Attachment E

Agenda Report

November 25, 2019

TO: Honorable Mayor and City Council

FROM: City Manager

SUBJECT: **PROPOSED ZONING CODE AMENDMENTS TO THE CITY'S CANNABIS REGULATIONS**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the actions proposed herein are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption); and 15301(Existing Facilities); there are no features that distinguish this action from others in the exempt class, and there are no unique circumstances; and,

2. Direct the City Attorney's Office to prepare an ordinance to amend the Zoning Code to adopt the proposed City cannabis regulations with the findings as contained in Attachment A.

BACKGROUND:

In November 2016, California voters approved Proposition 64 - The Control, Regulate and Tax Adult Use of Marijuana Act ("Prop. 64"). Prop. 64 permits adults 21 years of age and over to possess and grow specified amounts of marijuana for recreational use. Statewide, Prop. 64 was approved by 57% of voters; in Pasadena, the approval rate was even higher, at 63%.

Following the passage of Prop. 64, a number of illegal cannabis dispensaries began appearing in Pasadena. It is estimated that as many as 30 were operating illegally within the city. Following a concerted effort on the part of multiple City departments, including the City Attorney's/Prosecutor's Office, Police, Planning & Community Development – Code Enforcement Division, virtually all of the illegal operations have been shut down.

Recognizing that Pasadena residents have illustrated, through their support of Prop. 64 and their patronage of illegal cannabis shops, that they wish cannabis decriminalized and available locally, the City Council put forward to voters Measures CC and DD, on June 5, 2018. Measure CC allowed for a limited number of cannabis businesses to

operate within the City, and Measure DD applied a business license tax on commercial cannabis activity. Measure CC allows for three types of commercial cannabis uses: retail, cultivation and testing laboratories. The regulations permit up to six commercial cannabis retailers, four cultivators and four testing laboratories, citywide, based on location requirements that are specified in the Zoning Code.

Following approval by voters of Measures CC and DD, the City undertook a qualifications-based selection process for cannabis retailers. The top scoring six applicants were subsequently invited to apply for the required land use approvals, i.e., Conditional Use Permit (CUP) – Cannabis Retailer.

Although Measure CC envisioned permitting up to six retail cannabis locations, based on staff's preliminary analysis, it was understood that a high likelihood existed that only three or four retailers would find code-compliant locations. This is due to the distance separation requirements to protect sensitive uses established by the City Council (e.g., schools, churches, and residential neighborhoods), which are more restrictive than those established by the state, coupled with the additional restriction of not more than one retailer per Council district.

The following table compares Pasadena's more restrictive distance separation requirements with the corresponding state requirements:

Pasadena - Distance Separation Cannabis Retailers	**State – Distance Separation**
600 feet to k-12 schools	600 feet to k-12 schools
600 feet to youth center	600 feet to youth center
600 feet to day care centers	600 feet to day care centers
600 feet to large/small family daycare	----
600 feet to churches	----
600 feet to libraries	----
600 feet to substance abuse centers	----
600 feet to parks	----
600 feet to residential zones	----
1000 feet from another cannabis retailer	----
1000 feet from a cannabis cultivator	----
500 feet from a cannabis testing lab	----
Not allowed within mixed use projects	----
Cap of one per Council District	----

In fact, there will be fewer than six locations under Pasadena's more restrictive distance separation requirements which are presently in effect. . Of the six top-ranked applicants, three have applied for the same Council District, District 3. Based on the current regulations, only the first applicant to submit a complete and code compliant application for a CUP – Cannabis Retailer is being processed for District 3, that of Harvest of Pasadena LLC. The applications from the other two top applicants in District 3, SweetFlower Pasadena LLC and The Atrium Group LLC, are being held in abeyance,

while that of the first applicant is being processed. If the Harvest CUP is approved, then SweetFlower and Atrium will not be processed further under present regulations.

