiction to the full extent authorized to a local agency by the Act; and

E. The use, cultivation, distribution, production, possession and transportation of Cannabis or cannabis remains illegal under Federal law, and Cannabis remains classified as a "controlled substance" by both California and Federal law; and

F. The city council intends to regulate the use, acquisition, cultivation, production, and distribution of commercial cannabis activity in a manner that is consistent with the California Constitution and the Act. The regulations are intended to apply to all commercial cannabis operations in the city by any cannabis business licensed under the state law. Commercial cannabis activity can have an impact on health, safety, and community resources, and this chapter is intended to license commercial cannabis businesses where it will have a minimal impact; and

G. To the extent that commercial cannabis businesses are registered and authorized by the State of California to operate in the corporate limits of the city, the city council desires to provide for their licensing and regulation to protect the public health, safety and general welfare of the citizens of the city; and

H. This chapter is to be construed to protect the public over commercial cannabis business interests. Operation of a commercial cannabis business is a revocable privilege and not a right in the city. There is no property right for an individual or business to have a commercial cannabis business in the city; and

I. Commercial cannabis is a heavily regulated industry in the city, and the city has a zero-tolerance policy for violations of this chapter.

5.104.10 Purpose and Intent.

It is the purpose and intent of this chapter to provide for the orderly regulation of the commercial cannabis industry within the City of Daly City with the intent of encouraging economic growth and job creation while protecting the public health, safety and welfare of the residents and patients of the city. The city council may adopt by resolution any regulations or policies that will further the purpose of this chapter, and that do not conflict with the provisions herein.

All definitions, authority, scope, responsibilities, requirements, standards, conditions, exemptions, procedures and penalties described within state law are adopted and incorporated.

The City Manager or her/his designee shall administer and enforce the provisions of this Chapter, applicable state law, and the rules and regulations promulgated by the City Council and any applicable state departments. This Chapter and the regulations contained herein apply to the entire city.

5.104.20 Definitions.

- A. “Applicant” shall mean a person or entity that submits an Application or an Application for Renewal of a Commercial Cannabis Business Cannabis License.
- B. “Application for Renewal” shall mean an application for a renewed Cannabis Commercial Cannabis Business License, which application may be submitted by a Licensee.
- C. “Cannabis” shall have the meaning set forth in Business and Professions Code section 26001(f) and Business and Professions Code section 19300.5(f).
- D. “Cannabis accessories” has the same meaning as in Health and Safety Code section 11018.2
- E. “Cannabis concentrate” means cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product’s potency. Resin from granular trichomes from a cannabis plant is a concentrate for purposes of this division. A cannabis concentrate is not considered food, as defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.
- F. “Cannabis Operation” shall mean any Commercial Cannabis Activity permitted under this Article.
- G. "Cannabis products" has the same meaning as in Section 11018.1 of the Health and Safety Code.
- H. “Commercial Cannabis Activity” shall have the meaning set forth in Business and Professions Code section 26001(k).
- I. “Cultivation” shall mean any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.
- J. “Delivery" means the commercial transfer of cannabis or cannabis products to a customer. "Delivery" also includes the use by a retailer of any technology platform.
- K. “Distribution" means the procurement, sale, and transport of cannabis and cannabis products between entities licensed pursuant to state regulations.
- L. “Licensee” shall mean the Cannabis Operation owner identified to the City as such, and to whom a City Commercial Cannabis Business License has been issued.
- M. “Gross Receipts” shall have the meaning set forth in municipal code section 5.04.010(D).
- N. "Manufacturer" means a licensee that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container.
- O. “Processing” means any method used to prepare cannabis or its byproducts for commercial sale, including but not limited to: drying, cleaning, curing, packaging, and extraction of active ingredients to create cannabis related products and concentrates.

P. "Retailer" means a facility where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers, pursuant to express authorization by local ordinance, cannabis and cannabis products as part of a retail sale.

Q. "Testing laboratory" means a laboratory, facility, or entity in the state that offers or performs tests of cannabis or cannabis products and that is both of the following:

1. Accredited by an accrediting body that is independent from all other persons involved in the medical cannabis industry in the state.
2. Licensed by the Bureau of Cannabis Control within the Department of Consumer Affairs.

R. "Operator" shall mean any person or entity responsible for management of the Cannabis Operation, any person listed on the Cannabis Operation's Articles of Incorporation or Articles of Organization, any person or entity owning an interest in the Cannabis Operation, and any person that supervises another employee of the Cannabis Operation.

S. "Owner" shall mean the person or entity in whom is vested interest and title to the Cannabis Operation.

T. "State Cannabis Laws" shall include the Compassionate Use Act, the Medical Cannabis Program Act, the Medical Cannabis Regulation and Safety Act, and the Adult Use of Cannabis Act, and all other State laws regulating Cannabis and Cannabis Products, as they may be amended.

U. "State License" shall mean a license from the State issued pursuant to sections 26050 et seq. of the California Business and Professions Code.

5.104.30 Commercial Cannabis Business License and State License Required.

A. It is unlawful for any person conducting, operating, owning, or in control of any premises to sell cannabis or cannabis products, whether medical (medicinal) or adult use (recreational), within the city of Daly City unless such person holds a valid cannabis retailer license therefor, pursuant to the provisions of this chapter. All retail sales of any type, including online and delivery service sales, are included in this requirement and are unlawful without the required cannabis retailer license. A separate cannabis retailer license is required for each location.

B. Operation of a Cannabis Operation shall not commence until a Licensee has obtained a valid State License. Licensees shall maintain a valid State License at all times during operation of a Cannabis Operation and shall comply with any applicable State licensing requirements.

C. A copy of the Cannabis Business Licenses shall be displayed at all times in a place visible to the public.

D. A Cannabis Business License shall be valid for one year or until September 30th each year, unless sooner revoked. No permit granted herein shall confer any vested right to any person or for more than the above-referenced period.

E. A Cannabis Business License shall be issued to the specific person or persons listed on the Business License application

F. A Cannabis Business License is not transferable and does not run with the land or with the business. Any change to the business location, organizational structure, or ownership requires a new application with associated fees.

5.104.40 Commercial Cannabis Business License Fees.

A. Every application for a Commercial Cannabis Business License or renewal of such license shall be accompanied by a non-refundable license application fee in an amount set forth by separate resolution of the City Council, which amount is calculated to recover the City's full cost of reviewing, issuing and administering said license. The adoption of such fees shall not prevent the city from recovering enforcement costs not specified in such resolution.

B. A fee for renewal of a Commercial Cannabis Business License will be due annually.

5.104.50 Conditions of Operation.

A. Security Plan.

A Licensee shall provide adequate security on the premises of the Cannabis Operation. The following minimum-security standards shall be maintained at all times:

B. Surveillance system.

1. Each Cannabis Operation shall be monitored at all times by closed-circuit television surveillance system. The camera and video recording surveillance system must be capable of providing surveillance of both interior and exterior areas of the Cannabis Operation and must be of adequate quality, color rendition and resolution to allow the ready identification of an individual on or adjacent to the Property. The video surveillance system must have the capability to document each retail sale and shipping/receiving transactions and all storage and processing areas. The recordings shall be maintained at the Cannabis Operation for a period of not less than thirty (30) days and shall be provided to the City Police Department within twenty-four (24) hours of a written request from the Police Department for any recordings. Each Licensee shall notify the Chief of Police immediately after discovering any of the following: diversion, theft, loss, or any criminal activity involving the Cannabis Operation; significant discrepancies identified during inventory; or any other breach of security.

2. A sign shall be posted inside and at the entrances to the establishment indicating that the premises are under camera/video surveillance.

3. Windows and window coverings. Store fronts (front façade of the Cannabis Operation) shall be primarily glass with glass occupying at least 45% of the entire store front and 60% of the horizontal length of the store. Window and door areas shall not be covered, tinted, or made opaque in any way, or obscured in any way by landscaping, floor displays, equipment, or the like.

C. Loitering Adjacent to a Cannabis Operation.

Licensees shall take reasonable measures to reduce loitering by Cannabis Operation patrons, guests and invitees in public areas, sidewalks, alleys and areas surrounding the Property and adjacent premises during the business hours of the Cannabis Operation.

D. Nuisances Prohibited.

A Licensee shall take reasonable steps to correct objectionable conditions that constitute a nuisance on any public sidewalk or public space abutting the Cannabis Operation premises.

1. For purposes of this section, “objectionable conditions that constitute a nuisance” means public consumption of cannabis products, disturbance of the peace, drug trafficking, disposing of litter or trash, or excessive loud noise.
2. For purposes of this section, “reasonable steps” means all of the following:
 - a. Calling the local law enforcement agency. Timely calls to the local law enforcement agency that are placed by the licensee, or his or her agents or employees, shall not be construed as evidence of objectionable conditions that constitute a nuisance.
 - b. Requesting those persons engaging in activities causing objectionable conditions to cease those activities, unless the licensee, or his or her agents or employees, feel that their personal safety would be threatened in making that request.
 - c. Making good faith efforts to remove items that facilitate loitering, such as furniture, except those structures approved or permitted by the City. The licensee shall be liable for the removal of those items that facilitate loitering.

E. Licensee shall comply with all security requirements as established by state law and regulations, as they may be updated from time to time.

5.104.60 Commercial Cannabis Business License – General Provisions.

A. Application Procedures

1. Commercial Cannabis Business Licenses shall not be issued until after the Planning Division has issued a Zoning Clearance and has approved the proposed location of the Cannabis Operation.
2. Application Fee. The non-refundable application fee to apply for a Commercial Cannabis Business shall be set by resolution of the city council and shall be calculated so as not to exceed that amount which would recover the total costs of both license administration and license enforcement.
3. Application Filing Requirements. A complete Commercial Cannabis Business License Application or Application for Renewal along with all required fees and materials required by this Article, shall be submitted in order for a person, entity, and/or business to be considered for a Commercial Cannabis Business License. All Commercial Cannabis Business License applications or Applications for Renewal shall be filed using forms and authorizations provided by the City.
4. Commercial Cannabis Business License Applications and Applications for Renewal shall include:
 - a. For each Licensee, Owner, Operator and employee of the Cannabis Operation, a fully legible copy of one valid government-issued form of photo identification, such as a state driver’s license or identification card. Acceptable forms of government-issued identification include, but are not limited to, driver’s license or photo identity cards issued by the state Department of Motor Vehicles (or equivalent) that meet REAL ID benchmarks, a passport issued by the United

States or by a foreign government, U.S. Military ID cards (active duty or retired military and their dependents) or a Permanent Resident card.

b. If the Cannabis Operation is a corporation, a certified copy of the Corporation Secretary of State Articles of Incorporation, Certificate(s) of Amendment, Statement(s) of Information.

c. If the Cannabis Operation is a partnership, a copy of the articles of or partnership.

e. The name, address, electronic mail address and mobile phone number of the Applicant's or Licensee's current designated Agent for Service of Process.

f. Emergency Contact. The name, electronic mail address, and mobile phone number, of an Owner, Operator, or manager to act as an on-site community relations staff person to whom the City may provide notice of any operating problems associated with the Cannabis Operation.

g. A statement dated and signed by each Applicant, under penalty of perjury, that the Applicant has personal knowledge of the information contained in the Application, that the information contained therein is true and correct.

3. In addition to a completed Commercial Cannabis Business License Application or Application for Renewal, Applicants or Licensees shall provide and submit the following information to the City:

a. The Applicant and each Owner, Operator and employee shall consent to fingerprinting and a criminal background investigation and shall undergo fingerprinting and a criminal background investigation.

b. Security Plans. Applicants shall provide a plan to provide adequate security on the premises of the Cannabis Operation. The Plan shall include standards showing the Cannabis Operation's ability to comply with the conditions of Section 5.104.50 of this Chapter.

B. Ongoing Filing Requirements. Where a Cannabis Operation or Licensee replaces, hires, appoints or employees new Operators and/or employees to its Cannabis Operation, all such Operators and employees shall be required to submit to fingerprinting and a criminal background investigation pursuant to Section 4-16.04(b)(3)(i) of this Article.

5.104.70 Commercial Cannabis Business License– Approval and Denial.

A. The City Council may set by resolution additional rules and regulations regarding the approval and of Commercial Cannabis Business Applications and selection of Commercial Cannabis Business Operators. In addition to any such criteria established by Resolution, the following minimum criteria for issuance shall be met:

1. The Planning Division has issued a Zoning Clearance and approved the proposed location of the commercial cannabis operations.

2. The Applicant and each Owner, Operator and employee of the Cannabis Operation have authorized and completed fingerprinting.

3. The Applicant and each Owner, Operator and employee of the Cannabis Operation have authorized the use of their fingerprinting results to run a State and nationwide criminal background check.
4. The results of the criminal background checks establish that the Applicant, Owner(s), Operator(s), and employees have not been convicted of an offense that is substantially related to the qualifications, functions, or duties of a Cannabis Operation. The following offenses are substantially related to the qualifications, functions, or duties of a Cannabis Operation:
 - a. A violent felony conviction, as specified in subdivision (c) of Section 667.5 of the Penal Code.
 - b. A serious felony conviction, as specified in subdivision (c) of Section 1192.7 of the Penal Code.
 - c. A felony conviction involving fraud, deceit, or embezzlement.
 - d. A felony conviction for hiring, employing, or using a minor in transporting, carrying, selling, giving away, preparing for sale, or peddling, any controlled substance to a minor; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor.
 - e. A felony conviction for drug trafficking with enhancements pursuant to Section 11370.4 or 11379.8.
 - f. Conviction for any controlled substance felony subsequent to licensure shall be grounds for revocation of a license or denial of the renewal of a license.
5. The Applicant has not been convicted, cited, fined, or penalized by the State or any city, county, or city and county, or enjoined by any court of law, in the five years immediately preceding the application for a Commercial Cannabis Business License or Commercial Cannabis Business Renewal License, for any unauthorized cannabis activities.
6. The Applicant has not been convicted, cited, fined, or penalized by the State or any city, county, or city and county, or enjoined by any court of law, in the five years immediately preceding the application for a Commercial Cannabis Business License or Commercial Cannabis Business Renewal License, for cultivation or production of a controlled substance on public or private lands.
7. Security Plan. The Applicant or Licensee has provided a Security Plan providing the minimum standards set forth in Section 5.104.50 of this Chapter.

