

**Report on Impact of Initiative Petition
To Allow Operation of Cannabis Businesses
That Previously Operated Illegally,
In Violation of the PMC**





Cannabis Initiative Report

Section – Department

- City Council requested report, pursuant to Elections Code Section 9215
- Three general areas of inquiry:
 - > Impact on current PMC
 - > Impact on current processing of cannabis applications
 - > Impact on illegal operators
- Next steps



Impact on Current PMC

Section – Department

- **Illegal operators would be able to:**
 - > Operate within the setbacks from sensitive uses currently protected in the PMC
 - > *At any location within the allowed zones (not limited to prior site)*
 - > Exceed the restrictions on sites per Council district and total number in the City



Impact on current processing of cannabis applications

Section – Department

- No change in the current processing of cannabis applications
- *But the measure could prohibit a current applicant from operating if the illegal operator establishes itself within the distance separation requirements between retailers before the current applicant establishes itself*



Impact on illegal operators

Section – Department

- Can operate without CUP and cannabis permit until December 31, 2024
- As of January 1, 2025, would need cannabis permit (no CUP)
- 18 illegal operators stand to benefit



Next steps

Section – Department

- **Council must either:**
 - > Adopt the ordinance set forth in the Initiative Petition within 10 days; or
 - > Order an election thereon, and direct City Clerk to prepare necessary resolutions
- **Council can direct staff to prepare a competing measure to be placed on the same ballot (March 3, 2020)**