The following chart is a summary of CUP applications made by the six top-ranked applicants:

	Applicant	***Date of Submissions***	***Proposed Location***	***Council District***	***Current Status***
1.	SweetFlower Pasadena, LLC	June 12,2019 June 27, 2019 July 3, 2019 August 8, 2019	827 E Colorado Blvd	3	Complete (on third submission). Cannot be processed due to other complete applications submitted in Council District 3.
2.	Harvest of Pasadena, LLC	June 12,2019	169 W Colorado Blvd	3	Complete. CUP was approved by the Planning Commission on 10/9/19. This approval is pending an appeal hearing at City Council on 12/16/19.
3.	The Atrium Group, LLC	June 12, 2019	70 W Union	3	Complete (on second submission). Cannot be processed due to other complete applications submitted in Council District 3.
4.	Varda (Tony Fong)	June 17, 2019	3355 E Colorado Blvd	4	Complete. CUP is currently under review and has not yet been scheduled for a public hearing.
5.	Integral Associates Dena, LLC	June 21, 2019 June 27, 2019	112 W Colorado Blvd 908 E Colorado Blvd	6 7	Complete (on second submission with new location). CUP was disapproved by the Planning Commission on 10/23/19. The disapproval is pending an appeal hearing at City Council on 12/16/19.
6.	MME Pasadena Retail, Inc.	September 18, 2019	536 S Fair Oaks Ave	6	Complete. CUP is currently under review and has not yet been scheduled for a public hearing.

Not surprisingly, this has led to a contentious situation where applicants vying for a location in District 3 are raising issues, including litigation naming the City, as to the "completeness" and appropriateness of applications submitted by their competitors. This will likely extend the time required to permit legal cannabis retailers, as each and every permit is appealed and challenged at every step in the process, and then potentially litigated.

Staff believes that the present situation was largely unforeseen given the uncertainties over the inventory of commercial real estate actually available for the use, is not in the best interest of the City, and is not in keeping with the intent of the voters who wished cannabis retailing in the City and reasonably expected there to be six cannabis retailers

in the City. As noted above, Pasadena residents have indicated twice now their support for retail cannabis operations through their approval of Prop. 64 and Measure CC.

Importantly, as a result of a successful petition drive, the operators of 18 previously illegal cannabis shops have qualified a measure for the March ballot, which if approved would enable them to operate in the City, but not bound to observe the local sensitive use distance protections approved by voters as part of Measure CC. Staff believes that completing the land-use permit process and establishing retail locations operating within the parameters of Measure CC will convince voters that it is not necessary or prudent to approve the measure which would see previously illegal operators re-open subject to few restrictions to protect the public.

Staff's Proposed Changes:

Measure CC provides an explicit mechanism for the City Council to fine tune the regulations, as it authorizes the City Council to make revisions to the regulations without having to return to the voters. The proposed Zoning Code Amendment is recommended as a fair and equitable way of addressing uncertainties that existed when the ordinance was adopted and to carry out the will of the voters.

All six top-scoring applicants worked diligently to identify and secure a site and submit a complete and code compliant application to the City that respected the required distance separation from sensitive uses. However, two of the six top-scoring applicants are not being processed because the proposed locations are not consistent with the limitation of one dispensary per Council District and the required 1,000-foot buffer between dispensaries. The Council District boundaries will likely change in a couple of years after the census and redistricting which tends to support a policy approach of some flexibility on this restriction.

The proposed action would result in a more equitable approach to the processing of these applications while ensuring the protection of sensitive uses without expanding the total number of permitted dispensaries beyond six. The proposed location changes are as follows:

1. To allow up to three cannabis retailers per council district instead of one; and
2. To decrease the required distance between cannabis retailers from 1,000 feet to 450 feet.

This code amendment will not change any other regulations for cannabis retailers as contained in Section 17.050.066 of the Zoning Code (Attachment B), including the limitation of six commercial cannabis retailers citywide, or the protections from sensitive uses such as schools and churches, or the required distance from residential districts. The proposed limitation of three per council district and the 450 foot distance separation will also ensure that all six retail establishments do not locate in the same immediate area (all located on the same block for example).

Based on the applications that have been received from the top-six, if the two amendments are adopted, there could be three code complaint locations in Council District 3, one at 169 W. Colorado Boulevard, another at 70 W. Union Street and a third at 827 E. Colorado Boulevard. There would also potentially be one location in Council District 4 at 3355 E. Colorado Boulevard, and another in Council District 6 at 536 S. Fair Oaks Avenue and one location in Council District 7 at 908 E. Colorado Boulevard (see Attachment C that shows a map of the locations). The closest distance between retailers based on these locations is between SweetFlower Pasadena, LLC (827 E. Colorado Boulevard) and Integral Associates Dena, LLC (908 E. Colorado) at a distance of approximately 475 feet. As the City goes through required redistricting after the 2020 census is complete, it is important to note that the per-district summary set forth above will almost certainly change – and established locations will be grandfathered in.