B. Criteria for Denial.

Commercial Cannabis Business Licenses shall not be issued or renewed where the City confirms that one or more of the criterions set forth in Chapter have not been met. If the City denies the Commercial Cannabis Business License Application or Application for Renewal, the City Manager or his or her designee specify in writing the reasons for the denial of the Application or Application for Renewal and notify the Applicant that the decision shall become final unless the Applicant seeks an appeal pursuant this Section.

C. Appeal from City Determination.

An Applicant who disagrees with the City's decision to issue or deny a Commercial Cannabis Business License may appeal the City's decision to the City Council. All appeals must be in writing, submitted to the City Clerk within ten (10) days following the City's determination. Upon receipt of a timely filed appeal, the City shall schedule a public hearing to consider the appeal no less than 90 days from the date of the appeal.

5.104.80 Expiration and Renewal of Commercial Cannabis Business Licenses.

- A. Commercial Cannabis Business Licenses shall expire one year after their issuance.
- B. Commercial Cannabis Business Licenses must be renewed on an annual basis prior to expiration by filing with the City a Cannabis Commercial Business License Application for Renewal and a renewal fee in an amount set forth by separate resolution of the City Council, which amount is calculated to recover the City's full cost of reviewing, issuing and administering said license.
- C. The Application for Renewal and the renewal fee shall be filed at least 30 days, but not more than 60 days, prior to the expiration of the Commercial Cannabis Business License. If a timely renewal application is filed, the Cannabis Operation's Commercial Cannabis Business License shall not expire until the date that the City approves or denies the Commercial Cannabis Business License Application for Renewal.
- D. An Application for Renewal shall be subject to all filing requirements set forth in Section 5.104.60 of this Chapter.
- E. The City shall issue or deny an Application for Renewal in accordance with the provisions of Section 5.104.80 of this Chapter.

5.104.90 Suspension and Revocation by City.

- A. A Commercial Cannabis Business License issued under the terms of this Chapter shall be suspended or revoked by the City if he or she concludes any of the following:
 - 1. The Cannabis Operation has violated any of the requirements of this Chapter.
 - 2. The Cannabis Operation is being operated in a manner which violates the Security Plan required by this Chapter.
 - 3. The Cannabis Operation is being operated in a manner which constitutes a nuisance.
 - 4. The Cannabis Operation has failed to comply with the conditions of operation set forth in Chapter.
 - a. The Cannabis Operation will be given a reasonable amount of time to resolve violations issued pursuant to this Chapter or other city code violations.
 - 5. The Cannabis Operation has ceased to operate for thirty (30) days or more.
 - 6. Results of a criminal background check establish that the Licensee, Owner(s), Operator(s), and/or employees have been convicted of an offense that is substantially related to the qualifications, functions, or duties of a Cannabis Operation. The following offenses are substantially related to the qualifications, functions, or duties of a Cannabis Operation:

- a. A violent felony conviction, as specified in subdivision (c) of Section 667.5 of the Penal Code.
- b. A serious felony conviction, as specified in subdivision (c) of Section 1192.7 of the Penal Code.
- c. A felony conviction involving fraud, deceit, or embezzlement.
- d. A felony conviction for hiring, employing, or using a minor in transporting, carrying, selling, giving away, preparing for sale, or peddling, any controlled substance to a minor; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor.
- e. A felony conviction for drug trafficking with enhancements pursuant to Section 11370.4 or 11379.8.
- f. Conviction for any controlled substance felony subsequent to licensure shall be grounds for revocation of a license or denial of the renewal of a license.
- g. Conviction for cultivation or production of a controlled substance on public or private lands pursuant to Section 12025 or 12025.1 of the Fish and Game Code.
- h. Conviction for unauthorized commercial cannabis activities in any city, county or city and county in the five years immediately preceding the issuance of a Commercial Cannabis Business License or Commercial Cannabis Business Renewal License.

7. The Applicant has been convicted, cited, fined, or penalized by the State or any city, county, or city and county, or enjoined by any court of law, in the five years immediately preceding the application for a Commercial Cannabis Business License or Commercial Cannabis Business Renewal License, for any unauthorized cannabis activities.

8. The Applicant has been convicted, cited, fined, or penalized by the State or any city, county, or city and county, or enjoined by any court of law, in the five years immediately preceding the application for a Commercial Cannabis Business License or Commercial Cannabis Business License, for cultivation or production of a controlled substance on public or private lands.

9. The Cannabis Operation is being operated in a manner which conflicts with or violates State Cannabis Laws.

10. A Licensee has attempted to transfer or has transferred a Commercial Cannabis Business License to another person or entity.

11. A Licensee's State License has been suspended, terminated, or revoked.

- a. Expiration. Any Commercial Cannabis Business License revoked pursuant to this subsection shall be deemed to be expired and shall no longer entitle the Licensee to any privileges authorized by the Commercial Cannabis Business License.

- b. Appeal from City Determination.

B. A licensee who disagrees with the City's decision to suspend or revoke a Commercial Cannabis Business License may appeal the City's decision to the City Council. All appeals must be in writing, submitted to the City Clerk within ten (10) days following the City's determination. Upon receipt of a timely filed appeal, the City shall schedule a public hearing to consider the appeal no less than 90 days from the date of the appeal.

5.104.100 Inspection of Operations.

A. City officials may enter and inspect a Cannabis Operation at any time during normal business hours without notice, and to ensure compliance and enforcement of the provisions of this Chapter.

B. No Licensee or any other person shall refuse, impede, obstruct, or interfere with an inspection pursuant to this Article.

5.104.110 License Non-Transferable

A. Licenses issued pursuant to this Article shall be non-transferable to a different person or entity. Any attempt to transfer or any transfer of ownership or control of a Cannabis Operation shall be grounds for revocation of the Commercial Cannabis Business License by the City.

5.104.120 Indemnification, Insurance, Limitation of City's Liability.

A. To the fullest extent permitted by law, the City of Daly City shall not assume any liability whatsoever with respect to having issued a commercial cannabis permit pursuant to this Chapter or otherwise approving the operation of any commercial cannabis business pursuant to this Chapter. As a condition of approval of any commercial cannabis permit issued pursuant to this Chapter, the person to which a commercial cannabis permit issued shall be required to meet all of the following conditions:

1. Execute an agreement indemnifying, defending(at its sole cost and expense), and holding the City of Daly City and its officers, employees, representatives, and agents harmless from any and all claims, losses, damages, injuries or liabilities associated with the permitting or approving the operation of a commercial cannabis activity or the operation thereof or associated with the commercial cannabis business or its members' violation of any federal, state or local laws.
2. Maintain insurance at coverage limits and with conditions thereon determined necessary by the City Attorney.
3. Reimburse the City of Daly City for any and all costs and expenses, including attorney fees and costs and court costs that the City of Daly City may be required to pay as a result of any legal challenge related to the City's approval of a commercial cannabis permit pursuant to this Chapter or the City of Daly City's approval of the operation of a commercial cannabis activity. The City of Daly City may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the obligations imposed under this section.

5.104.130 Outdoor Commercial Cannabis Cultivations and Activities Prohibited.

A. Outdoor commercial cannabis cultivation, including, but not limited to, cultivation in greenhouses, hoop structures, and by mixed light (part daylight/part artificial light), is prohibited and unlawful. This section prohibits all outdoor commercial cannabis cultivation, including cultivation for profit or not for profit cultivation, and including commercial cultivation for adult recreational use or medicinal purposes. Outdoor storage, harvesting, drying, processing, or manufacturing of commercial cannabis or cannabis products is prohibited and unlawful.

SECTION 2. Severability. If any provision of this Ordinance is held by any court or by any Federal or State agency of competent jurisdiction, to be invalid as conflicting with any Federal or State law, rule or regulation now or hereafter in effect, or is held by such court or agency to be modified in any way in order to conform to the requirements of any such law, rule or regulation, such provision shall be considered a separate, distinct, and independent part of this Ordinance, and such holding shall not affect the validity and enforceability of all other provisions hereof. In the event that such law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed, so that the provision thereof which had previously been held invalid or modified is no longer in conflict with such law, rule or regulation, said provision shall thereupon return to full force and effect and shall thereafter be binding.

SECTION 3: Environmental Determination. The City Council of the City of Daly City finds and determines that the implementation of measures described in this Chapter is in furtherance police powers of the City of Daly City, and that these purposes are exempt from the provisions of the California Environmental Quality Act (CEQA); Chapter 3 (commencing with Section 21100) of Division 13 of the Public Resources Code, as provided in categorical exemption within CEQA's categorical exemption for activities involving regulation of activities.

SECTION 4: Publication/Summary Pursuant to the provisions of Government Code Section 36933, a summary of this ordinance shall be prepared by the City Attorney. At least five (5) days prior to the Council meeting at which this ordinance is scheduled to be adopted, the City Clerk shall (1) publish the summary, and (2) post it in the City Clerk's office a certified copy of this ordinance. Within fifteen (15) days after the adoption of this ordinance, the City Clerk shall (1) publish the summary and (2) post in the City Clerk's office a certified copy of the full text of this ordinance along with the names of those City Council members voting for and against this ordinance or otherwise voting. This ordinance shall become effective upon April 1, 2020.

Introduced this 28th day of October 2019.

Passed and adopted as an Ordinance of the City of Daly City at a regular meeting of the City Council of the City of Daly City held on the 25th day of November 2019, by the following vote:

AYES, Councilmembers Daus-Magbual, DiGiovanni

Manalo, Sylvester

NOES, Councilmembers None

Absent, Councilmembers: Buenaventura

K. Annette Hipona

CITY CLERK OF THE CITY OF DALY CITY

APPROVED:

Glenn R. Sylvester

VICE MAYOR OF THE CITY OF DALY CITY

CITY OF DALY CITY
PLANNING DIVISION
DRAFT COMBINING DISTRICT ZONING LANGUAGE

Chapter 17.XX - -CC COMMERCIAL CANNABIS COMBINING DISTRICT

Sections:

17.27.010 - General provisions.

The purpose and intent of this chapter is to provide for the orderly regulation of the commercial cannabis retail industry within the City of Daly City with the intent of encouraging economic growth and job creation while protecting the public health, safety and welfare of the residents and patients of the city. All definitions, authority, scope, responsibilities, requirements, standards, conditions, exemptions, procedures, and penalties described within state law are adopted and incorporated, as are any regulations identified in Chapter 5.104, Commercial Cannabis Regulations.

17.27.020 - Lands to be included.

This Chapter and the regulations contained herein apply to the entire city and more specifically lands identified on the Zoning Map in the -CC Commercial Cannabis combining district. Excluded from -CC Commercial Cannabis combining district is any property that are is in the Coastal Zone, situated on the County line with San Francisco, State-owned, County-owned, or any property that is zoned Commercial Office (C-O), Manufacturing (M), or PD (Planned Development). Also excluded is any property containing an existing or proposed gasoline service station.

17.27.030 – Permitted use.

Following is the permitted use which may be permitted in an -CC combining district:

- A. Cannabis retailer, as defined in Chapter 5.104, Commercial Cannabis Regulations, and subject to the regulations contained therein.
- B. Cannabis delivery, as defined in Chapter 5.104, Commercial Cannabis Regulations, and subject to the regulations contained therein.

17.27.040 - Application requirements.

The application requirements shall be those identified in 5.104.60 Commercial Cannabis Business License – General Provisions.

17.27.050 – Eligibility zones.

The eligibility for any specific property located within the -CC Commercial Cannabis combining district shall conform to Chapter 5.104.XX – Eligibility.

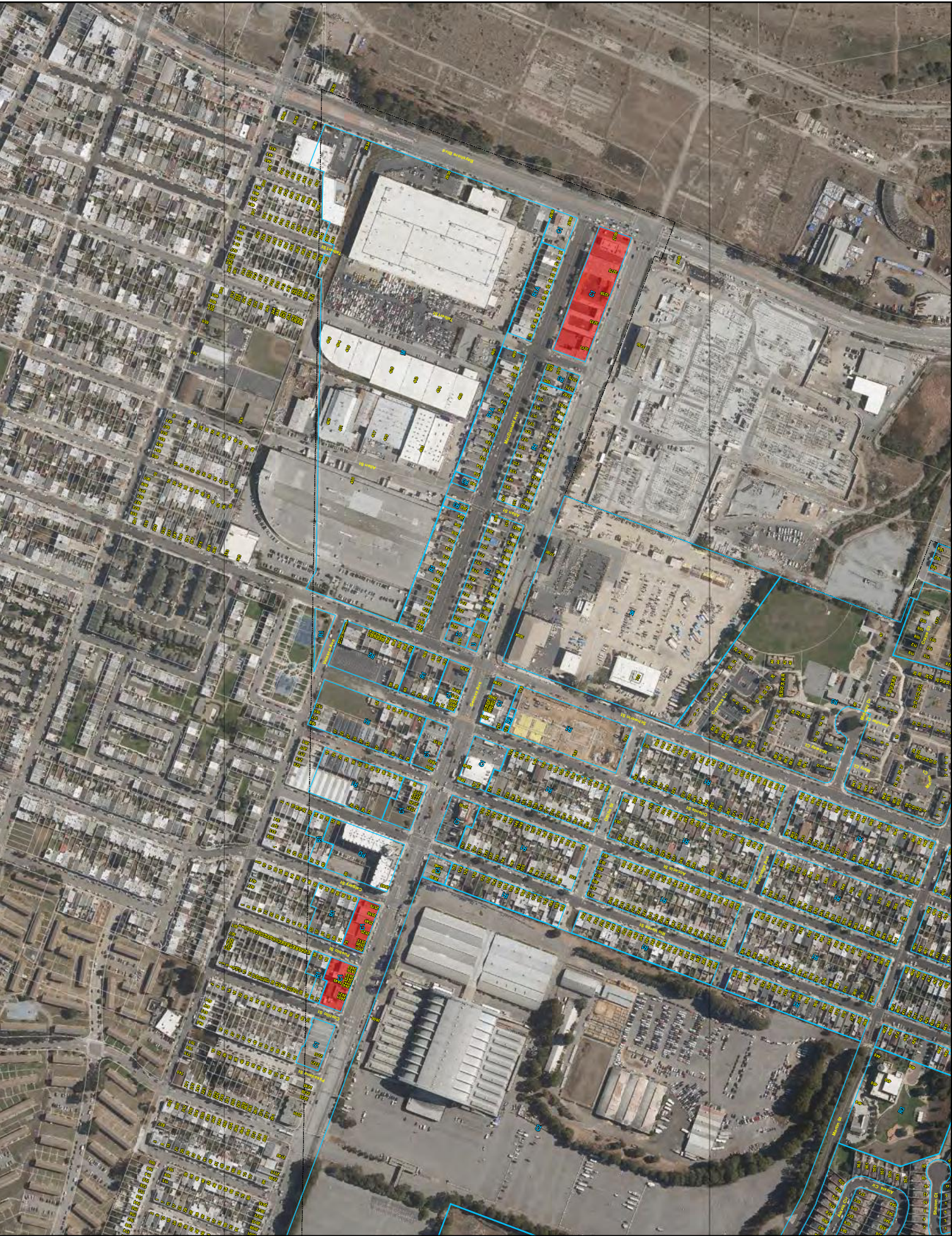
17.27.060 - Development regulations.

