

RESOLUTION NO. 2022-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA ESTABLISHING: (1) A MAP OF COMMERCIAL CANNABIS ELIGIBLE AREAS IN WHICH COMMERCIAL CANNABIS BUSINESSES AS DEFINED AND REGULATED BY CHAPTERS 21 AND 40 OF THE SANTA ANA MUNICIPAL CODE MAY OPERATE; (2) THE NUMBER OF PERMITTED COMMERCIAL CANNABIS RETAIL BUSINESSES; (3) THE NUMBER OF ANNUALLY PERMISSIBLE TEMPORARY CONSUMPTION EVENTS; AND (4) THE COMMUNITY BENEFIT, SUSTAINABLE BUSINESS PRACTICES, AND SOCIAL EQUITY PLAN TEMPLATE

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANTA ANA AS FOLLOWS:

Section 1. The City Council of the City of Santa Ana hereby finds, determines, and declares as follows:

A. On December 9, 2014, following voter approval, the City Council adopted Ordinance No. NS-2864 to regulate the establishment, operation, and taxation of medical marijuana collectives and cooperatives in the City. The ordinance was originally known as and subsequently became referred to as “Measure BB.”

B. In November 2016, the California Marijuana Legalization Initiative, also known as the Adult Use of Marijuana Act (AUMA or Proposition 64) was approved by the voters of the State of California. The AUMA legalized specified personal use and cultivation of marijuana for adults 21 years of age or older.

C. In 2017, the Governor signed into law Senate Bill 94, also known as Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), establishing state regulations and licensing for retail sales, manufacturing, distribution, delivery and testing of adult-use (also called recreational) marijuana.

D. On November 21, 2017, the City Council adopted Ordinance No. NS-2929, creating Chapter 40 of the Santa Ana Municipal Code and allowing adult-use commercial cannabis retail businesses in the city, and amended certain sections of Chapters 18 and 21 of the Santa Ana Municipal Code to ensure consistency with State law and Chapter 40. Since 2014, the City has allowed medicinal marijuana collectives/cooperatives to operate within the City pursuant to regulations set forth in Chapter 18 and Chapter 21 of the Santa Ana Municipal Code.

E. Since its inception, Chapter 40 has required all commercial cannabis business operators to engage in providing community benefits and sustainable business practices through execution of an operating agreement and accompanying Community Benefit and Sustainable Business Practices plan, with the intent of ensuring commercial cannabis businesses remain engaged in providing direct benefits to the Santa Ana community.

F. In 2018, the City Council adopted Ordinance Nos. NS-2941 and NS-2942, allowing and regulating commercial cannabis testing laboratories, and Ordinance No. NS-2944, allowing commercial cannabis cultivation, manufacturing, and distribution activities.

G. The City of Santa Ana desires to remain at the forefront of commercial cannabis by allowing and regulating commercial cannabis business activities, routinely updating and amending its ordinances, and establishing commercial cannabis gross receipts tax rates that are competitive and provide for the needs of the Santa Ana community.

H. Measure BB and subsequent ordinances specified that commercial cannabis business activity is permitted in the City's light and heavy industrial zoning districts (M1 and M2) and must be located 1,000 feet from schools, parks, and properties zoned for residential uses. Proposition 64 subsequently set a minimum separation of 600 feet but allowed local jurisdictions to adopt lower or higher separation requirements.

I. The City Council recognizes those entities that have remained on the Medicinal Cannabis Waitlist pursuant to Santa Ana Municipal Code Section 40-104, and those entities that were scored as part of the merit-based selection process in Section 40-9.

J. Following redevelopment of industrial properties east of the Costa Mesa (SR-55) Freeway, the City Council adopted a map of commercial cannabis eligible areas on March 20, 2018 in which commercial cannabis business activities could locate subject to full compliance with applicable local, County, and State regulations.

K. Since the last adoption of the map, the increasing demand for industrial properties in Santa Ana following the COVID-19 pandemic has reduced the availability of commercial cannabis eligible properties in the industrial zoning districts, creating strain on cannabis business applicants, other business types, tenants, and property owners. In order to offer clarity and expansion opportunities to commercial cannabis business owners, the City desires to update the map to specify the exact parcels on which commercial cannabis business activities are permitted. The map is based on the original 1,000-foot buffer from sensitive land uses, including schools, parks, and residential zoning districts.