The Zoning Code contains a number of uses that have distance separations (Attachment D). These distance separations vary from 100- 1,000 feet depending on the use. Staff's proposed distance of 450 feet between retailers, while maintaining the distance requirement of 600 feet to all other sensitive uses, is consistent with the range of distances that are currently regulated by the Zoning Code. It should be noted that there are no other land uses in the city that have an overall maximum number, besides these cannabis use limitations of six retail, four testing lab and four cultivators. Additionally, the State does not place a cap on the overall number. For retailers, the State only requires a distance of 600-feet to a k-12 school, day care center and youth center. So the local restrictions will still be far more stringent than the state restrictions.

In addition to the two location changes, staff is proposing a "clean-up" of the language in the Zoning Code with regard to requiring a 600 foot separation between a cannabis retailer and cultivation uses and residential zones. The intent is clear from the materials presented to voters summarizing Measure CC, including but not limited to the City Attorney's Impartial Analysis[1], and the City Clerk's Ballot Measure CC webpage[2] that the distance is measured from the cannabis retail parcel or cultivation parcel to the residential zone. However, when the Conditional Use Permit for Integral Associates was heard by the Planning Commission on October 23, 2019, some members of the Commission and public disagreed on the intent of the language. As written they argued the intent could be to measure to a *parcel* within the residential zone rather than the zone boundary itself. As such, the proposed change will clarify the requirement to separate such uses from residential zones (not residential parcels).

Existing code language (17.50.066 D5 (b)):

No retailer shall be established or located within 600 feet, measured from the nearest property lines of each of the affected parcels, of any existing residential zone;

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[1] https://www.cityofpasadena.net/city-clerk/wp-content/uploads/sites/21/Measure-CC-City-Attorneys-Impartial-Analysis.pdf

[2] https://www.cityofpasadena.net/city-clerk/elections-2018/ballot-measure-cc-commercial-cannabis-regulations/

Proposed code language (17.50.066 D5 (b)):

No retailer shall be established or located within 600 feet, measured from the nearest property lines of ~~each of the affected parcels~~ ***the cannabis retail parcel*** *to any existing residential zone[3];*

Additional Changes for Consideration:

While staff recommends two specific changes to the location requirements, there are a number of variations that could be made to the regulations that could potentially open additional locations within the City. As an alternative to a change to allow more than one per council district, changes can be made that reduce the distance of a cannabis retailer to sensitive uses. Staff did not recommend this approach as it is believed that maintaining distance separations from sensitive uses would be the City Council's highest priority.

Attachments E1-E5 are maps that show different variations in the code regulations and an estimate of the resulting number of potentially code compliant locations. These maps are illustrative only, and are not meant to provide any certainty as to code compliant locations.

One additional change that staff would recommend for the City Council to consider would be a limitation on the maximum number of locations per Business Improvement District (BID). There are three BIDs in the City, South Lake, Old Pasadena and Playhouse. A limitation of two maximum cannabis retailers per BID (in addition to the other changes recommended by staff) would address the concerns related to an over-concentration within certain commercial areas.

Planning Commission Recommendation:

The Planning Commission considered the staff recommended changes and voted to make no changes to the existing cannabis regulations. The Planning Commission did vote that the Council approve the language that clarifies the measurement to a residential zone.

Some members of the Planning Commission were not opposed to changing the regulations to allow six cannabis retailers to operate within the City; however there was no consensus on what the changes would be. Some of the suggestions made to staff by individual commissioners as ideas to put forth to the City Council include:

- Allowing one per commercial district instead of one per council district
- Possibly reducing the distance to churches to 500 feet
- Looking at some of the sensitive receptors and making adjustments

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[3] The same corresponding change would be made to Section 17.50.066.E(5)(a) regarding cultivation sites.

- Studying how to diversify the uses throughout the City so locations could open up beyond Colorado Boulevard (including to the north part of the city)

Some members of the Planning Commission expressed concerns over making any changes at this time and about making changes to regulations that are voter approved. In this regard, it is important to note voters authorized the City Council to make changes to these regulations in the manner in which other ordinances are amended.

