



**CITY OF LA HABRA
INTEROFFICE MEMORANDUM**

To: Jim Sadro, City Manager
From: Andrew Ho, Director of Community and Economic Development
Date: January 7, 2017
Subject: Interim prohibition of marijuana related uses

Background

This memorandum is in response to the City Council's action on December 12, 2016 adopting an Urgency Interim Ordinance of the City Council of the City of La Habra amending provisions of Title 18 (the Zoning Code) prohibiting the development of marijuana related uses. The adoption of the Urgency Interim Ordinance is consistent with California Government Code Section 65858.

Pursuant to Government Code Section 65858, a written report describing the measures taken to alleviate the condition which led to the initial adoption of the 45 day Urgency Interim Ordinance shall be issued ten (10) days prior to action to extend the Urgency Interim Ordinance for ten (10) month and fifteen (15) days to the public. This memorandum complies with Government Code Section 65858.

Conditions which led to the adoption of this Urgency Interim Ordinance

The California Adult Use of Marijuana Act (AUMA) was approved by the voters of California in the November 2016 General Election as Proposition 64. The Proposition makes legal recreational marijuana and authorizes the State to establish a licensing scheme for recreational marijuana businesses and activities. As soon as the State establishes the licensing process they will begin issuing licenses for both medical and recreational marijuana related businesses including (1) cultivation, (2) dispensing, (3) transporting, (4) distribution, (5) processing, (6) delivery, (7) manufacturing, (8) labelling, and (9) testing of marijuana unless a City specifically prohibits those activities. The issuance of licenses for operation of marijuana related businesses in the City by the State could adversely impact the public health and welfare since no consideration is given to the form of security, circulation, parking, and neighborhood compatibility necessary for these types of operations.

Measures taken to alleviate the Conditions

Since the adoption of the Urgency Interim Ordinance on December 12, 2016, staff from the City Attorney's Office, City Manager's Office, Community Development Department, Finance Department, Personnel Department, and Police Department have met to

discuss future work programs that will need to be completed in order to adopt a permanent Zoning Ordinance regulating non-medical marijuana related businesses.

The work programs involve the research and preparation of materials, maps, draft ordinances, and reports to address the following issues:

1. How are surrounding cities addressing medical and recreational use of marijuana?
2. What are the potential challenges should the establishment of marijuana related businesses be allowed (includes dispensaries, growth, manufacturing, delivery, and testing)?
3. What are the potential revenues available that could be utilized to address the challenges presented by allowing marijuana related businesses?
4. What are the ramifications of allowing the growth of marijuana outside of a dwelling?
5. What standards are being established by the City for its employees and why?
6. How did the residents of La Habra, the surrounding communities, and the County vote on Proposition 64?
7. What standards/restrictions have been established by the State in regulating marijuana related uses?

Next Steps

A staff member will be selected to oversee and coordinate the City's research efforts with the objective of bringing to the Planning Commission and City Council recommendations regarding the establishment of provisions regulating marijuana related uses. The timeframe for public hearings depends on when the State formally establishes their standards and the split of tax revenues generated from marijuana business operations to cities that will be used to address direct and secondary effects of these operations, and finally experiences from City's that allow for their operation, could be up to an additional 18 months.

In order to protect the public health, safety, and welfare of the community, it is prudent the City utilize the time allowed by State Law to understand the challenges presented by marijuana business operations and develop the appropriate safeguards to protect the community.

Cc: City Council
City web site
City Clerk and Community Development counter