L. The City of Santa Ana desires to maintain commercial cannabis businesses in locations adequately buffered from sensitive land uses such as schools, parks, and

properties zoned for residential uses, while maintaining a sufficient amount of properties eligible to apply for and operate a commercial cannabis business.

M. The City of Santa Ana has a compelling interest in ensuring that cannabis is not sold in an illicit manner, in protecting the public health, safety and welfare of its residents and businesses, in preserving the peace and quiet of the neighborhoods in which these businesses may operate, and in providing access to safe, locally produced and retailed, and tested cannabis to residents and visitors.

N. The rise in commercial cannabis business activity in California, coupled with an increase in consumer base both Citywide and regionally, requires the City to adopt a proactive approach to allowing and regulating commercial cannabis business activity, including ensuring that consumers of commercial cannabis retail products are educated in responsible consumption and have safely designed and monitored settings in which retail cannabis may be purchased and consumed.

O. On September 20, 2022, the City Council conducted a duly noticed public hearing to consider Ordinance Amendment No. 2022-01, which includes amendments to Chapters 18, 21, and 40 of the Santa Ana Municipal Code; a change to cannabis tax rates for non-retail (cultivation, distribution, and manufacturing) commercial cannabis businesses; and the subject resolution.

Section 2. Pursuant to the California Environmental Quality Act (“CEQA”) and the State CEQA Guidelines, the adoption of the above ordinance is exempt from CEQA review pursuant to California Code of Regulations section 15061(b)(3), which is applicable if it can be seen with certainty that there is no possibility that the project may have a significant effect on the environment. Santa Ana is a built-out, urbanized community, and the uses permitted and regulated by this Ordinance are already allowed by the underlying zoning designations and the development standards in Chapter 41 (Zoning) of the Santa Ana Municipal Code. The uses permitted and regulated by this ordinance will not lead to any cumulative or unforeseen impacts. As a result, a Notice of Exemption will be filed upon the adoption of this ordinance.

Section 3. The City Council hereby establishes the map of commercial cannabis eligible areas, included here as Attachment A, and referenced in Santa Ana Municipal Code Sections 40-2, 40-5, and 40-6. This map reflects the original 1,000-foot distance from properties containing schools, parks, and properties zoned for residential uses, but is now parcel-specific to offer clarity to property and business owners.

Section 4. The City Council hereby establishes the minimum number of commercial cannabis retail businesses as 30 and the maximum number at 35. Any additional commercial cannabis retail businesses permissible following adoption and effectiveness of this Resolution shall be subject to the application and permitting process established by Santa Ana Municipal Code Section 40-9.

Section 5. The City Council hereby establishes the maximum number of temporary consumption events, as defined by Santa Ana Municipal Code Section 40-2 (39.2) and regulated by Santa Ana Municipal Code Section 40-8 (11), as two (2) per commercial cannabis retail business per calendar year.

Section 6. The City Council hereby adopts the Community Benefit, Sustainable Business Practices, and Social Equity Plan template, attached hereto as Attachment B.

Section 7. This Resolution shall take effect upon the effectiveness of Ordinance No. NS-____ on January 1, 2023.

ADOPTED this ____ day of _____, 2022.