Certainly, the City Council can elect to take no action. In that case staff would continue to process applications consistent with the current set of regulations. This would likely result in a total of three or four permitted retailers. Furthermore, as it stands currently, on December 16th the City Council is set to hear the appeal of the Harvest CUP – Cannabis Retailer that was previously approved by the Planning Commission as well as the appeal of the Integral CUP- Cannabis Retailer that was denied by the Planning Commission. The process would continue to be contentious and challenged at every step of the way.

In considering whether or not to make modifications to the existing regulations, the Council may also wish to consider the data in the following table. While each city that has permitted cannabis has approached its regulations in its own particular way, it is appropriate to consider how market demand will impact the regulatory scheme. For example, if market demand exceeds that which can be satisfied by the operation of legally permitted operators, an incentive will exist for illegal operators to enter the marketplace. As the City has experienced, closing down such operators can be costly and time consuming. As discussed above, without a change to the current regulations the City will likely end up permitting only three or four cannabis retailers. As indicated in the following table this would place Pasadena at either the second highest or highest ratio of population to licensed retailer of the survey cities.

City	Population	Retail Cannabis Permits	Ratio of licenses to population
Pasadena	141,371	**6** **4** **3**	**23,562** **35,342** **47,123**
West Hollywood	36,854	**8**	**4,607**
Long Beach	469,450	**31**	**15,144**
San Francisco	883,305	**No limit** on # of permits 37 retail permits issued to-date (estimate over 100 illegal currently operating)	**No limit**
Los Angeles	3,990,456	**No limit** on # of permits 188 retailer permits issued to-date (estimated 250 illegal currently operating)	**No limit**
San Diego	1,425,976	**36** (additional cap of 4 per Council District)	**39,610**
Santa Cruz	65,021	**12**	**5,418**

ENVIRONMENTAL ANALYSIS:

It is important to note that, pursuant to well settled case law, no environmental review was required when the voters approved Measure CC. As a result, for environmental review purposes the baseline conditions are the existing location requirements in the Zoning Code for up to six retailers, and the changes that must be analyzed now are only the incremental location requirement changes discussed above. In other words, the baseline condition allows up to six dispensaries already and that cap is not proposed to change, so there is no requirement to analyze the impact of additional dispensaries. Further, there are no changes to the zones in which dispensaries could be located, thus there are no new areas of the city that will experience any environmental effect from the proposed uses other than those that were already approved by the voters.

Pursuant to recent case law as well, provisions of CEQA referencing discretionary "projects," including "the enactment and amendment of zoning ordinances," does not mean that amendment of a zoning ordinance is in every case a "project," as could trigger environmental review. Instead, the amendment of a zoning ordinance will not constitute a CEQA project unless it also may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

Because the baseline condition provides for six retail locations, and the location requirement changes set forth herein are relatively minor in terms of potential for a significant environmental effect (but important changes nonetheless), the proposed action is exempt from the CEQA pursuant to State CEQA Guidelines Section 15061(b)(3), the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Even if the changes proposed herein were considered a "project," the changes are exempt from CEQA pursuant to State CEQA Guidelines Section 15301 "Existing Facilities" (Class 1). Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. Given the built-out commercial and mixed use areas of the City where these uses may locate, and the fact that the changes proposed herein do not expand those areas, it is virtually certain that such uses will reoccupy existing structures. Beyond the controversy that may surround this particular use, for environmental analysis purposes it is simply a retail use, and there are no unique circumstances that would exempt these changes from a Class 1 exemption.

Finally, as set forth in the Governor's 2019 budget trailer bill, CEQA "does not apply to the adoption of an ordinance, rule, or regulation by a local jurisdiction that requires discretionary review and approval of permits, licenses, or other authorizations to engage in commercial cannabis activity." The budget trailer bill extended this exemption to July 1, 2022.

As each retailer may come forward for permits, any potential environmental effects from that particular application will be subject to environmental review during the permitting process.

COUNCIL POLICY CONSIDERATION:

The proposed recommendation furthers the goals and policies of the General Plan, specifically:

- *Land Use Element, Goal 2. Land Use Diversity. A mix of land uses meeting the diverse needs of Pasadena's residents and businesses, fostering improved housing conditions, offering a variety of employment and recreation opportunities, and supporting a healthy population while protecting the environment.*

- *Land Use Element, Goal 4. Elements Contributing to Urban Form. A safe, well-designed, accessible City with a diversity of uses and forms. These diverse forms include distinct, walkable districts, corridors, and transit and neighborhood villages and cohesive, unique single and multi-family residential neighborhoods and open spaces where people of all ages can live, work, shop, and recreate.*

- *Land Use Element, Goal 25. Vital Districts and Corridors. Diverse, active, prosperous and well-designed commercial corridors and districts that provide a diversity of goods, services and entertainment and contribute to a positive experience for residents and visitors.*

In addition, the following City Council Strategic Planning Goal would also be achieved:

- *Maintain fiscal responsibility and stability*

It is important to note that the standard for such policy considerations is consistency, as opposed to strict conformity.