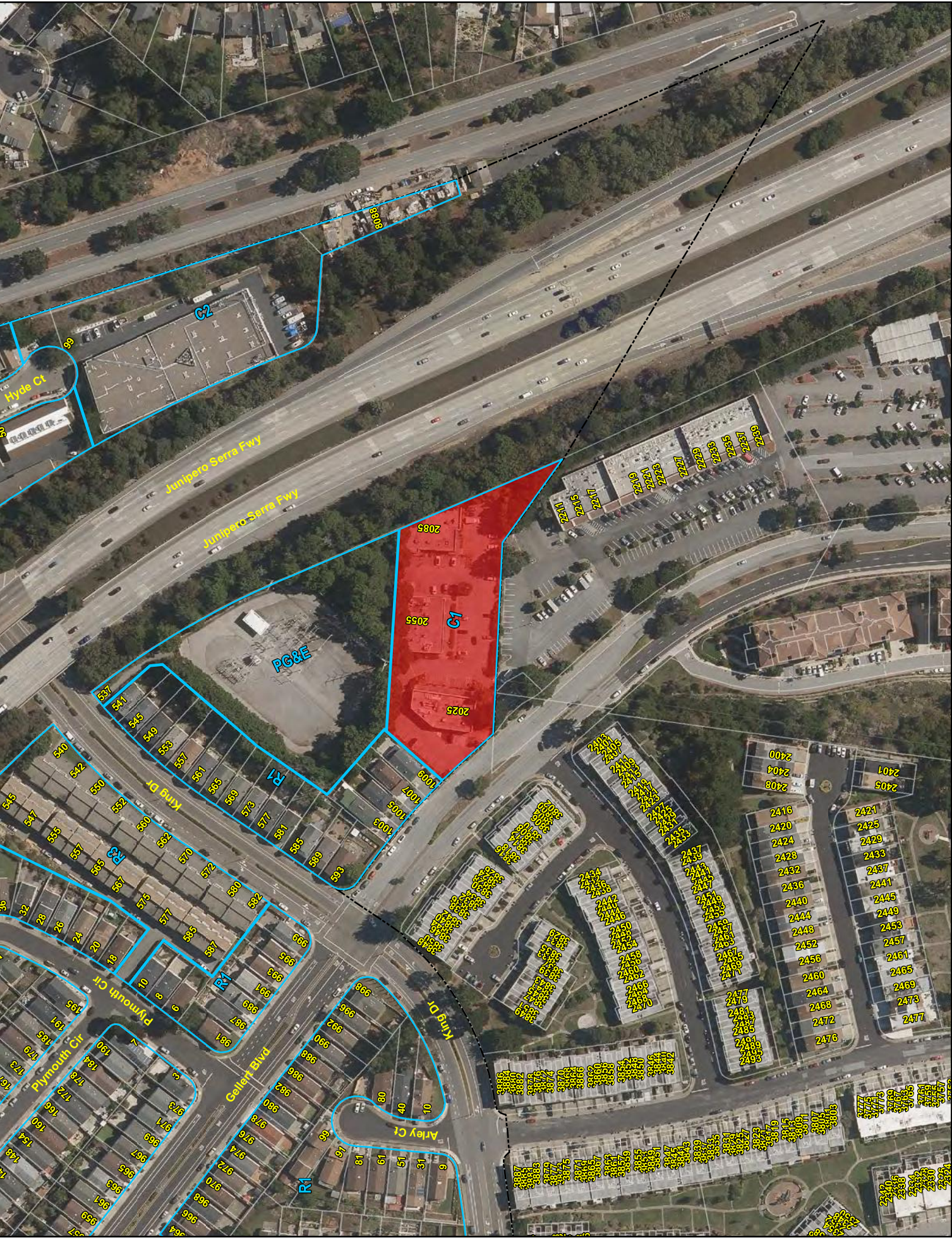
The development regulation shall be those identified in the underlying zoning designation and any such regulations identified by Chapter 5.104.50 Conditions of Operation.

17.27.070 - Hearing and notice requirements.

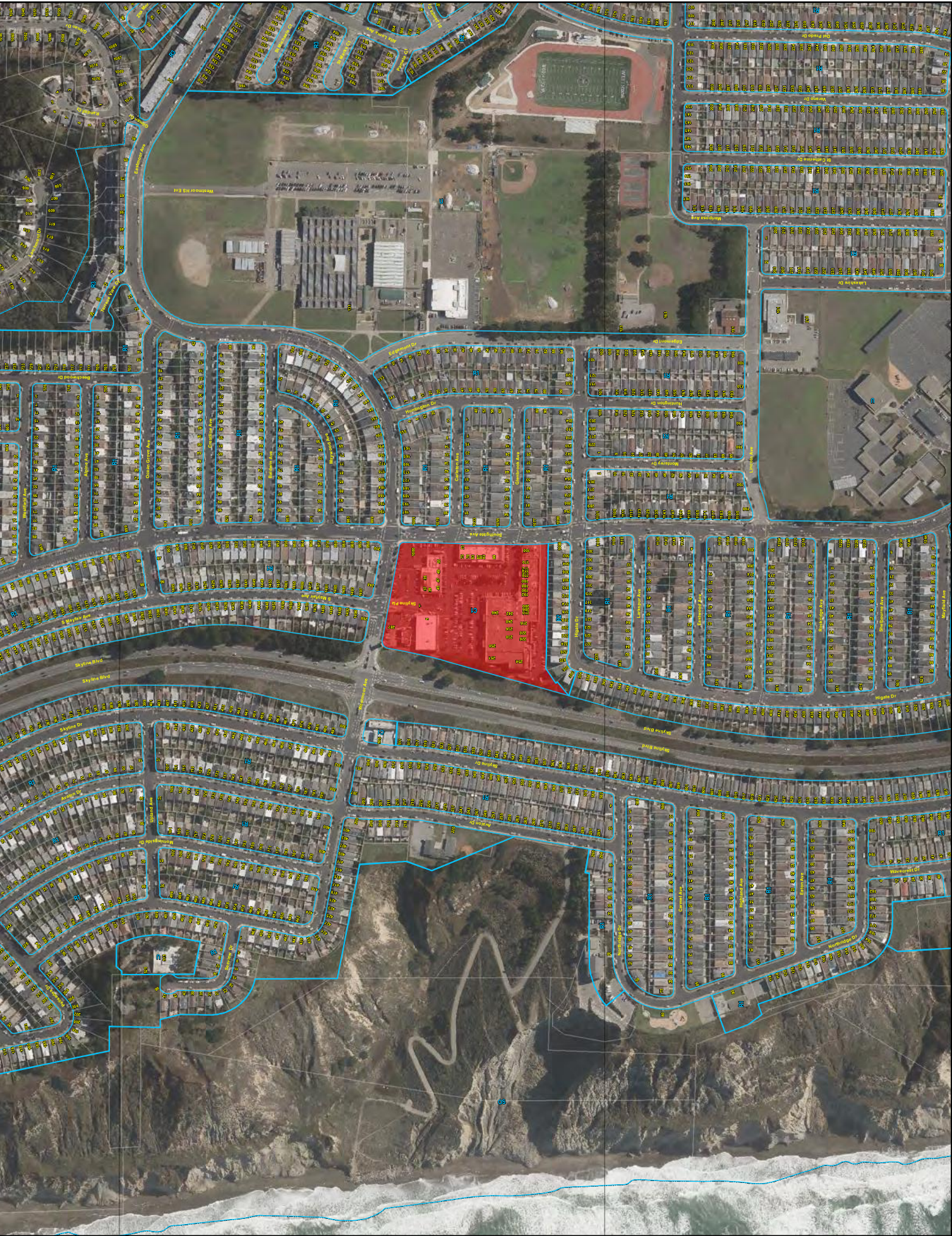
No public hearing for the purpose of zoning conformance shall be required prior to the commencement of any use meeting the definition of Cannabis retailer, as defined in Chapter 5.104, Commercial Cannabis Regulations. The use shall be considered non-discretionary and therefore not subject to the requirements of the California Environmental Quality Act (CEQA).