Vicente Sarmiento
Mayor

APPROVED AS TO FORM:
Sonia R. Carvalho, City Attorney

By: John M. Funk
John Funk
Chief Assistant City Attorney

AYES: Councilmembers _____

NOES: Councilmembers _____

ABSTAIN: Councilmembers _____

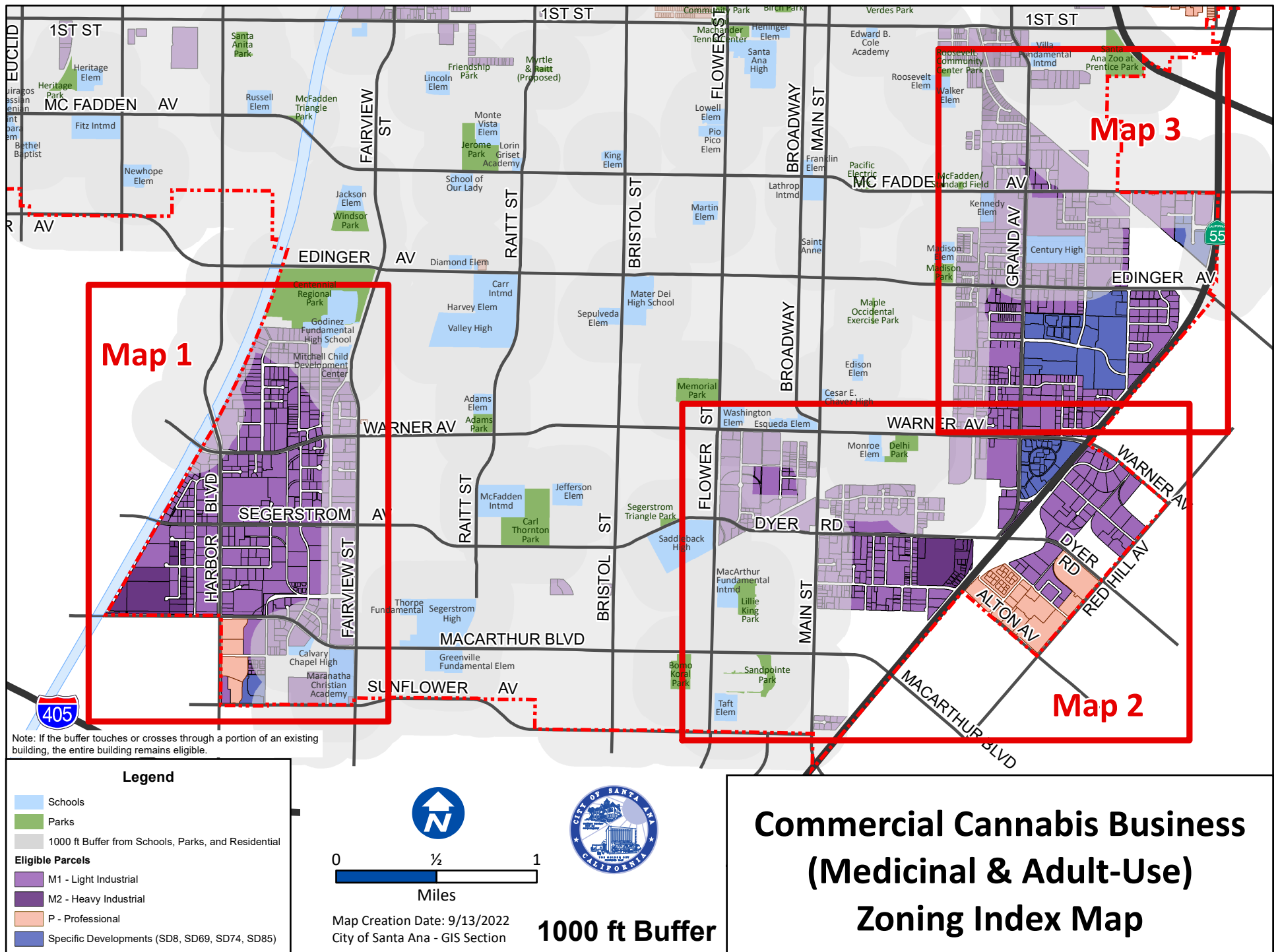
NOT PRESENT: Councilmembers _____

CERTIFICATE OF ATTESTATION AND ORIGINALITY

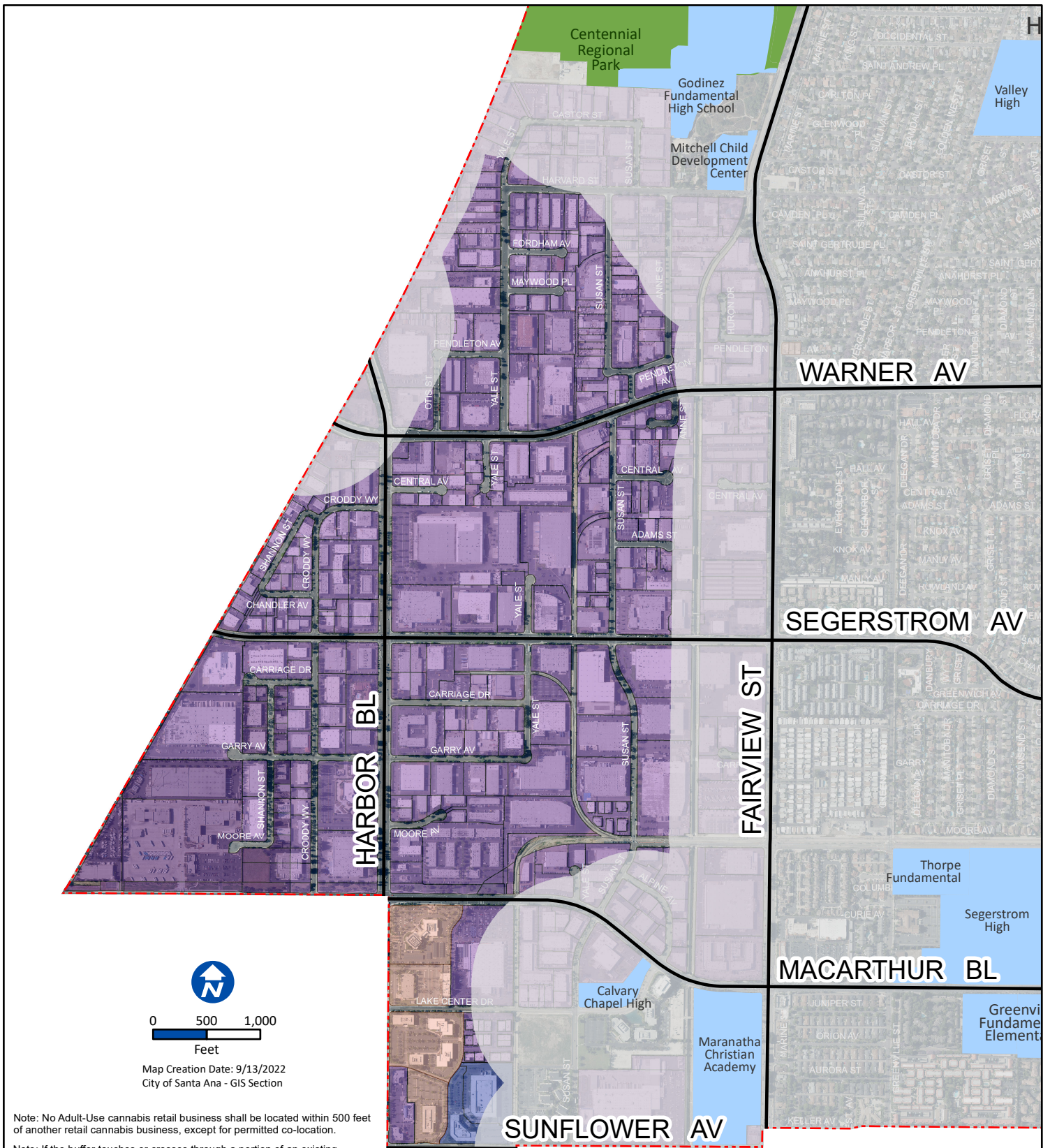
I, _____, Clerk of the Council, do hereby certify the attached Resolution No. 2022 - _____ to be the original resolution adopted by the City Council of the City of Santa Ana on _____, 2022.

Date: _____

Clerk of the Council
City of Santa Ana



Note: final verification of eligible applications will be based on information provided via written communication for renewals or for new registration applications.



Legend

- Schools
- Parks
- 1000 ft Buffer from Schools, Parks, and Residential
- Eligible Parcels**
 - M1 - Light Industrial
 - M2 - Heavy Industrial
 - P - Professional
 - Specific Developments (SD8, SD69, SD74, SD85)

