



APPLICATION PROCEDURE TO OPERATE A COMMERCIAL CANNABIS BUSINESS IN THE CITY OF HANFORD

This document outlines the application process, required submittal materials, and other information necessary to obtain approval to operate a Commercial Cannabis Business (CCB) in Hanford. These application processes are adopted pursuant to Hanford Municipal Code <https://qcode.us/codes/hanford/> Title 5 Business Licenses and Regulations - Chapter 5.56 Commercial Cannabis Activity and Title 17 Zoning Ordinance - Primarily Chapters 17.69 Commercial Cannabis-Related Uses and Activities, and Chapter 17.80, Conditional Use Permits (CUP). Applications to operate a CCB in Hanford require both an approved CCB License and an approved Conditional Use Permit.

Applications are accepted on a continuous basis except for Storefront and non-storefront dispensaries, pursuant to the Hanford Municipal Code ("HMC"). Applications for storefront and non-storefront dispensaries are subject to an application period. Application forms are available at the Community Development Department located inside City Hall, at 317 North Douty Street and on-line at https://www.cityofhanfordca.com/departments/community_development/planning_division/cannabis_information.php. To be considered, a complete application for a CCB License must be approved first before an application for a Conditional Use Permit can be filed and considered. Both applications when completed will be submitted to the Community Development Department, at 317 North Douty Street, Hanford, CA, 93230. For questions regarding the application process please review the FAQ's and other information at the City of Hanford's Cannabis webpage cited above.

City of Hanford Commercial Cannabis Information Page:

https://www.cityofhanfordca.com/departments/community_development/planning_division/cannabis_information.php

BEFORE YOU APPLY:

1. Review this document and all on-line resource and information at the link above to learn about the entire application process and which documents you will need for the Business License and the Conditional Use Permit ("CUP").
2. Request a Zoning Verification Letter from the CDD. This must be included in the Business License submittal.
3. Review the application in its entirety to ensure that it is complete and accurate, and all required documents have been attached/included. Incomplete applications will be returned to applicants for correction before they can be accepted for processing. Personal or Business checks will not be accepted. Payment of fees must be made by a bank-issued check. **ALL APPLICATION FEES ARE NON_REFUNDABLE**
4. Review the information regarding the Commercial Cannabis Business permit application on the webpage: www.cityofhanfordca.com which includes the following information:
 - Local regulations governing Hanford CCB's: Hanford Municipal Code ("HMC") Chapters 17 and Chapter 5.56
 - Background authorization form and/or Live Scan
 - Additional application information: Ordinance No. 17-08.
 - State laws governing CCB's: The California Department of Justice Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use and Senate Bill 420 (Medical Marijuana Program Act).

- Medical Cannabis Safety Act (MCRSA)
- Adult Use Marijuana Act (AUMA)
- Frequently Asked Questions

COMMERCIAL CANNABIS APPLICATION REQUIREMENTS:

1) Application:

Applicants shall hand deliver one (1) complete comprehensive and signed copy of the Hanford Commercial Cannabis Business Form, and all attachments, if any, along with a flash drive which contains one comprehensive and signed copy of the application in a pdf format, and phase 1 fee.

- a) The Hanford Commercial Cannabis Business Form.
- b) The Background Authorization Form and/or Proof of Live Scan payment for each of the principals. The application for the Live Scan and the background form will be available on the city website or at the Community Development Department in City Hall. Please provide proof of completing your background form and/or Live Scan form by providing proof of a receipt along with your application. Principals who do not meet criminal history eligibility requirements will be disqualified.
- c) The Zoning Verification Letter will need to be included with the application package, to ensure that the proposed location, which the applicant is applying for, meets locational requirements prior to submitting their CCB application. Please note that the issuance of a Zoning Verification Letter does not constitute written evidence of permission by the City of Hanford or any of its officials to operate a CCB, nor does it not mean “permit” within the meaning of the Permit Streamlining Act, nor does it constitute an entitlement under the Zoning or Building Code. A regulatory permit for regulating a CCB does not constitute a permit that runs with the land on which the CCB is established. Requests for Zoning Verification Letters must be submitted in writing from the Community Development Department and will not be completed over the counter since the process may require additional research and review.

2) Amendments to the Application:

Applicants will not be allowed to make amendments to their application or to supplement their application, except as otherwise specifically permitted in these procedures or authorized in writing by the City. Any change in location will require a new “Zoning Verification Letter” and must be submitted with the application package prior to your interview in Phase 3 of the selection process. Please note that should you choose to submit a different location prior to Phase 3 you can only do so if your initial proposed site was approved as part of your original application package. Any change in location may result in a change of the scoring in phase 1.

3) Payment of Application Fees:

The individual designated as the CCB contact on the application will be notified by e-mail as to whether the application is advancing, the associated fees and the payment deadlines.

LATE AND INCOMPLETE APPLICATIONS WILL NOT BE CONSIDERED ON ANY APPLICATION FOR A STOREFRONT OR NON-STOREFRONT DISPENSARY.

COMMERCIAL CANNABIS APPLICATION FEES:

All fees are submitted to the community development department, located at City Hall 317 N. Douty St.