FISCAL IMPACT:

The proposed changes to the ordinance may result in additional cannabis retailers than would otherwise be allowed under current regulations. This would likely result in additional tax revenues from Measure DD in the hundreds of thousands of dollars.

Respectfully submitted,

STEVE MERMELL
City Manager

Prepared by:

Jennifer Paige, AICP
Deputy Director of Planning
& Community Development

Reviewed by:

David M. Reyes
Director of Planning & Community
Development

Attachments: (5)

Attachment A - Findings
Attachment B - Zoning Code Regulations
Attachment C - Map of CUP Locations
Attachment D - Distance Separations for Other Uses
Attachment E1-E5 - Maps of Sensitive Use Distance Variations

Amend the FY 2020 Operating Budget and authorize the appropriation of General Fund fund balance in the amount of $5.0 million and transfer said funds to the General Liability Fund. (Budget Amendment No. 2020-19)

City Manager Mermell and Matt Hawkesworth, Director of Finance, provided a PowerPoint presentation on the item, and jointly, responded to questions.

Councilmember Madison requested a copy of the City's Budget in Brief memo for fiscal year 2020.

Councilmember Gordo requested an update on the hiring of an additional Park Safety Specialist, as well as the top down review of the Police Department that staff was undertaking to determine if additional positions could be achieved with existing resources.

Following discussion, it was moved by Councilmember Wilson, seconded by Vice Mayor Hampton, to approve the staff recommendation. (Motion unanimously carried) (Absent: Councilmember McAustin)

PUBLIC HEARING

PUBLIC HEARING: PROPOSED ZONING CODE AMENDMENTS TO THE CITY'S CANNABIS REGULATIONS

Recommendation: It is recommended that the City Council:

(1) Find that the actions proposed in the agenda report are exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b)(3), Common Sense Exemption; and 15301 (Existing Facilities); there are no features that distinguish this action from others in the exempt class, and there are no unique circumstances; and

(2) Direct the City Attorney's Office to prepare an ordinance to amend the Zoning Code to adopt the proposed City cannabis regulations with the findings as contained in attachment A of the agenda report.

The City Clerk reported that the public hearing notice was published in the Pasadena Star News on November 15, 2019; and that 1 letter in favor of the staff recommendation, 41 letters in opposition to the staff recommendation, and 1 letter providing comment was received by the City Clerk's Office, which were distributed to the City Council, posted online, and made part of the public hearing record.

City Manager Mermell and David Reyes, Director of Planning, jointly presented a PowerPoint presentation on the item, and responded to questions. Michele Beal Bagneris, City Attorney/City

Prosecutor, responded to questions related to the language in Measure CC, pending litigation related to the City's cannabis ordinance, the City's cannabis permitting process, and pending public records request. Jennifer Paige, Deputy Director of Planning, responded to questions related to the proposed amendment to the Zoning Code regulations for cannabis retailers, and signage regulations.

Councilmember Kennedy expressed serious reservations with staff's proposed revisions to the Zoning Code that would allow up to 3 cannabis operators in any one Council District.

Councilmember Masuda stated his strong preference to maintain the current regulation of only one cannabis retail operator per Council District, as written in Measure CC.

Councilmember Wilson stated his concern that the proposed changes would result in an overconcentration of cannabis operators, noting the importance of the distance requirements between such uses within the City. He also expressed concerns with the possibility of a resurgent number of illegal cannabis operators returning to the City.

Councilmember Madison stated his opposition to a proposed cannabis retail store at the "gateway" to Old Pasadena; and spoke in support of City staff whose integrity was questioned by applicants and/or their representatives during this process.