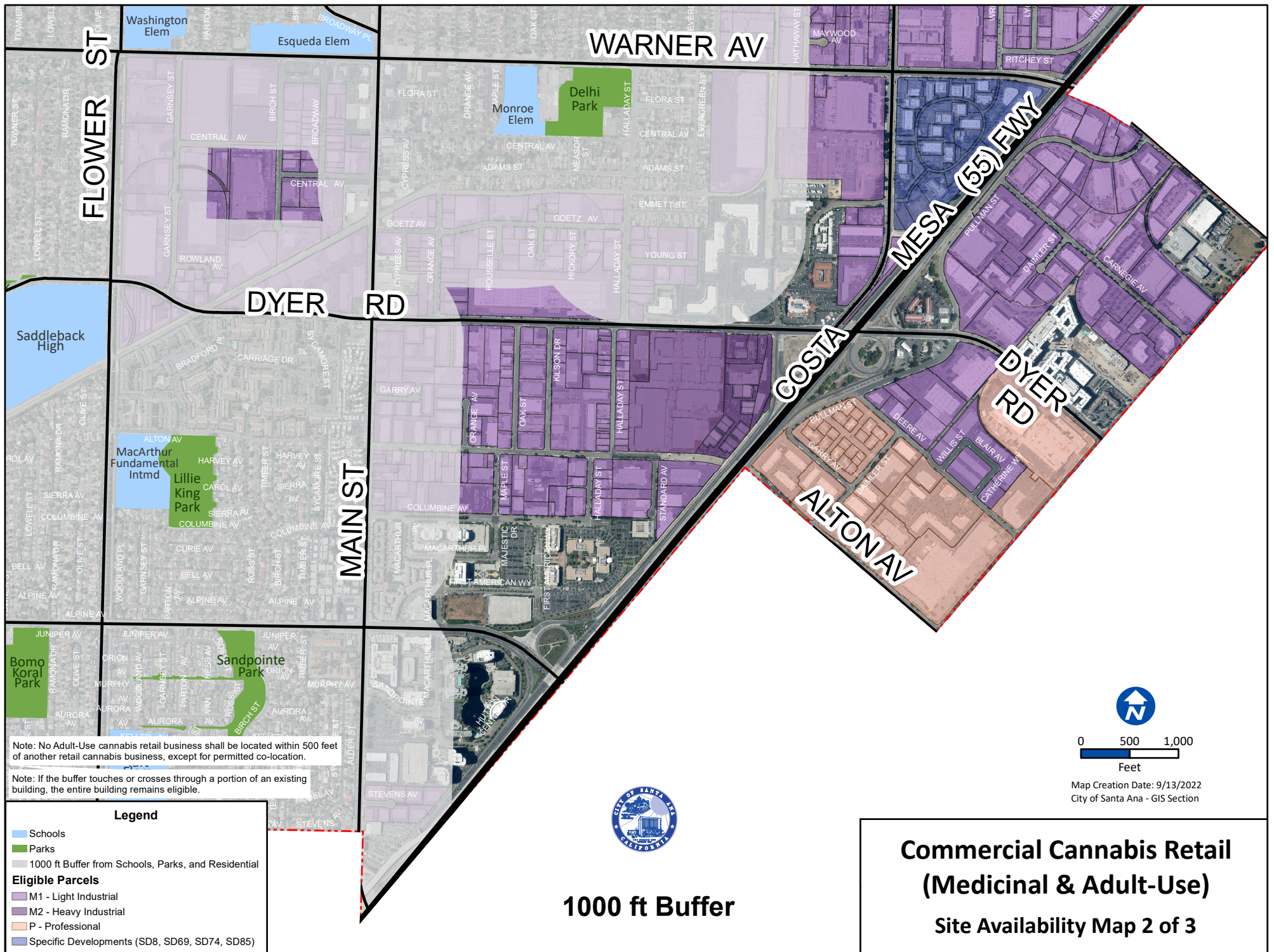


1000 ft Buffer

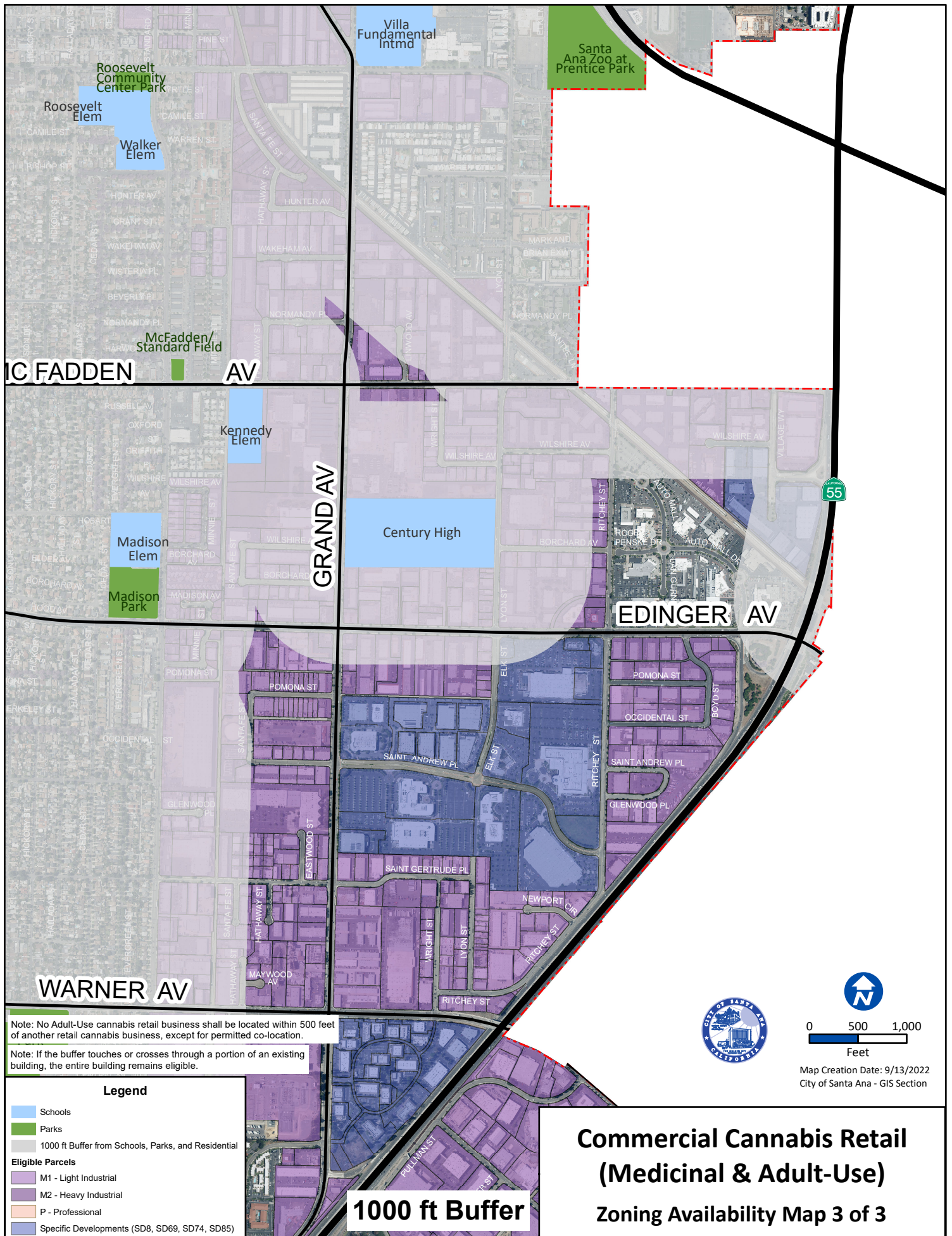
**Commercial Cannabis Retail
(Medicinal & Adult-Use)**

Zoning Availability Map 1 of 3

Note: final verification of eligible applications will be based on information provided via written communication for renewals or for new registration applications.



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Note: No Adult-Use cannabis retail business shall be located within 500 feet of another retail cannabis business, except for permitted co-location.

Note: If the buffer touches or crosses through a portion of an existing building, the entire building remains eligible.

Legend

- Schools
- Parks
- 1000 ft Buffer from Schools, Parks, and Residential
- Eligible Parcels
 - M1 - Light Industrial
 - M2 - Heavy Industrial
 - P - Professional
 - Specific Developments (SD8, SD69, SD74, SD85)



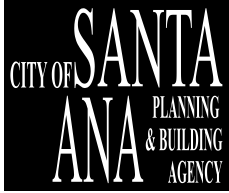
0 500 1,000
Feet

Map Creation Date: 9/13/2022
City of Santa Ana - GIS Section

Commercial Cannabis Retail (Medicinal & Adult-Use) Zoning Availability Map 3 of 3

1000 ft Buffer

Note: final verification of eligible applications will be based on information provided via written communication for renewals or for new registration applications.



Planning and Building Agency
 Planning Division
 20 Civic Center Plaza
 P.O. Box 1988 (M-20)
 Santa Ana, CA 92702
 (714) 647-5804
www.santa-ana.org



Commercial Cannabis Business
 Community Benefit, Sustainable Business
 Practices, and Social Equity Plan

This Plan is a public record.