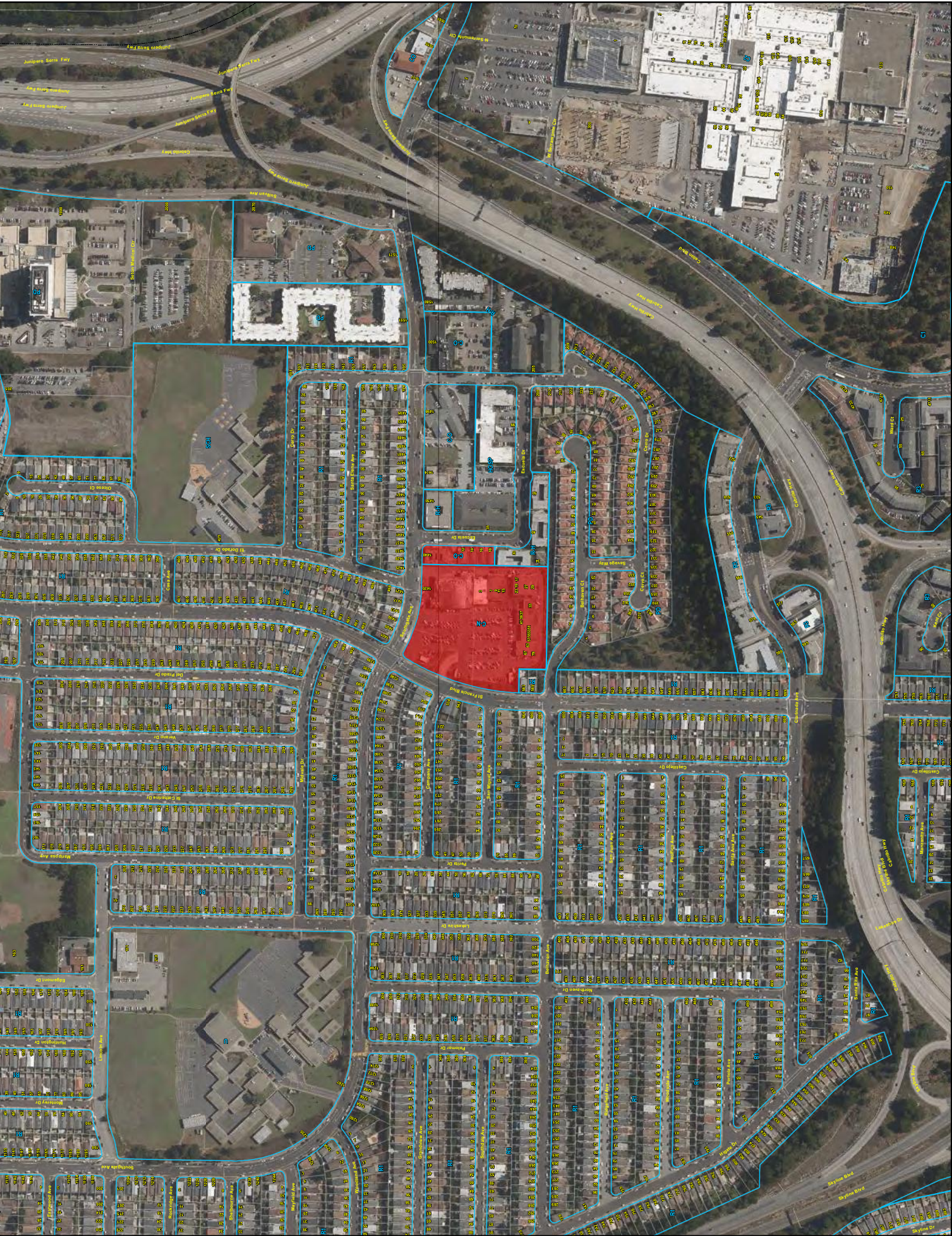


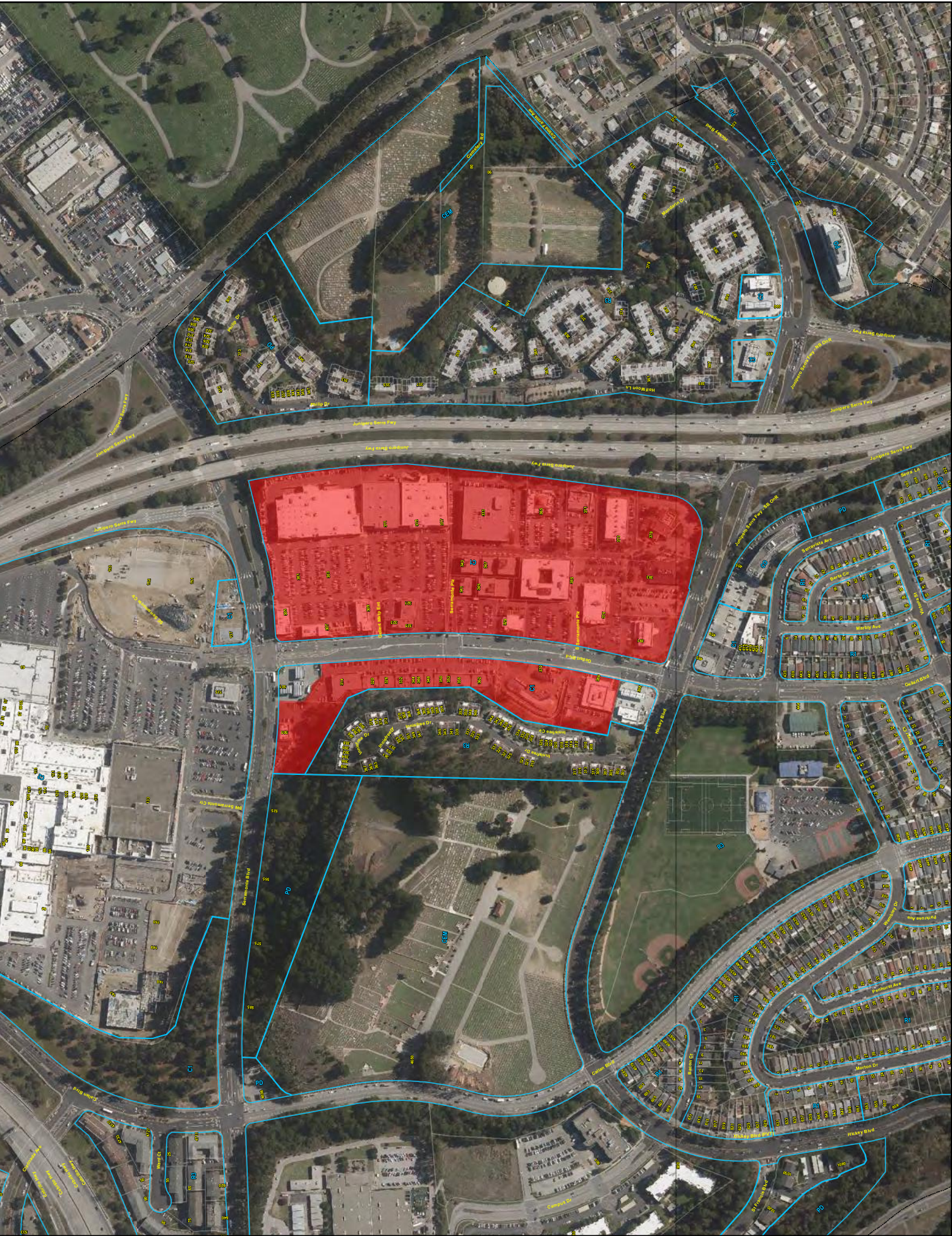


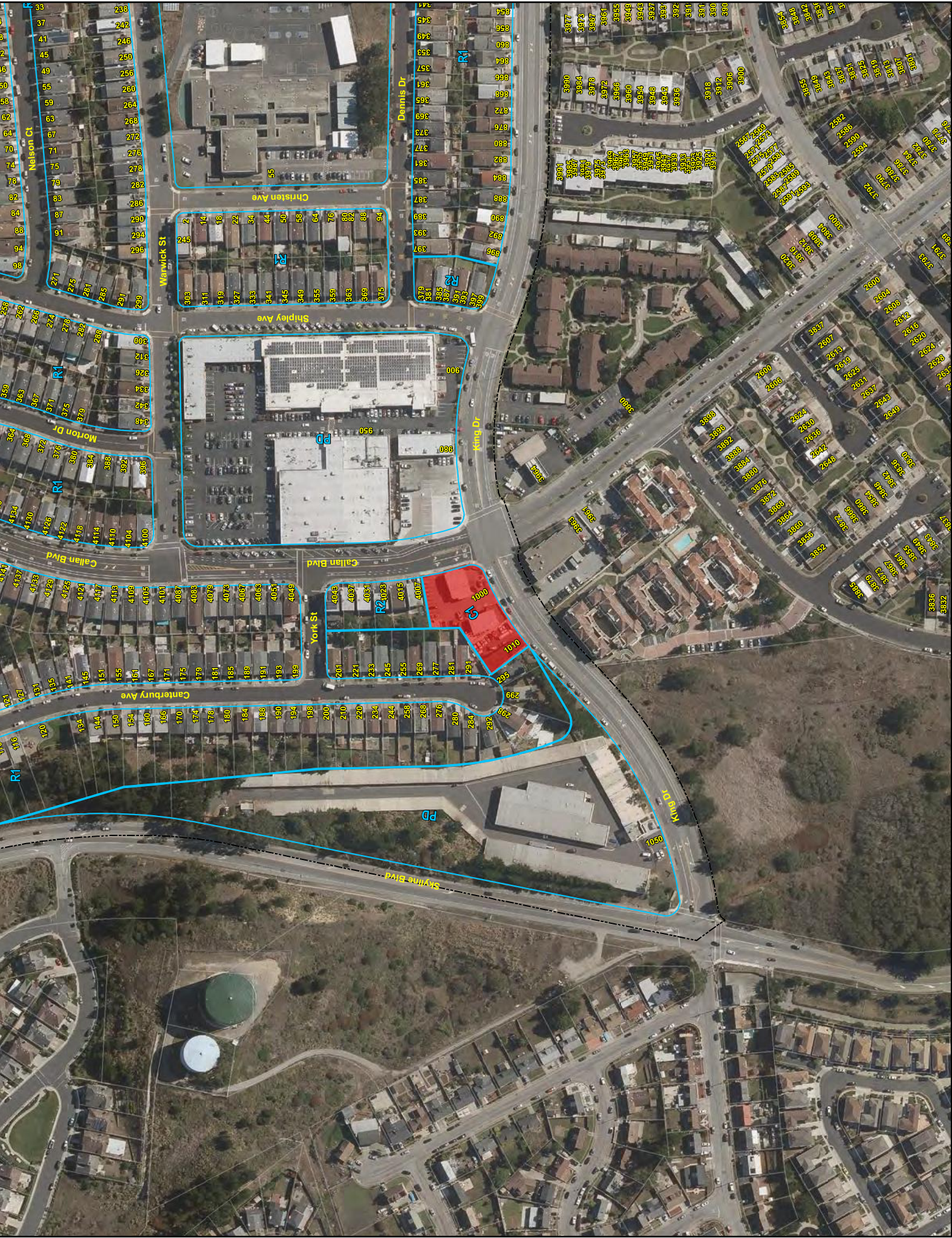


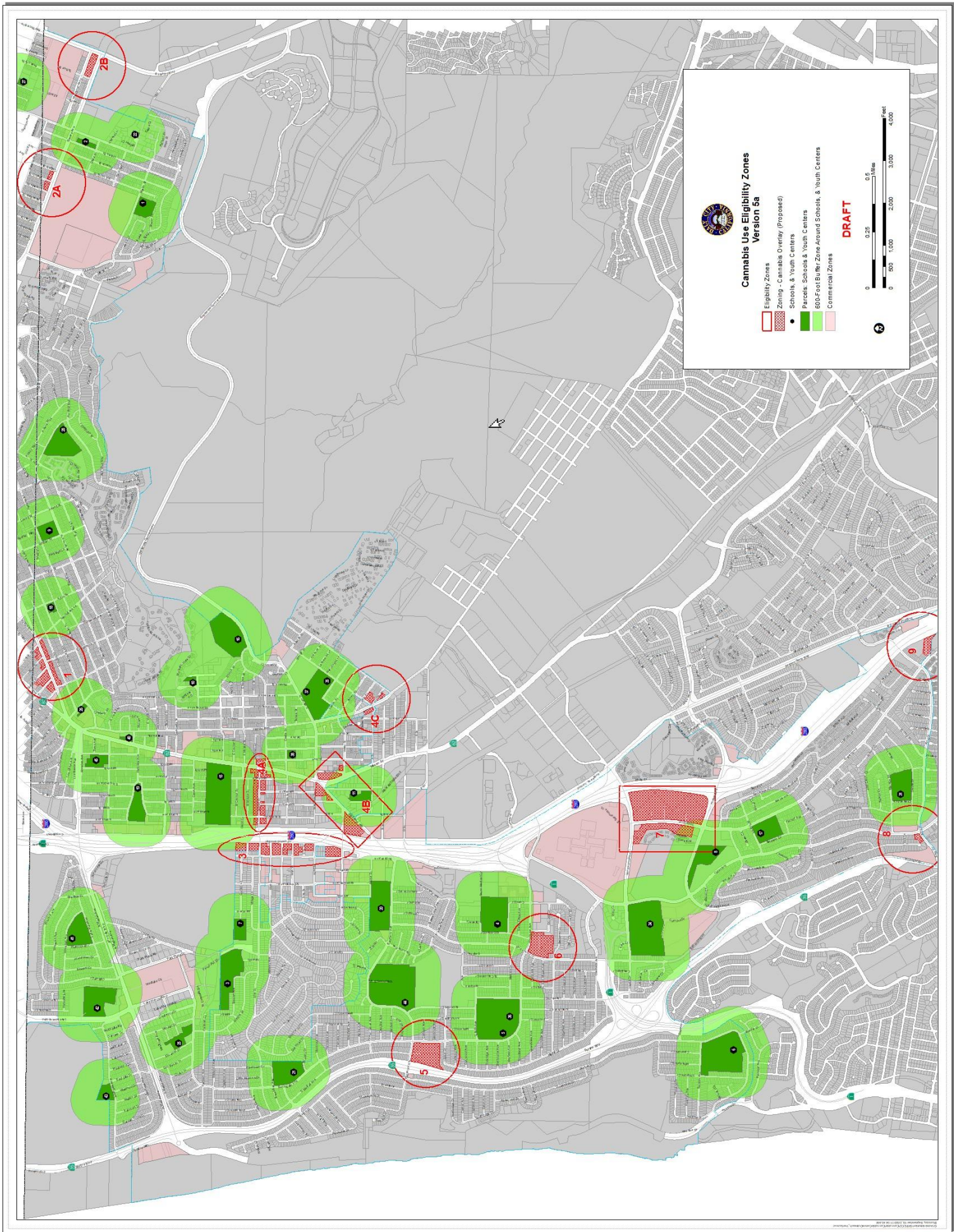








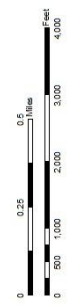


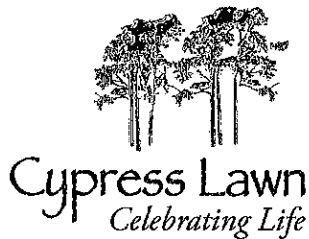


Cannabis Use Eligibility Zones
Version 5a

- Eligibility Zones
- Zoning - Cannabis Overlay (Proposed)
- Schools & Youth Centers
- Parcel, Schools & Youth Centers
- 800-Foot Buffer Zone Around Schools & Youth Centers
- Commercial Zones

DRAFT





SCANNED
2-9-21

Robert A. Gordon Jr.
President and Chief Executive Officer

Daly City Planning Commission

Daly City Clerk, City Hall

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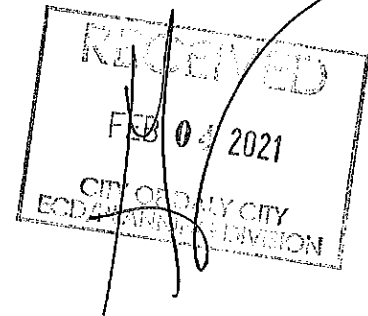
Charles R. Casey
Director

Stephen H. Sutro
Director

Robert A. Gordon Jr.
President and
Chief Executive Officer

333 90th St.

Daly City, CA 94015



Dear Commission,

The purpose of this letter is to express our concern regarding the addition of Cannabis Overlay Zones near our campuses. We are already beginning to see increases in criminal activity, disturbances and even a homicide and we believe this addition would prove to exacerbate this trend.

Thousands of Cypress Lawn patrons drive through these areas every year.

Please consider this our letter of opposition.

Regards,

Robert A. Gordon Jr.

President and CEO



TOWN OF COLMA

1198 El Camino Real • Colma, California • 94014-3212
Tel 650.997.8300 • Fax 650.997.8308

February 1, 2021

Daly City Planning Commission
c/o Daly City City Clerk
City Hall
333 90th Street
Daly City, CA 94015

Re: Proposed Zone Change/Cannabis Overlay
February 2, 2021 Planning Commission meeting

Dear Chair and members of the Planning Commission:

The Town of Colma received notice of the February 2, 2021 Planning Commission virtual meeting that includes a public hearing for consideration of a zone change to create Cannabis Overlay Zones. The Town received the notice only five days prior to the meeting, so we would like to request that future notices that may affect Colma be sent sooner.

The Town of Colma is opposed to the proposed Cannabis Overlay Zone on Hillside Boulevard. It is a neighborhood commercial area located in close proximity to a number of land uses that are not compatible with the sale of cannabis products, primarily single-family and multi-family homes. Other uses that should preclude creation of an overlay zone in this area include Susan B. Anthony Elementary School, Pollicita Middle School, cemeteries, Lucky Chances Card Room, Colma's primary residential neighborhood, the Colma community center and Colma Historical Museum. The proposed overlay zone only requires a radius of 600' from schools. This distance is inadequate since children walk to school in this neighborhood, with many needing to regularly walk through the proposed overlay zone where a cannabis business could locate. A minimum of 1,000 feet should be considered from any school.

Additionally, under mutual aid, the Colma Police Department would be the first to respond to calls for service if a cannabis business is established in the Hillside Cannabis Overlay Zone located near the Town boundary. The Town recommends that the proposed ordinance be strengthened to require a Conditional Use Permit for each cannabis business that locates in a cannabis overlay zone so that the public is notified of the establishment and that the Daly City Planning Commission and City Council have an opportunity to impose conditions unique to the location and to address public safety issues and concerns.

Also of note are the proposed Overlay Zones north of the Colma BART station. These Overlay Zones are in or adjacent to a disadvantaged community and would negatively affect residents in that area by allowing and impacting them with a less than desirable land use. New land uses in

Diana Colvin, Mayor
Helen Fisicaro, Vice Mayor

Raquel P. Gonzalez, Council Member • Joanne F. del Rosario, Council Member • John Irish Goodwin, Council Member • Brian Dossey, City Manager

that area should serve to provide beneficial neighborhood serving uses, and the Town would recommend limiting a zoning overlay in that area.

In closing, it is the Town's request to remove the Hillside Boulevard cannabis overlay from the proposed zoning map due to its potential to increase crime and negatively impact public safety. Please feel free to contact our City Manager, Brian Dossey at (650)997-8318 or brian.dossey@colma.ca.gov, if you have any questions regarding the Town's position on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Diana Colvin". The signature is fluid and cursive, with the first name "Diana" and last name "Colvin" clearly distinguishable.

Diana Colvin
Mayor

Cc: Colma City Council
John Muncey, Police Chief

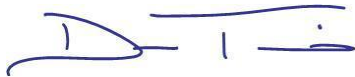
2-9-21

Dear Michael Van Lonkhuysen

As per our discussion this morning, I understand 1618 Sullivan Avenue in Daly City is not included in the commercial cannabis map overlay. I would like to request that the map overlay be revised to include 1618 Sullivan Ave.