Councilmember Gordo expressed concerns with the City's retail cannabis permitting process; the proposed recommendations that are being recommended to resolve pending litigation; and unforeseen impacts that may develop by amending the City's Zoning Code to allow additional cannabis operators. He stated that the only reason to amend the City's Zoning Code related to retail cannabis should be to meet the will of the voters, in a responsible manner. He spoke on the importance of the separation requirements, which he believes contributed greatly to the adoption of Measure CC; and asked staff to confirm that language in the Zoning Code clearly states that no retailer shall be established or located within 600 feet, measured from the nearest parcel/property lines of the closest affected residential parcel. Mr. Gordo stated that if staff is going to amend the Zoning Code, then staff must ensure that residents are provided with a clear map that displays current and future cannabis retailers that may be permitted.

In response to Councilmember Gordo concern that staff is proposing the staff recommendation due to litigation, Michele Beal Bagneris, City Attorney/City Prosecutor, respond that staff recommendation is a byproduct of litigation, and that legislative action is distinct from the litigation.

The following individuals spoke in opposition to the staff recommendation and/or provided comments on various aspects of the staff recommendation:

Megan Foker, Livable Pasadena
Armando Herman, residence not stated
Valerie Leiva, Pasadena resident
Tami McGovern, Pasadena resident
Jane Laudeman, Pasadena resident
Richard A. McDonald, Pasadena resident
Wayne from Encino, residence not stated
Kelley Fitzerald Holmes, Pasadena resident
Rosemarie Goulden, Pasadena resident
Jessica Gutierrez, Pasadena resident
Erika Foy, representing Protect Pasadena Kids
Mike Greenspan, residence not stated
Jason Lyon, Pasadena resident

The following individuals spoke in favor of the staff recommendation and/or provided comments on various aspects of the staff recommendation:

Timothy Dodd, Sweet Flower
McGara Bautista, Sweet Flower
Pattyl Kasparian, Pasadena resident
Ashley Browder, with Margolin & Lawrence
Chris Berman, The Atrium Group

Councilmember Wilson spoke on the need for additional analysis, and stated his preference to wait until the approved retail cannabis operators begin operating in order to better evaluate the impacts of retail cannabis. He suggested that the City Council and staff could revisit this discussion in the future once the approved cannabis retail shops are operating.

The Mayor echoed Councilmember Wilson's suggestion to move forward without amendments, which would allow the City to demonstrate to the voters that the City is on the path to permitting legal cannabis operators; and stated his opposition to the staff recommendation.

Councilmember Gordo echoed Mr. Wilsons's comments and stated that for the purpose of resolving litigation, if zoning code amendments are necessary, staff should provide an analysis and return to the City Council at a future meeting with proposed amendments.

Councilmember Masuda voiced support for tabling the item, to be revisited at a future meeting.

Councilmember Madison expressed concerns with the City cannabis regulations that only allow legal cannabis operators in three of the six Council Districts.

Councilmember Gordo left the dais at 10:23 p.m.

Councilmember Kennedy spoke in favor of resolving existing litigation, but not at the expense of the number of operators that would be concentrated in Council District 3. He requested that when the discussion on the item returns to the City Council, staff provide options to judiciously resolve the litigation.

Motion:

Following discussion, it was moved by Vice Mayor Hampton, seconded by Councilmember Masuda, to close the public hearing. (Motion unanimously carried) (Absent: Councilmembers Gordo, McAustin)

Vice Mayor Hampton spoke on the need to move forward with a path to allow six cannabis retailers in the City, and to avoid the possibility of an increase of illegal cannabis retailers in the City.

Councilmember Gordo returned to the dais at 10:27 p.m.

Motion:

Following further discussion, it was moved by Councilmember Wilson, seconded by Councilmember Masuda, to table the item. (Absent: Councilmember McAustin)

Following further discussion, on order of the Mayor and consensus of the City Council, staff was asked to revisit the discussion on the City's cannabis regulations once three cannabis retailers are operational so that staff can evaluate the impacts on the City and the cannabis market.

PUBLIC COMMENT ON REGULAR BUSINESS ITEMS

The following individuals spoke on multiple regular business items:

Armando Herman, residence not stated
Wayne from Encino, residence not stated

REPORTS AND COMMENTS FROM COUNCIL COMMITTEES

APPROVAL OF THE KEY BUSINESS TERMS OF AN AFFORDABLE HOUSING LOAN AGREEMENT WITH THE SALVATION ARMY AND A BUDGET AMENDMENT FOR FUNDING IN AN AMOUNT NOT-TO-EXCEED $1,000,000 FOR