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City Council Review of the Davis Street Wellness Center Dispensary Permit

BACKGROUND AND ANALYSIS

On July 18th, 2016, pursuant to City of San Leandro Municipal Code section 4-33-200(c), the City Council awarded the City’s second medical cannabis dispensary operating permit to the Davis Street Wellness Center. During the approval of the operating permit, the City Council imposed a condition that if the applicant does not receive a Conditional Use Permit within 12 months from the date of the award of the dispensary operating permit, then the City Council could review the dispensary operating permit. Prior to imposing that condition of approval, the applicant was asked during the July 18th City Council meeting whether it was amenable to the condition. The applicant publicly stated agreement with the condition.

Approximately nine months after City Council approval of the operating permit, on March 20, 2017, the applicant submitted its application for a Conditional Use Permit to the Community Development Department. Community Development staff worked collaboratively with the applicant, the applicant’s agents and representatives to determine whether the application could be deemed complete, and analyzed the proposed project’s conformity with relevant zoning code provisions.

On June 19, 2017, the applicant was notified that its Conditional Use Permit application was scheduled for a hearing before the Board of Zoning Adjustments (BZA) on July 6, 2017. On June 21, 2017, the applicant’s attorney submitted to the Community Development Department a request to postpone the hearing so the applicant could have additional time to meet with City staff in order to discuss the application in greater detail. The hearing was ultimately scheduled for October 5, 2017.

The City of San Leandro Municipal Code section 4-33-200(g) provides that the issuance of a dispensary operating permit is not effective until the permit has received all other permits and approvals required by the City’s ordinances, rules and regulations, including but not limited to any

conditional use permit and building permit. The applicant was unable to secure approval of a Conditional Use Permit within 12 months of the issuance of the dispensary operating permit, which was a condition of approval for the medical cannabis dispensary operating permit.

On July 17, 2017, the City Council approved a motion to grant an extension of the permit until October 20. The permit is due for a City Council review prior to that date.

On October 5, 2017, the BZA voted to direct staff to return on November 2, 2017 with a resolution, findings of fact, CEQA findings, and conditions of approval to approve the Conditional Use Permit for the Davis Street Wellness Center at the location proposed by the applicant. Based on this schedule, the applicant will be unable to meet the City Council's extended deadline to secure a Conditional Use Permit.

RECOMMENDATION

The City Council should review the dispensary operating permit award and provide direction to staff regarding next steps.

Should Council elect to grant an extension, staff advises that extending the operating permit until January 19, 2018 will offer sufficient time for the BZA hearing and the resolution of any potential appeals that could arise.

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