Thank you

Owner – 1618 Sullivan Avenue, Daly City, CA 94015

A handwritten signature in blue ink, appearing to read "D. Tealdi". The signature is stylized with a large "D" and a horizontal line extending to the right.

Dan Tealdi

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DALY CITY
ADDING CHAPTER 17.56 TO THE DALY CITY MUNICIPAL CODE RE:
CC- COMMERCIAL CANNABIS COMBINING DISTRICT

The City Council of the City of Daly City DOES ORDAIN as follows:

SECTION 1. Chapter 17.56 of the Daly City Municipal Code is hereby added to read as follows:

Chapter 17.56
CC-COMMERCIAL CANNABIS COMBINING DISTRICT

- 17.56.010 General provisions**
- 17.56.020 Lands to be included**
- 17.56.030 Permitted use**
- 17.56.040 Application requirements**
- 17.56.050 Eligibility zones**
- 17.56.060 Development regulations**
- 17.56.070 Hearing and notice requirements**

17.56.010 General Provisions.

The purpose and intent of this chapter is to provide for the orderly regulation of the commercial cannabis retail industry within the City of Daly City with the intent of encouraging economic growth and job creation while protecting the public health, safety and welfare of the residents and patients of the city. All definitions, authority, scope, responsibilities, requirements, standards, conditions, exemptions, procedures, and penalties described within state law are adopted and incorporated, as are any regulations identified in Chapter 5.104, Commercial Cannabis Regulations.

17.56.020 Lands to be included.

This Chapter and the regulations contained herein apply to the entire city and more specifically lands identified on the Zoning Map in the -CC Commercial Cannabis combining district. Excluded from -CC Commercial Cannabis combining district is any property that are is in the Coastal Zone, situated on the County line with San Francisco, State-owned, County-owned, or any property that is zoned Commercial Office (C-O), Manufacturing (M), or PD (Planned Development). Also excluded is any property containing an existing or proposed gasoline service station.

17.56.030 Permitted use.

Following is the permitted use which may be permitted in an -CC combining district:

- A. Cannabis retailer, as defined in Chapter 5.104, Commercial Cannabis Regulations, and subject to the regulations contained therein.

- B. Cannabis delivery, as defined in Chapter 5.104, Commercial Cannabis Regulations, and subject to the regulations contained therein.

17.56.040 - Application requirements.

The application requirements shall be those identified in 5.104.60 Commercial Cannabis Business License – General Provisions.

17.27.050 Eligibility zones.

The eligibility for any specific property located within the -CC Commercial Cannabis combining district shall conform to Chapter 5.104 – Commercial Cannabis Regulations.

17.27.060 Development regulations.

The development regulation shall be those identified in the underlying zoning designation and any such regulations identified by Chapter 5.104.50 Conditions of Operation.

17.27.070 Hearing and notice requirements.

No public hearing for the purpose of zoning conformance shall be required prior to the commencement of any use meeting the definition of Cannabis retailer, as defined in Chapter 5.104, Commercial Cannabis Regulations. The use shall be considered non-discretionary and therefore not subject to the requirements of the California Environmental Quality Act (CEQA).

SECTION 2. Environmental Determination:

The City Council of the City of Daly City finds and determines that the implementation of measures described in this Chapter is in furtherance police powers of the City of Daly City, and that these purposes are exempt from the provisions of the California Environmental Quality Act (CEQA); Chapter 3 (commencing with Section 21100) of Division 13 of the Public Resources Code, as provided in categorical exemption Classes 1, 4, 5, 7, 8, 9, and or 21 of the CEQA Guidelines (Title 14, *California Code of Regulations*, Sections 15301-15329).

SECTION 3. Effective Date; Publication and Posting:

This Ordinance shall be in full force and effect thirty (30) days from and after its passage. This Ordinance shall be published according to law. The City Clerk shall post in the Office of the City Clerk a copy of the full text of this Ordinance in compliance with Government Code Section 36933(c)(1).

SECTION 4. Severability:

If any section, subsection or sentence of this Ordinance is found by a court of competent jurisdiction to be invalid or unlawful, the City Council finds and declares that the remainder of this ordinance would be and is enforceable and would have been adopted notwithstanding the finding of invalidity as to any section, subsection or sentence.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DALY CITY
ADDING CHAPTER 17.56 TO THE DALY CITY MUNICIPAL CODE RE:
CC- COMMERCIAL CANNABIS COMBINING DISTRICT

Introduced this _____ day of _____ 2021.

Passed and adopted as an Ordinance of the City of Daly City at a regular meeting of the City Council of the City of Daly City held on the _____ day of _____ 2021, by the following vote:

AYES, Councilmembers _____

NOES, Councilmembers _____

Absent, Councilmembers: _____

CITY CLERK OF THE CITY OF DALY CITY

APPROVED:

MAYOR OF THE CITY OF DALY CITY



City Council Meeting Agenda Report

Item # _____

Meeting Date: March 22, 2021

Subject: Revisions to Chapter 5.104 of Title 5 of the Daly City Municipal Code – Regulation of Commercial Cannabis Operations & Establishment of Fees for Commercial Cannabis Business License Application Submittals

Recommended Action

Staff recommends that the City Council approve the attached revised ordinance and proposed commercial cannabis business license application fees allowing for the establishment of commercial cannabis business operations in the City of Daly City and adopting a comprehensive process for permitting and regulating commercial cannabis business operations which complements the proposed commercial cannabis zoning overlay district.

Background

In 2016, California voters enacted Proposition 64, intended to create a comprehensive system to legalize, control, and regulate the cultivation, processing, manufacture, distribution, testing, and sale of non-medical cannabis, and to tax the cultivation and retail sale of cannabis for non-medical use. In November 2018, Daly City voters approved a business license tax on all cannabis businesses of up to ten percent of gross receipts in anticipation of the future allowance of cannabis sales.

In October 2019, the City Council adopted an ordinance (“Cannabis Ordinance”) which authorized commercial cannabis activities and established a process for permitting and regulating commercial cannabis activities in Daly City.

As adopted, the Cannabis Ordinance requires that, in addition to a State license, operators of commercial cannabis businesses in Daly City must obtain a Commercial Cannabis Business License from the City. All such licenses will be reviewed by the Chief of Police and will include a background check, Live Scan fingerprinting, security plan, and ensure compliance with the State Licensing Procedures.

The approved Cannabis Ordinance allowed City Staff to develop a zoning overlay district in which commercial cannabis operations would be allowed to operate. The overlay district, also put forth for Council consideration, creates a separate zoning designation for specific properties in the City, located within designated eligibility zones, within which particular commercial cannabis operations would be allowed to operate by right. The commercial cannabis overlay district is complemented by a comprehensive City-wide map which details the properties and areas contained in the commercial cannabis zoning overlay district.

Pursuant to additional direction from City Council and City staff, and in order to adapt the previously approved Cannabis Ordinance to the more recently developed commercial cannabis zoning overlay district, a number of changes have been made to the Cannabis Ordinance (see Attachment A – Revised Cannabis Ordinance, and Attachment B – Proposed Updates to Cannabis Ordinance).

City Council Agenda Report

Revisions to Chapter 5.104 of the Daly City Municipal Code
Regarding the Regulation of Commercial Cannabis Operations

March 17, 2021

Page 2 of 3

The primary additions / revisions to the Cannabis Ordinance are summarized as follows:

Clarification of Allowed Cannabis Uses Within the City: Cannabis retailers and testing laboratories shall be permitted to operate in the City. Other types of commercial cannabis operations such as cultivation, distribution, and manufacturing, shall be prohibited.

Addition to Security Plan Requirements. Pursuant to direction from Police Department, additional measures to ensure on-site security, including more detailed requirements for the retailer's security alarm system, product storage, and security personnel, have been included in the Cannabis Ordinance. Specifically, the security alarm system must be in use 24 hours per day, cover all areas of the store, and be made available to the Police Department on request; cannabis and/or cannabis products in a retail location must be stored in a secure area equipped with commercial locks and reinforced doors; and at least one active security guard must be on duty during operating hours.

Application Procedures. Pursuant to direction from City Council and staff, cannabis retailers who have applied for a commercial cannabis business license will be issued business licenses via a lottery system to retain equity and impartiality in the selection process. The proposed system is outlined as follows:

1. All applications for a given year will be due by a date determined by staff and provided through an online portal.
2. Staff will review applications to ensure that they meet minimum criteria; applications that do not meet the minimum criteria will be removed from consideration.
3. After closing the application acceptance window, staff will categorize received eligible applications by eligibility zone as further detailed and described in the zoning ordinance.
4. Staff will randomly select one eligible application for each eligibility zone unless no applications have been received for a given eligibility zone.
5. Selected applicants will be issued a provisional Commercial Cannabis Business License with an opportunity to be issued a formal Commercial Cannabis Business License pending final verification of security plans and site control.
6. Selected applicants must show continued good faith effort to obtain the Commercial Cannabis Business License or else communicate they are no longer pursuing the application.
7. If staff determines a lack of good faith effort, staff shall notify the applicant of the intent to deny the application and the required next steps for the applicant to rectify. The applicant shall have 30 days from the date of the issuance of the notification to meet the next steps, or the application shall be denied.
8. If an application is denied or the applicant decides not to pursue the application, staff shall select at random one eligible application from the pool of remaining applicants with a proposed location in the same eligibility zone from which the denied or abandoned application was selected.

Multi-Departmental Coordination. Business Licenses will not be issued until after both the Planning Division and the Police Department issue their respective approvals in connection with the proposed location of the cannabis operation (Planning) and the Security Plan associated with the proposed Cannabis Operation (Police).

City Council Agenda Report

Revisions to Chapter 5.104 of the Daly City Municipal Code
Regarding the Regulation of Commercial Cannabis Operations

March 17, 2021

Page 3 of 3

Regarding staff time associated with the review of commercial cannabis business license applications, it is estimated that the Planning division will require one hour to approve the location and verify site control for each application. Additionally, it is estimated the Police Department will require three hours to conduct a security/site plan review, complete an in-house background check, and complete a police report for each application. In order to cover staff time associated with application review, staff proposes Council establish application fees of \$621 per application based on Planning rates of \$160 per hour and Police Department rates of \$188.28 / \$136.09 per hour for Police Lieutenants and Police Officers, respectively.

Summary / Conclusion

Staff recommends that the City Council approve the attached revised Cannabis Ordinance and proposed commercial cannabis business license application fees allowing for the establishment of commercial cannabis business operations in the City and adopting a process for permitting and regulating commercial cannabis business operations which complements the proposed commercial cannabis zoning overlay district.

Staff is available to provide any additional information desired by the Mayor and Councilmembers.

Respectfully submitted,



Brandon Phipps
Economic Development Specialist



Tatum Mothershead
Director of Economic and Community Development



Proposed Updates to Commercial Cannabis Ordinance:

- **Types of Cannabis Operations Permitted**
 - Cannabis operations including cannabis retailers and testing laboratories shall be permitted to operate in the City.
 - Cannabis retailers shall be permitted to operate in designated Eligibility Zones as further defined in Daly City Municipal Code Section 17.56.050.
 - Cannabis testing laboratories shall be permitted to operate in any commercial or industrial zone where a similar medical or testing facility is allowed.
 - City of Daly City does not allow for any other types of commercial cannabis operations such as cultivation, distribution, and manufacturing.
- **Addition to Security Plan requirements (per direction from Police Department):**
 - On-Site Security:
 - Operations engaged in retail sale must have at least one active security guard on duty during operating hours.
 - Must comply with Chapters 11.4 and 11.5 of Division 3 of the Business and Professions Code.
 - Security personnel must be at least 21 years of age and be licensed by the Bureau of Security and Investigative Services.
 - Security personnel must monitor site and immediate vicinity around the site and ensure no persons under the age of 21 be allowed to enter unless they possess a valid Medical Marijuana Identification Card issued by State of CA.
 - Security Alarm System:
 - Security cameras must be in use 24 hours per day and cover all areas of the store (e.g., cannabis dispensing areas, storage areas, doors/windows with access into facility, parking area, and others as deemed necessary by PD).
 - Maintain centrally monitored fire and security alarm system covering doors, windows, glass break and interior motion.
 - Panic button required to be integrated into the Commercial Cannabis Operations' security alarm system.
 - Cannabis operations equipped with motion activated lighting at both front and back doors.
 - Product Storage:
 - Cannabis or cannabis products stored in retail location must be in a secure area equipped with commercial locks and reinforced doors.
- **Application Procedures:**
 - Lottery System:
 - All applications for a given year will be due by a date determined by the City and provided through an online portal.
 - City Staff reviews applications to ensure that they meet minimum criteria.
 - Applications that do not meet the minimum criteria will be removed from consideration; applicants will be notified if their application does not meet City's minimum criteria.

- After closing the application acceptance window, the City will categorize received eligible applications by Eligibility Zone as further detailed and described in City's zoning code.
- City Staff shall randomly select one eligible application for each Eligibility Zone unless no applications have been received for a given Eligibility Zone.
- Selected applicants will be issued a provisional Commercial Cannabis Business License with an invitation to apply for a formal Commercial Cannabis Business License pending final verification of Security Plan and site control in the form of an executed lease or property ownership.
- All applicants must show continual good faith efforts to obtain the Commercial Cannabis Business License or else communicate that they are no longer pursuing the application.
- If the City determines that the application is not progressing, the City shall notify the applicant of the intent to deny the application and the required next steps for the applicant to rectify. The applicant shall have 30 days from the date of the issuance of the notification to meet the next steps, or the application shall be denied.
- If an application is denied or the applicant decides not to pursue the application, the City shall select at random one eligible application from the pool of remaining applicants with a proposed location in the same Eligibility Zone from which the denied or abandoned application was selected.
- License Issuance:
 - Business Licenses shall not be issued until after the Planning Division has issued a Zoning Clearance and has approved the proposed location of the Cannabis Operation.
 - Only one commercial cannabis business license application can be submitted for each eligible retail space.
 - Applicants can submit multiple commercial cannabis business license applications insofar as each application is located within a separate Eligibility Zone as further detailed and described in Daly City Municipal Code Section 17.56.050.
 - Business Licenses shall not be issued until after the Police Department has approved the Security Plan associated with the proposed cannabis operation.
- Application Components:
 - Application requires the name, electronic mail address, and mobile phone number of at least three (3) responsible emergency contact names, to be kept on file with the Police Department.
 - Premises Diagram:
 - Premises diagrams show proposed security measures and how they relate to the overall business (Pursuant to Bureau of Cannabis Control regulations, Title 16, Division 42 §5006 and CCR Title 17, Division 1, Chapter 13, § 40105, Premises Diagram, as applicable).