Section 1: Business Information

Table 1

Item	Information
<i>Business Information</i>	
Business Legal Name	
Business Doing Business As (DBA)	
Business Address in Santa Ana	
Regulatory Safety Permit (RSP) No.	
RSP Issuance Date	
RSP Expiration Date	
Business Owner Name	
<i>Contact Information</i>	
Primary Contact Person Name	
Primary Contact Person Phone	
Primary Contact Person Email	

Section 2: Community Benefit, Sustainable Business Practices, and Social Equity Plan

Pursuant to Santa Ana Municipal Code (SAMC) Section 40-1(C), all commercial cannabis businesses operating in Santa Ana are required to maintain a Community Benefit, Sustainable Business Practices, and Social Equity Plan on file with the City in a format acceptable to the Executive Director of the Planning and Building Agency. Failure to maintain a plan and satisfy the obligations specified therein will result in review and possible suspension, revocation, citation, or other enforcement action. For more information on the City's requirements for Community Benefit, Sustainable Business Practices, and Social Equity, please review SAMC Section 40-1(C).

Beginning January 1, 2023, all commercial cannabis businesses are required to commit to spending one-half of one percent (0.50%) of gross reported earnings for the previous reporting year towards community benefit, sustainable business practices, and social equity obligations. Beginning January 1, 2024, all commercial cannabis businesses are required to commit to spending one percent (1.00%) of gross reported earnings for the previous reporting year towards community benefit, sustainable business practices, and social equity obligations.

Note: This is not a Regulatory Safety Permit (RSP) to legally operate a Commercial Cannabis Business. DO NOT OPERATE unless a valid Permit is issued.



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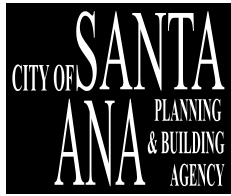
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Please utilize the following sections to detail the business's commitments to community benefits, sustainable business practices, and social equity measures. If additional space is required, please attach supplemental sheets to this form using the same format as Table 2 of this packet.

Table 2

Item	Frequency or Timeframe	Equivalent Monetary Value	Detailed Description of Measure or Activity
<i>Community Benefits*</i>			
Local hiring (Required)			
Local sourcing (Required)			
Contributions to local charitable or not-for- profit organizations (Required)			
<i>Sustainable Business Practices**</i>			
Energy Saving (Required)			
Water Saving (Required)			
<i>Beginning January 1, 2025 - Social Equity Measures***</i>			
Employment compensation for full- time employees above minimum wage (Required)			

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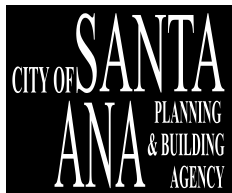


Commercial Cannabis Business
Community Benefit, Sustainable Business
Practices, and Social Equity Plan

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Item	Frequency or Timeframe	Equivalent Monetary Value	Detailed Description of Measure or Activity
Measures to hire part- and full-time staff from disadvantaged communities (Required)			
Expenditures on safety-related equipment, training, and services (Required)			
Workforce development and safety training for employees (Required)			
<p>*Minimum local hiring and local sourcing are strongly suggested; however, additional measures are permissible, such as engagement with local charitable or not-for-profit organizations, volunteer activities, etc.</p> <p>**Minimum "green" technologies such as energy and water saving measures are strongly suggested. However, other measures are permissible, such as transit and carpool incentives, healthy living practices, etc.</p> <p>***Social equity measures are intended to result in improvements to disadvantaged communities, aiding those systemically and negatively affected by prior criminal or misdemeanor drug convictions, and creating new opportunities among owners, managers, employees, and other staff employed by the cannabis industry.</p>			

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Section 3: Acknowledgement

I, _____, primary contact for _____, business owner for the commercial cannabis business named _____, located at _____ in Santa Ana, California, hereby acknowledge that the information presented on this Community Benefit, Sustainable Business Practices, and Social Equity Plan is accurate and enforceable by the City of Santa Ana pursuant to Chapter 40 of the Santa Ana Municipal Code as a condition of Regulatory Safety Permit issuance, renewal, and maintenance of the Regulatory Safety Permit in good standing. I also understand that documentation of gross reported annual earnings from the prior reporting year and satisfaction of these commitments is required as part of the annual Regulatory Safety Permit renewal process.

Primary Contact
Signature

Date

Business Owner
Signature

Date

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