- The diagram shall be accurate, dimensioned and to scale (minimum 1/8th" scale).
 - The diagram shall show the property boundaries, premises boundaries, dimensions, entrances and exits, interior partitions, walls, rooms, windows, and doorways.
 - Premises cannot be in a location where alcohol or tobacco are sold, and premises cannot be in an area only accessible by passing-through a location where alcohol or tobacco is sold.
- Application Renewal:
 - Applications for renewal of commercial cannabis business licenses will not be selected through a lottery process.
 - Previously licensed cannabis businesses will be given the option to continue their operations pending review and final approval of a commercial cannabis business license application for renewal by City Staff.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DALY CITY
ADDING CHAPTER 5.104 TO THE DALY CITY MUNICIPAL CODE RE:
COMMERCIAL CANNABIS REGULATIONS

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF DALY CITY DOES ORDAIN
AS FOLLOWS:

SECTION 1: Chapter 5.104 of Title 5 of the Daly City Municipal Code is hereafter
repealed and replaced to read as follows:

Chapter 5.104
COMMERCIAL CANNABIS REGULATIONS

5.104.00	Findings
5.104.10	Purpose and Intent
5.104.20	Definitions
5.140.30	Types of Cannabis Operations Permitted
5.104.40	Commercial Cannabis Business License and State License Required
5.104.50	Commercial Cannabis Business License Fees
5.104.60	Conditions of Operation
5.104.70	Commercial Cannabis Business License – General Provisions
5.104.80	Commercial Cannabis Business License – Approval and Denial
5.104.90	Expiration and Renewal of Commercial Cannabis Business Licenses
5.104.100	Suspension and Revocation by City
5.104.110	Inspection of Operations
5.104.120	License Non-Transferrable
5.104.130	Indemnification, Insurance, Limitation of City’s Liability
5.104.140	Outdoor Commercial Cannabis Cultivations and Activities Prohibited

5.104.00 Findings.

The City Council finds:

A. Since 1996, Cannabis for personal medicinal purposes, when recommended by a physician, has been legal in the State of California; and

B. In 2016, California voters enacted Proposition 64, intended to create a comprehensive system to legalize, control, and regulate the Cultivation, Processing, Manufacturing, Distribution, testing, and sale of non-medical cannabis, including Cannabis products, for use by adults twenty-one (21) years and older, and to tax the Cultivation and Retail sale of cannabis for non-medical use; and

C. In 2017, the Governor signed a bill to combine the regulation of both medical and non-medical cannabis under one (1) umbrella licensing and regulatory system, entitled the "Medical and Adult-Use Cannabis Regulation and Safety Act" (MAUCRSA or Act); and

D. The Act does not limit the authority of a local governing body to adopt and enforce local ordinances regulating businesses licensed under the Act or to completely prohibit such

businesses within the local jurisdiction to the full extent authorized to a local agency by the Act; and

E. The use, Cultivation, Distribution, production, possession and transportation of Cannabis or Cannabis products remains illegal under Federal law, and Cannabis remains classified as a "controlled substance" by both California and Federal law; and

F. The City Council intends to regulate the use, acquisition, Cultivation, production, Distribution, and Retail sale of commercial cannabis in a manner that is consistent with the California Constitution and the Act. The regulations are intended to apply to all commercial cannabis operations in the city by any cannabis business licensed under the state law. Commercial Cannabis Activity can have an impact on health, safety, and community resources, and this chapter is intended to license commercial cannabis businesses where it will have a minimal impact; and

G. To the extent that commercial cannabis businesses are registered and authorized by the State of California to operate in the corporate limits of the city, the City Council desires to provide for their licensing and regulation to protect the public health, safety and general welfare of the citizens of the city; and

H. This chapter is to be construed to protect the public over commercial cannabis business interests. Operation of a commercial cannabis business is a revocable privilege and not a right in the city. There is no property right for an individual or business to have a commercial cannabis business in the city; and

I. Commercial cannabis is a heavily regulated industry in the city, and the city has a zero-tolerance policy for violations of this chapter.

5.104.10 Purpose and Intent.

A. It is the purpose and intent of this chapter to provide for the orderly regulation of the commercial cannabis industry within the City of Daly City with the intent of encouraging economic growth and job creation while protecting the public health, safety and welfare of the residents and patients of the city. The City Council may adopt by resolution any regulations or policies that will further the purpose of this chapter, and that do not conflict with the provisions herein.

B. All definitions, authority, scope, responsibilities, requirements, standards, conditions, exemptions, procedures and penalties described within state law are adopted and incorporated. The City Manager or her/his designee shall administer and enforce the provisions of this Chapter, applicable state law, and the rules and regulations promulgated by the City Council and any applicable state departments. This Chapter and the regulations contained herein apply to the entire city.

5.104.20 Definitions.

A. "Applicant" shall mean a person or entity that submits an Application or an Application for Renewal of a Commercial Cannabis Business License.

B. "Application for Renewal" shall mean an application for a renewed Commercial Cannabis Business License, which application may be submitted by a Licensee.

C. “Cannabis” shall have the meaning set forth in Business and Professions Code section 26001(f) and Business and Professions Code section 19300.5(f).

D. “Cannabis Operation” shall mean any Commercial Cannabis Activity permitted under this Article.

E. "Cannabis products" has the same meaning as in Section 11018.1 of the Health and Safety Code.

F. “Commercial Cannabis Activity” shall have the meaning set forth in Business and Professions Code section 26001(k).

G. “Cultivation” shall mean any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

H. “Delivery” means the commercial transfer of cannabis or Cannabis products to a customer. "Delivery" also includes the use by a Retailer of any technology platform.

I. “Distribution” means the procurement, sale, and transport of cannabis and Cannabis products between entities licensed pursuant to state regulations.

J. “Eligibility Zone” refers to the areas within which the Retail sale of cannabis is permitted as further described in Daly City Municipal Code Section 17.56.050

K. “Licensee” shall mean the Cannabis Operation Owner identified to the City as such, and to whom a City Commercial Cannabis Business License has been issued.

L. "Manufacturer" means a Licensee that conducts the production, preparation, propagation, or compounding of cannabis or Cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or Cannabis products or labels or relabels its container.

M. “Processing” means any method used to prepare cannabis or its byproducts for commercial sale, including but not limited to: drying, cleaning, curing, packaging, and extraction of active ingredients to create cannabis related products and concentrates.

N. “Retail sale” shall mean any exchange between a Retailer and a customer.

O. "Retailer" means a facility where cannabis, Cannabis products, or devices for the use of cannabis or Cannabis products are offered, either individually or in any combination, for Retail sale, including an establishment that delivers, pursuant to express authorization by local ordinance, cannabis and Cannabis products as part of a Retail sale.

P. “Testing laboratory” means a laboratory, facility, or entity in the state that offers or performs tests of cannabis or Cannabis products and that is both of the following:

1. Accredited by an accrediting body that is independent from all other persons involved in the medical cannabis industry in the state.

2. Licensed by the Bureau of Cannabis Control within the Department of Consumer Affairs.

Q. “Operator” shall mean any person or entity responsible for management of the Cannabis Operation, any person listed on the Cannabis Operation’s Articles of Incorporation or Articles of Organization, any person or entity owning an interest in the Cannabis Operation, and any person that supervises another employee of the Cannabis Operation.

R. “Owner” shall mean the person or entity in whom is vested interest and title to the Cannabis Operation.

S. “State Cannabis Laws” shall include the Compassionate Use Act, the Medical Cannabis Program Act, the Medical Cannabis Regulation and Safety Act, and the Adult Use of Cannabis Act, and all other State laws regulating Cannabis and Cannabis products, as they may be amended.

T. “State License” shall mean a license from the State issued pursuant to sections 26050 et seq. of the California Business and Professions Code.

5.104.30 Types of Cannabis Operations Permitted.

A. Cannabis Operations including Cannabis Retailers and Testing laboratories shall be permitted to operate in the City pursuant to this ordinance.

B. Cannabis Retailers shall be permitted to operate in designated Eligibility Zones as further defined in Daly City Municipal Code Section 17.56.050.

C. Cannabis Testing laboratories shall be permitted to operate in any commercial or industrial zone where a similar medical or testing facility is allowed.

D. City of Daly City does not allow for any other types of Commercial Cannabis Operations such as Cultivation, Distribution, and Manufacturing.

5.104.40 Commercial Cannabis Business License and State License Required.

A. It is unlawful for any person conducting, operating, owning, or in control of any premises to sell cannabis or Cannabis products, whether medical (medicinal) or adult use (recreational), within the city of Daly City unless such person holds a valid Commercial Cannabis Business License, pursuant to the provisions of this chapter. All Retail sales of any type, including online and Delivery service sales, are included in this requirement and are unlawful without the required Commercial Cannabis Business License. A separate Commercial Cannabis Business License is required for each location.

B. Operation of a Cannabis Operation shall not commence until a Licensee has obtained a valid State License. Licensees shall maintain a valid State License at all times during operation of a Cannabis Operation and shall comply with any applicable State licensing requirements.

C. A copy of the Cannabis business license shall be displayed at all times in a place visible to the public.

D. A Commercial Cannabis Business License issued by the City of Daly City shall be valid for one year or until September 30th each year, unless sooner revoked. No license granted herein shall confer any vested right to any person or for more than the above-referenced period.

E. A Commercial Cannabis Business License shall be issued to the specific person or persons listed on the Business License application.

F. A Commercial Cannabis Business License is not transferable and does not run with the land or with the business. Any change to the business location, organizational structure, or ownership requires a new application with associated fees.

5.104.50 Commercial Cannabis Business License Fees.

A. Every application for a Commercial Cannabis Business License or renewal of such license shall be accompanied by a non-refundable license application fee in an amount set forth by separate resolution of the City Council, which amount is calculated to recover the City's full cost of reviewing, issuing and administering said license. The adoption of such fees shall not prevent the city from recovering enforcement costs not specified in such resolution.

B. A fee for renewal of a Commercial Cannabis Business License will be due annually.

5.104.60 Conditions of Operation.

A. Security Plan.

A Licensee shall provide adequate security on the premises of the Cannabis Operation. All security measures must be fully operational in the event of a power outage. The following minimum-security standards shall be maintained at all times:

B. Surveillance system.

1. Each Cannabis Operation shall be monitored at all times by closed-circuit television surveillance system. The camera and video recording surveillance system must be capable of providing surveillance of both interior and exterior areas of the Cannabis Operation and must be of adequate quality, color rendition and resolution to allow the ready identification of an individual on or adjacent to the Property. The video surveillance system must have the capability to document each Retail sale and shipping/receiving transactions and all storage and processing areas.

2. The security cameras must be Internet Protocol (IP) cameras capable of providing real time footage over the internet. Operators must provide the Daly City Police Department with access to this real-time camera footage in case of an emergency.

3. Security cameras shall be in use 24-hours per day, seven days per week, and shall cover all cannabis dispensing areas, storage areas, all doors and windows with access into the facility, parking areas if applicable, and any other areas not mentioned as determined by the Chief of Police or his/her designee.

4. The recordings shall be maintained at the Cannabis Operation for a period of not less than thirty (30) days and shall be provided to the City Police Department within twenty-four (24) hours of a written request from the Police Department for any recordings.

5. Each Licensee shall notify the Chief of Police immediately after discovering any of the following: diversion, theft, loss, or any criminal activity involving the Cannabis

Operation; significant discrepancies identified during inventory; or any other breach of security.

6. A sign shall be posted inside and at the entrances to the establishment indicating that the premises are under camera/video surveillance.

7. Window and door areas shall not be covered, tinted, or made opaque in any way, or obscured in any way by landscaping, floor displays, equipment, or the like.

8. Cannabis Operations shall be equipped with motion activated lighting at both front and back doors.

C. Loitering Adjacent to a Cannabis Operation.

Licensees shall take reasonable measures to reduce loitering by Cannabis Operation patrons, guests and invitees in public areas, sidewalks, alleys and areas surrounding the Property and adjacent premises during the business hours of the Cannabis Operation.

D. Nuisances Prohibited.

A Licensee shall take reasonable steps to correct objectionable conditions that constitute a nuisance on any public sidewalk or public space abutting the Cannabis Operation premises.

1. For purposes of this section, “objectionable conditions that constitute a nuisance” means public consumption of Cannabis products, disturbance of the peace, drug trafficking, disposing of litter or trash, or excessive loud noise.

2. For purposes of this section, “reasonable steps” means all of the following:

a. Calling the local law enforcement agency. Timely calls to the local law enforcement agency that are placed by the Licensee, or his or her agents or employees, shall not be construed as evidence of objectionable conditions that constitute a nuisance.

b. Requesting those persons engaging in activities causing objectionable conditions to cease those activities, unless the Licensee, or his or her agents or employees, feel that their personal safety would be threatened in making that request.

c. Making good faith efforts to remove items that facilitate loitering, such as furniture, except those structures approved or permitted by the City. The Licensee shall be liable for the removal of those items that facilitate loitering.

E. On-Site Security.

1. Cannabis Operators engaged in Retail sale shall hire and/or contract for security personnel to provide security services for the licensed retail premises. All security personnel hired or contracted for by the Licensee shall comply with Chapters 11.4 and 11.5 of Division 3 of the Business and Professions Code.
2. Security personnel must be at least 21 years of age and be licensed by the Bureau of Security and Investigative Services.
3. All Cannabis Operators engaged in Retail sale must have at least one (1) active security guard on duty during operating hours.
4. Security guards and commercial cannabis business personnel shall monitor the site and the immediate vicinity around the site to ensure that patrons leave the site following their purchase and do not consume cannabis in the vicinity of the business, on the property, or in the parking lot.
5. The Security guard shall ensure that no persons under the age of twenty-one (21) be allowed to enter the commercial cannabis business unless persons under twenty-one (21) possess a valid Medical Marijuana Identification Card issued by the State of California.

F. Security Alarm System.

1. Where Commercial Cannabis Operations take place, Applicants shall maintain a centrally-monitored fire and security alarm system covering doors, windows, glass break and interior motion.
2. A panic button shall be required to be integrated into the Commercial Cannabis Operations' security and alarm system.

G. Product Storage.

Operators shall ensure that any cannabis or Cannabis products stored at their retail location is in a secure area equipped with commercial locks and reinforced doors.

H. State Laws and Regulation.

Licensee shall comply with all security requirements as established by state law and regulations, as they may be updated from time to time.

5.104.70 Commercial Cannabis Business License – General Provisions.

A. Application Procedures

1. Commercial Cannabis Business Licenses shall not be issued until after the Planning Division has issued a Zoning Clearance and has approved the proposed location

of the Cannabis Operation; moreover, Commercial Cannabis Business Licenses shall not be issued until after the Police Department has approved the Security Plan associated with the proposed Cannabis Operation.

2. Application Fee. The non-refundable application fee to apply for a Commercial Cannabis Business shall be set by resolution of the City Council and shall be calculated so as not to exceed that amount which would recover the total costs of both license administration and license enforcement.

3. Application Filing Requirements. A complete Commercial Cannabis Business License Application or Application for Renewal along with all required fees and materials required by this Article, shall be submitted in order for a person, entity, and/or business to be considered for a Commercial Cannabis Business License. All Commercial Cannabis Business License applications or Applications for Renewal shall be filed using forms and authorizations provided by the City.

4. Commercial Cannabis Business License Applications and Applications for Renewal shall include:

a. For each Licensee, Owner, Operator and employee of the Cannabis Operation, a fully legible copy of one valid government-issued form of photo identification, such as a state driver's license or identification card. Acceptable forms of government-issued identification include, but are not limited to, driver's license or photo identity cards issued by the state Department of Motor Vehicles (or equivalent) that meet REAL ID benchmarks, a passport issued by the United States or by a foreign government, U.S. Military ID cards (active duty or retired military and their dependents) or a Permanent Resident card.

b. If the Cannabis Operation is a corporation, a certified copy of the Corporation Secretary of State Articles of Incorporation, Certificate(s) of Amendment, Statement(s) of Information.

c. If the Cannabis Operation is a partnership, a copy of the articles of or partnership.

d. The name, address, electronic mail address and mobile phone number of the Applicant's or Licensee's current designated Agent for Service of Process.

e. Emergency Business Contact. The name, electronic mail address, and mobile phone number of at least three (3) responsible emergency contact names on file with the Police Department. Emergency Business Contacts can be an Owner, Operator, or manager; they will act as an on-site community relations staff person to whom the City may provide notice of any operating problems associated with the Cannabis Operation.

f. Emergency Contact. The name, electronic mail address, and mobile phone number, of at least one person City may contact in the event of an emergency.

g. A statement dated and signed by each Applicant, under penalty of perjury, that the Applicant has personal knowledge of the information contained in the Application, that the information contained therein is true and correct.

5. In addition to a completed Commercial Cannabis Business License Application or Application for Renewal, Applicants or Licensees shall provide and submit the following information to the City:

a. The Applicant and each Owner, Operator and employee shall consent to fingerprinting and a criminal background investigation and shall undergo fingerprinting and a criminal background investigation.

b. Security Plans. Applicants shall provide a plan to provide adequate security on the premises of the Cannabis Operation. The Plan shall include standards showing the Cannabis Operation's ability to comply with the conditions of Section 5.104.60 of this Chapter.

c. Premises Diagram. Applicants shall submit a preliminary premises diagram which focuses on proposed security measures and how they relate to the overall business (Pursuant to Bureau of Cannabis Control regulations, Title 16, Division 42 §5006 and CCR Title 17, Division 1, Chapter 13, § 40105, Premises Diagram, as applicable).

1. The diagram shall be accurate, dimensioned and to scale (minimum 1/8th" scale).

2. The diagram shall show the property boundaries, premises boundaries, dimensions, entrances and exits, interior partitions, walls, rooms, windows, and doorways and shall include a brief statement or description of the principle activity to be conducted in each area of the premises and all limited-access areas.

3. The premises shall not be in a location that requires persons to pass through an establishment that sells alcohol or tobacco to access the cannabis premises or requires persons to pass through the cannabis premises to access an establishment that sells tobacco or alcohol.
Approval is not in place of permitting.

B. Ongoing Filing Requirements. Where a Cannabis Operation or Licensee replaces, hires, appoints or employees new Operators and/or employees to its Cannabis Operation, all such Operators and employees shall be required to submit to fingerprinting and a criminal background investigation pursuant to Section 4-16.04(b)(3)(i) of this Article.

5.104.80 Commercial Cannabis Business License – Approval and Denial.

A. The City Council may set by resolution additional rules and regulations regarding the approval of Commercial Cannabis Business License Applications and selection of Commercial Cannabis Business Operators. In addition to any such criteria established by Resolution, to be considered for a Commercial Cannabis Business License in City of Daly City, Applicants must submit a completed Commercial Cannabis Business License Application that meets the following minimum criteria:

1. The Planning Division has issued a Zoning Clearance and approved the proposed location of the commercial cannabis business operations.

2. The Planning Division has received evidence that the Commercial Cannabis Business has sufficient control/approvals on the property on which they would like to conduct business in the form of a lease (can be contingent upon license award), property ownership, or signed letter from property owner.

a. Only one Commercial Cannabis Business License application can be submitted for each eligible retail space; Applicants should confirm with the property owner that they are the sole Applicant for any eligible retail space.

b. Applicants can submit multiple Commercial Cannabis Business License applications insofar as each application is located within a separate Eligibility Zone as further detailed and described in Daly City Municipal Code Section 17.56.050

3. The Police Department has issued a security clearance and approved the proposed Security Plan of the commercial cannabis business operations (minimum standards set forth in Section 5.104.60 of this Chapter).

4. The Applicant and each Owner, Operator and employee of the Cannabis Operation have authorized and completed fingerprinting.

5. The Applicant and each Owner, Operator and employee of the Cannabis Operation have authorized the use of their fingerprinting results to run a State and nationwide criminal background check.

6. The results of the criminal background checks establish that the Applicant, Owner(s), Operator(s), and employees have not been convicted of an offense that is substantially related to the qualifications, functions, or duties of a Cannabis Operation. The following offenses are substantially related to the qualifications, functions, or duties of a Cannabis Operation:

a. A violent felony conviction, as specified in subdivision (c) of Section 667.5 of the Penal Code.

b. A serious felony conviction, as specified in subdivision (c) of Section 1192.7 of the Penal Code.

c. A felony conviction involving fraud, deceit, or embezzlement.

d. A felony conviction for hiring, employing, or using a minor in transporting, carrying, selling, giving away, preparing for sale, or peddling, any controlled substance to a minor; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor.

e. A felony conviction for drug trafficking with enhancements pursuant to Section 11370.4 or 11379.8.

f. Conviction for any controlled substance felony subsequent to licensure shall be grounds for revocation of a license or denial of the renewal of a license.

7. The Applicant has not been convicted, cited, fined, or penalized by the State or any city, county, or city and county, or enjoined by any court of law, in the five years immediately preceding the application for a Commercial Cannabis Business License or Commercial Cannabis Business Renewal License, for any unauthorized Cannabis activities.

8. The Applicant has not been convicted, cited, fined, or penalized by the State or any city, county, or city and county, or enjoined by any court of law, in the five years immediately preceding the application for a Commercial Cannabis Business License or Commercial Cannabis Business Renewal License, for Cultivation or production of a controlled substance on public or private lands.

9. The Applicant has paid the non-refundable Commercial Cannabis Business License application fee.

B. Lottery System

1. All applications for a given year will be due by a date determined by the City. Application windows will be articulated online.

2. City Staff will review submitted Commercial Cannabis Business License Applications to ensure that they meet the minimum criteria outlined above in Section 5.104.60 and 5.104.70.

3. Applications that do not meet the minimum criteria outlined above in Section 5.104.70 will be removed from consideration. Proposing Operators will be notified if their application does not meet City's minimum criteria prior to application selection.

4. After closing the application acceptance window, the City will categorize received eligible applications by Eligibility Zone as further detailed and described in Daly City Municipal Code Section 17.56.050.

5. City Staff shall randomly select one (1) eligible application for each Eligibility Zone unless no applications have been received for a given Eligibility Zone. Selected Applicants shall be issued a provisional Commercial Cannabis Business License with an invitation to apply for a formal Commercial Cannabis Business License pending final verification of Security Plans and site control in the form of an executed lease or property ownership.

6. All Applicants must show continual good faith efforts to obtain the Commercial Cannabis Business License or else communicate that they are no longer pursuing the application.

7. If the City determines that the Applicant is not acting in good faith, the City shall notify the Applicant of the intent to deny the application and the required next steps for the Applicant to rectify. The Applicant shall have 30 days from the date of the issuance of the notification to meet the next steps, or the application shall be denied.

8. If an application is denied or the Applicant decides not to pursue the application, the City shall select at random (1) eligible application from the pool of remaining

Applicants with a proposed location in the same Eligibility Zone from which the denied or abandoned application was selected.

9. Applications for renewal of Commercial Cannabis Business Licenses will not be selected through a lottery process. Previously licensed and operating Cannabis Retailers will be given the option to continue their operations pending review and final approval of a Commercial Cannabis Business License Application for Renewal by City Staff.

C. Criteria for Denial.

Commercial Cannabis Business Licenses shall not be issued or renewed where the City confirms that one or more of the criterions set forth in this Chapter have not been met. If the City denies the Commercial Cannabis Business License Application or Application for Renewal, the City Manager or his or her designee shall specify in writing the reasons for the denial of the Application or Application for Renewal and notify the Applicant that the decision shall become final unless the Applicant seeks an appeal pursuant this Section.

D. Appeal from City Determination.

An Applicant who disagrees with the City's decision to issue or deny a Commercial Cannabis Business License may appeal the City's decision to the City Council. All appeals must be in writing, submitted to the City Clerk within ten (10) days following the City's determination. Upon receipt of a timely filed appeal, the City shall schedule a public hearing to consider the appeal no less than 90 days from the date of the appeal.

5.104.90 Expiration and Renewal of Commercial Cannabis Business Licenses.

A. Commercial Cannabis Business Licenses shall expire one year after their issuance.

B. Commercial Cannabis Business Licenses must be renewed on an annual basis prior to expiration by filing a Commercial Cannabis Business License Application for Renewal with the City and a renewal fee in an amount set forth by separate resolution of the City Council, which amount is calculated to recover the City's full cost of reviewing, issuing and administering said license.

C. The Application for Renewal and the renewal fee shall be filed at least 30 days, but not more than 60 days, prior to the expiration of the Commercial Cannabis Business License. If a timely renewal application is filed, the Cannabis Operation's Commercial Cannabis Business License shall not expire until the date that the City approves or denies the Commercial Cannabis Business License Application for Renewal.

D. An Application for Renewal shall be subject to all filing requirements set forth in Section 5.104.60 and 5.104.70 of this Chapter.

E. The City shall issue or deny an Application for Renewal in accordance with the provisions of Section 5.104.80 of this Chapter.

5.104.100 Suspension and Revocation by City.

A. A Commercial Cannabis Business License issued under the terms of this Chapter shall be suspended or revoked by the City if he or she concludes any of the following:

1. The Cannabis Operation has violated any of the requirements of this Chapter.
2. The Cannabis Operation is being operated in a manner which violates the Security Plan required by this Chapter.
3. The Cannabis Operation is being operated in a manner which constitutes a nuisance.
4. The Cannabis Operation has failed to comply with the conditions of operation set forth in Chapter.
 - a. The Cannabis Operation will be given a reasonable amount of time to resolve violations issued pursuant to this Chapter or other city code violations.
5. Results of a criminal background check establish that the Licensee, Owner(s), Operator(s), and/or employees have been convicted of an offense that is substantially related to the qualifications, functions, or duties of a Cannabis Operation. The following offenses are substantially related to the qualifications, functions, or duties of a Cannabis Operation:
 - a. A violent felony conviction, as specified in subdivision (c) of Section 667.5 of the Penal Code.
 - b. A serious felony conviction, as specified in subdivision (c) of Section 1192.7 of the Penal Code.
 - c. A felony conviction involving fraud, deceit, or embezzlement.
 - d. A felony conviction for hiring, employing, or using a minor in transporting, carrying, selling, giving away, preparing for sale, or peddling, any controlled substance to a minor; or selling, offering to sell, furnishing, offering to furnish, administering, or giving any controlled substance to a minor.
 - e. A felony conviction for drug trafficking with enhancements pursuant to Section 11370.4 or 11379.8.
 - f. Conviction for any controlled substance felony subsequent to licensure shall be grounds for revocation of a license or denial of the renewal of a license.
 - g. Conviction for Cultivation or production of a controlled substance on public or private lands pursuant to Section 12025 or 12025.1 of the Fish and Game Code.
 - h. Conviction for unauthorized commercial Cannabis activities in any city, county or city and county in the five years immediately preceding the issuance of a Commercial Cannabis Business License or Commercial Cannabis Business Renewal License.
6. The Applicant has been convicted, cited, fined, or penalized by the State or any city, county, or city and county, or enjoined by any court of law, in the five years

immediately preceding the application for a Commercial Cannabis Business License or Commercial Cannabis Business Renewal License, for any unauthorized Cannabis activities.

7. The Applicant has been convicted, cited, fined, or penalized by the State or any city, county, or city and county, or enjoined by any court of law, in the five years immediately preceding the application for a Commercial Cannabis Business License or Commercial Cannabis Business License, for Cultivation or production of a controlled substance on public or private lands.

8. The Cannabis Operation is being operated in a manner which conflicts with or violates State Cannabis Laws.

9. A Licensee has attempted to transfer or has transferred a Commercial Cannabis Business License to another person or entity.

10. A Licensee's State License has been suspended, terminated, or revoked.

a. Expiration. Any Commercial Cannabis Business License revoked pursuant to this subsection shall be deemed to be expired and shall no longer entitle the Licensee to any privileges authorized by the Commercial Cannabis Business License.

b. Appeal from City Determination.

B. A Licensee who disagrees with the City's decision to suspend or revoke a Commercial Cannabis Business License may appeal the City's decision to the City Council. All appeals must be in writing, submitted to the City Clerk within ten (10) days following the City's determination. Upon receipt of a timely filed appeal, the City shall schedule a public hearing to consider the appeal no less than 90 days from the date of the appeal.

5.104.110 Inspection of Operations.

A. City officials may enter and inspect a Cannabis Operation at any time during normal business hours without notice, and to ensure compliance and enforcement of the provisions of this Chapter.

B. No Licensee or any other person shall refuse, impede, obstruct, or interfere with an inspection pursuant to this Article.

5.104.120 License Non-Transferable

A. Licenses issued pursuant to this Article shall be non-transferable to a different person or entity. Any attempt to transfer or any transfer of ownership or control of a Cannabis Operation shall be grounds for revocation of the Commercial Cannabis Business License by the City.

5.104.130 Indemnification, Insurance, Limitation of City's Liability.

A. To the fullest extent permitted by law, the City of Daly City shall not assume any liability whatsoever with respect to having issued a Commercial Cannabis Business License pursuant to this Chapter or otherwise approving the operation of any commercial cannabis business pursuant

to this Chapter. As a condition of approval of any Commercial Cannabis Business License issued pursuant to this Chapter, the person to which a Commercial Cannabis Business License is issued shall be required to meet all of the following conditions:

1. Execute an agreement indemnifying, defending (at its sole cost and expense), and holding the City of Daly City and its officers, employees, representatives, and agents harmless from any and all claims, losses, damages, injuries or liabilities associated with the permitting or approving the operation of a Commercial Cannabis Activity or the operation thereof or associated with the commercial cannabis business or its members' violation of any federal, state or local laws.
2. Maintain insurance at coverage limits and with conditions thereon determined necessary by the City Attorney.
3. Reimburse the City of Daly City for any and all costs and expenses, including attorney fees and costs and court costs that the City of Daly City may be required to pay as a result of any legal challenge related to the City's approval of a Commercial Cannabis Business License pursuant to this Chapter or the City of Daly City's approval of the operation of a Commercial Cannabis Activity. The City of Daly City may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the obligations imposed under this section.

5.104.140 Outdoor Commercial Cannabis Cultivations and Activities Prohibited.

A. Outdoor commercial Cannabis Cultivation, including, but not limited to, Cultivation in greenhouses, hoop structures, and by mixed light (part daylight/part artificial light), is prohibited and unlawful. This section prohibits all outdoor commercial Cannabis Cultivation, including Cultivation for profit or not for profit Cultivation, and including commercial Cultivation for adult recreational use or medicinal purposes. Outdoor storage, harvesting, drying, Processing, or Manufacturing of commercial Cannabis or Cannabis products is prohibited and unlawful.

SECTION 2. Severability. If any provision of this Ordinance is held by any court or by any Federal or State agency of competent jurisdiction, to be invalid as conflicting with any Federal or State law, rule or regulation now or hereafter in effect, or is held by such court or agency to be modified in any way in order to conform to the requirements of any such law, rule or regulation, such provision shall be considered a separate, distinct, and independent part of this Ordinance, and such holding shall not affect the validity and enforceability of all other provisions hereof. In the event that such law, rule or regulation is subsequently repealed, rescinded, amended or otherwise changed, so that the provision thereof which had previously been held invalid or modified is no longer in conflict with such law, rule or regulation, said provision shall thereupon return to full force and effect and shall thereafter be binding.

SECTION 3: Environmental Determination. The City Council of the City of Daly City finds and determines that the implementation of measures described in this Chapter is in furtherance police powers of the City of Daly City, and that these purposes are exempt from the provisions of the California Environmental Quality Act (CEQA); Chapter 3 (commencing with Section 21100) of Division 13 of the Public Resources Code, as provided in categorical exemption within CEQA's categorical exemption for activities involving regulation of activities.

SECTION 4: Publication/Summary Pursuant to the provisions of Government Code Section 36933, a summary of this ordinance shall be prepared by the City Attorney. At least five (5) days prior to the Council meeting at which this ordinance is scheduled to be adopted, the City Clerk shall (1) publish the summary, and (2) post it in the City Clerk's office a certified copy of this ordinance. Within fifteen (15) days after the adoption of this ordinance, the City Clerk shall (1) publish the summary and (2) post in the City Clerk's office a certified copy of the full text of this ordinance along with the names of those City Council members voting for and against this ordinance or otherwise voting. This Ordinance shall be in full force and effect thirty (30) days from and after its passage.

Introduced this _____ day of _____ 2021.

Passed and adopted as an Ordinance of the City of Daly City at a regular meeting of the City Council of the City of Daly City held on the _____ day of _____ 2021, by the following vote:

AYES, Councilmembers _____

NOES, Councilmembers _____

Absent, Councilmembers: _____

CITY CLERK OF THE CITY OF DALY CITY

APPROVED:

DRAFT



City Council Meeting Agenda Report

Item # _____

Meeting Date: March 22, 2021

Subject: Time Extension of Use Permit UPR-5-17-12820 — Temporary Storage of New Automobiles on Vacant Drive In-Theater Site at 607 Carter Street

Recommended Action

Approve the Time Extension as outlined herein.

Background

The City Council continued this item on February 22, 2021, to provide the applicant with additional time to work with Bridge Housing to develop a comprehensive development approach for the subject property and adjacent property owned by the City of Daly City. The applicant has since met with both City staff and Bridge Housing to develop a conceptual site plan that includes the subject property.

Discussion

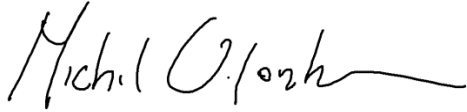
In June 2017, the City Council granted approval to Sywest Properties to establish a temporary overflow lot to receive and temporarily store new vehicle inventory for local auto dealerships at a 5.2-acre portion of the former Geneva Drive-In movie theater site located at 607 Carter Street. No servicing of vehicles was to occur on the site.

As approved, the storage lot is surrounded by a chain link fence with a gated entrance and accommodate up to 720 new vehicles. Access to the lot is via an easement over a city-owned parcel from Carter Street. Trailers delivering vehicles turn around on-site and exit at the entrance. The entire site has been cleared of weeds and covered with four inches of aggregate base material and four inches of crushed rock. Vehicle transport trailers are required to deliver new vehicles to the lot between the hours of 8:00AM and 7:00PM, Monday through Friday. Vehicles may be driven from the site individually by car dealer employees between 8:00AM and 7:00PM, seven days per week.

Under the terms of the City Council approval in 2017, the applicant received an initial term of three years for the temporary use, ending in June 2020, with an ability to extend the permit up to two years, if the site continued to operate in compliance with the Conditions of Approval. The Conditions of Approval stipulated that both the Planning Commission and City Council would hear the extension request.

On February 24, 2020, the City Council granted a one-year time extension for the temporary use. The applicant therefore requests that the City Council consider an additional one-year extension request for the use, which would complete the two-year extension permissible by the original 2017 approval. The Planning Division is not aware of any violations of the Conditions of Approval and supports the request.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael Van Lonkhuysen", with a long horizontal flourish extending to the right.

Michael Van Lonkhuysen
Planning Manager

A handwritten signature in black ink, appearing to read "Tatum Mothershead", with a stylized, looped structure.

Tatum Mothershead
Director of Economic and Community
Development

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DALY CITY
 REPEALING AND REPLACING CHAPTER 10.12 OF THE DALY CITY MUNICIPAL CODE
 RE: SPEED LIMITS

The City Council of the City of Daly City DOES ORDAIN as follows:

Section 1: Section 10.12.010 B of Chapter 10.12 of Title 10 of the Daly City Municipal Code is hereby repealed and replaced with the following street segments and limits.

LOCATION SECTION	PRIMA FACIE SPEED LIMIT (miles per hour)
1. Bayshore Boulevard from Geneva Avenue to San Francisco city limits	35
2. Brunswick Street from Hillside Boulevard to Wellington Avenue	25
3. Callan Boulevard from Southgate Avenue to Serramonte Boulevard	35
4. Callan Boulevard from Serramonte Boulevard to Hickey Boulevard	35
5. Callan Boulevard from Hickey Boulevard to Morton Drive	30
6. Callan Boulevard from Morton Drive to Warwick Street	30
7. Carter Street from Guadalupe Canyon Parkway to San Francisco city limits	35
8. Clarinada Avenue from St. Francis Boulevard to Callan Boulevard	25
9. Crocker Avenue from Templeton Avenue to Rampart Way	25
10. Crocker Avenue from Rampart Way to South Hill Boulevard	30
11. "D" Street from Junipero Serra Boulevard to Hill Street	25
12. Delong Street from John Daly Boulevard to San Francisco city limits	25
13. E. Market Street from Mission Street to Hillside Boulevard	25
14. E. Market Street from Hillside Boulevard to East city limits	25
15. Eastmoor Avenue from Ocean Grove Avenue to Sullivan Avenue	25
16. Gellert Boulevard from Serramonte Boulevard to Hickey Boulevard	30
17. Gellert Boulevard from Hickey Boulevard to King Drive	30
18. Geneva Avenue from Santos Street to Bayshore Boulevard	35
19. Hickey Boulevard from Skyline Boulevard to Gellert Boulevard	35
20. Hickey Boulevard from Gellert Boulevard to	30

East city limits	
21. Hill Street from San Pedro Road to “D” Street	25
22. Hillside Boulevard from E. Market Street to city limits	25
23. Hoffman Street from Hillside Boulevard to East end	25
24. John Daly Boulevard from Skyline Boulevard to Lake Merced Boulevard	35
25. John Daly Boulevard from Lake Merced Boulevard to Junipero Serra Boulevard	35
26. John Daly Boulevard from Junipero Serra Boulevard to Mission Street	30
27. Junipero Serra Boulevard from John Daly Boulevard to Citrus Avenue	30
28. Junipero Serra Boulevard from Citrus Avenue to School Street	30
29. Junipero Serra Boulevard from School Street to Colma city limits	30
30. King Drive from Skyline Boulevard to Verducci Drive	30
31. King Drive from Verducci Drive to city limits	30
32. Lake Merced Boulevard from San Francisco city limits to John Daly Boulevard	30
33. Lake Merced Boulevard from John Daly Boulevard to Southgate Avenue	25
34. Martin Street from Carter Street to Rio Verde Street	25
35. Mission Street from San Jose Avenue to San Francisco city limits	25
36. Park Plaza Drive from John Daly Boulevard to Southgate Avenue	25
37. San Pedro Road from Sullivan Avenue to Mission Street	25
38. School Street from Junipero Serra Boulevard to Mission Street	25
39. Serramonte Boulevard from St. Francis Boulevard to Junipero Serra Boulevard	30
40. Southgate Avenue from Park Plaza Drive to Lake Merced Boulevard	25
41. Southgate Avenue from Lake Merced Boulevard to Westmoor Avenue	25
42. Southgate Avenue from Westmoor Avenue to St. Francis Boulevard	25
43. Southgate Avenue from St. Francis Boulevard to Callan Boulevard	25
44. Southgate Avenue from Callan Boulevard to Junipero Serra Boulevard	25
45. South Hill Boulevard from Crocker Avenue to San Francisco city limits	25

46. St. Francis Boulevard from Eastmoor Avenue to Southgate Avenue	25
47. St. Francis Boulevard from Southgate Avenue to Serramonte Boulevard	25
48. Sullivan Avenue from 87 th Street to Eastmoor Avenue	25
49. Sullivan Avenue from Eastmoor Avenue to Seton Hospital Entrance	30
50. Sullivan Avenue from Seton Hospital Entrance to Southgate Avenue	30
51. Washington Street from Bryant Street to Junipero Serra Boulevard	25
52. Washington Street from Junipero Serra Boulevard to San Pedro Road	25
53. Westmoor Avenue from Skyline Boulevard to Ocean Grove Avenue	25

Section 2: Severability.

If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Daly City declares that it would have adopted each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, clauses, phrases or portions be declared invalid or unconstitutional.

Section 3: The City Council finds, pursuant to Title 14 of the California Code of Regulations, Section 15378, that this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) in that it is not a project as provided by the Act, in that it does not have a potential for resulting in a detrimental physical change in the environment, directly or ultimately, as provided in Title 14, Section 15378(a), and that it is also exempt under the definition of "project" in Section 15378(b)(3) in that it concern general policy and procedure making.

Section 4: Publication/Effective Date.

This ordinance shall take effect and be enforced thirty (30) days from and after its adoption. The City Clerk shall publish this ordinance according to law.

Introduced this 8th day of March 2021.

Passed and adopted as an Ordinance of the City of Daly City at a regular meeting of the City Council of the City of Daly City held on the _____ day of _____, 2021, by the following vote:

AYES, Councilmembers: _____

NOES, Councilmembers: _____

Absent, Councilmembers: _____

CITY CLERK OF THE CITY OF DALY CITY

APPROVED:

MAYOR OF THE CITY OF DALY CITY



City Council Meeting Agenda Report

Item # _____

Meeting Date: March 22, 2021

To: Honorable City Council

From: Angie Padilla, City Manager's Office

Date: March 22, 2021

Subject: Council Committee Meetings March 9 – March 22, 2021

AP

Date of Meeting:

Meeting:

In Attendance:

March 9, 2021

**Peninsula Clean Energy (PCE) --
Model Reach Codes-Review and
Discussion**

Daus-Magbual
Buenaventura
Maltbie
Stolte
Ramos
Mothershead
Sigala
Chen

March 11, 2021

**Development Committee--
Hotel on Junipero Serra Blvd.**

Manalo
Sylvester
Maltbie
Zimmerman
Stolte
Mothershead



CITY OF DALY CITY INTER-OFFICE MEMORANDUM

DATE: March 9, 2021

TO: See Below

FROM: Angie Padilla, City Manager's Office

SUBJECT: MEETING NOTICE REVISED

RE: Peninsula Clean Energy (PCE) Council Committee--
Model Reach Codes - Review and Discussion

DATE: Tuesday, March 9, 2021

TIME: 4:00 p.m. – 5:00 p.m.

PLACE: VIRTUAL MEETING - ZOOM

ATTENDING:

City Participants:

Dr. Rod Daus-Magbual, Vice Mayor

Raymond Buenaventura, Councilmember

Shawna Maltbie, City Manager

Stephen Stolte, Assist. City Manager

Leilani Ramos, Assist. to the City Manager

Tatum Mothershead, Dir of ECD

Mario Sigala, Chief Building Official

Lindy Chen, Permit Tech., Building Division

cc: City Council

CONFIRMED: Feb. 16, 2021

Other Participants:

Farhad Farahmand, PCE Rep.

Rafael Reyes, PCE Rep.