- ❖ **Phase 1:** Preliminary determination of eligibility. Filing fee: \$4,254
 - **Criminal History Check:** Each principal/owner must undergo a criminal background check the Live Scan Fee shall be \$135.55 and the background Review shall be \$300.
 - **Zoning Verification Letter:** Shall be \$135
- ❖ **Phase 2:** Initial ranking. \$1,689

- ❖ **Phase 3:** Second ranking. \$2,241
- ❖ **Phase 4:** City Manager's Determination and Award. \$1,102

EVALUATION AND SELECTION PROCESS:

The evaluation and selection process shall consist of the following four phases:

- ❖ **Phase 1: Determination of Eligibility and Application**
 - Each Principal must undergo a criminal history check demonstrating compliance with the eligibility requirements of HMC Section 5.56.290 (m) and 5.56.070.
 - Applications must be complete to be considered if the application is for a license type that has limited permits. Applications will be considered complete only if they include all information required for Phases 1, 2 and 3.
 - Proposed location of business.
 - Execute an agreement indemnifying the City from liability.
- ❖ **Phase 2: Initial Ranking (1,500 Points)**
 - Applications will be evaluated based on the following criteria:
 - Proposed Location of business (300 Points)
 - Business Plan (500 Points)
 - Neighborhood Compatibility Plan (300 Points)
 - Safety and Security Plan (300 Points)
 - Labor and Employment Plan (100 Points)
 - Those applicants who scored a minimum of 80% in Phase 2 will move on to Phase 3.
 - Applicants for a permits that are unlimited may begin the CUP process during this phase.
- ❖ **Phase 3: Second Ranking (2,500 Points)**
 - All applications who score at least 80% in Phase 2, will be interviewed, and evaluated by the Selection Committee based on the criteria listed below.
 - Prior to the scheduling of the interviews in Phase 3, each of the applicants will be required to have their proposed site inspected by the assigned City designee to ascertain current conditions of the facility.
 - The second ranking will be scored based on the following criteria:
 - Final Location (proof of ownership or a signed and notarized statement from the Property Owner) (300 Points)
 - Business Plan (300 Points)
 - Community Benefits (750 Points)
 - Labor & Employment (200 Points)
 - Neighborhood Compatibility Plan (200 Points)
 - Qualifications of Principals (500)
 - Safety and Security Plan (250 Points)
 - After all the applicants from Phase 3 scores have been tabulated, they will be combined with Phase 2 to establish a new ranking of the top applicants. The ranked applicants, as determined by the Selection Committee, will move onto Phase 4 of the selection process.
- ❖ **Phase 4: City Manager's Final Approval and Award of Permit**
 - All eligible applicants as determined by the Ordinance or by resolution will be presented to City Manager.
 - The City Manager will review the Selection Committee's evaluation, final rankings and recommendation.
 - City Manager Approves Final recommendations and Awards Permit(s).

DESCRIPTION OF EVALUATION CRITERIA:

- ❖ **Proposed Location.** Your application must include the address and a detailed description of the proposed location. (Note that proof of ownership, or a notarized letter of the owner's willingness to lease will not be given any additional consideration until Phase 3). This section should also describe all sensitive uses described in within six hundred (600) feet of the proposed location from the property line of a K-12 school, daycare center and youth center. The CCB must be in the appropriate zoning and meet all the locational requirements as described in HMC Chapter 17 and HMC 5.56.290 (o).

- ❖ **Business Plan.** With as much detail as possible, the Business Plan should describe:
 - Description of day-to-day operations which meet industry best practices for the specific type of permit in which they will be applying for in the City.
 - How the CCB will conform to local and state law. See HMC Sections 5.56.290, and HMC Sections 5.56.310, 5.56.340, Ordinance 17-08, and the Attorney General's Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use.
 - How medical and retail cannabis will be tracked and monitored to prevent diversion.
 - A schedule for beginning operation, including a narrative outlining any proposed construction and improvements and a timeline for completion.
 - A budget for construction, operation, maintenance, compensation of employees, equipment costs, utility costs, and other operation costs. The budget must demonstrate sufficient capital in place to pay startup costs and at least three months of operating costs, as well as a description of the sources and uses of funds.
 - Proof of capitalization, in the form of documentation of cash or other liquid assets on hand, Letters of Credit or other equivalent assets.
 - A pro forma for at least three years of operation.

- ❖ **Neighborhood Compatibility Plan.** For the proposed location, your application should address how
 - the CCB, including its exterior areas and surrounding public areas, will be managed, to avoid becoming a nuisance or having impacts on its neighbors and the surrounding community.
 - Furthermore, a site plan (accurate, dimensioned and to-scale [minimum scale of 1/4"]) should be included for each potential location.

- ❖ **Safety and Security Plan.** For each proposed location, your application should include:
 - A detailed safety plan. This plan should describe the fire prevention, suppression, HVAC and alarm systems the facility will have in place.
 - An assessment of the facility's fire safety by a qualified fire prevention and suppression consultant. An appropriate plan will have considered all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation.
 - A detailed security plan. This plan should include a description and detailed schematic of the overall facility security. It should have details on operational security, including but not limited to general security policies for the facility, employee specific policies, training, sample written policies, transactional security, visitor security, 3rd party contractor security, and delivery security. In particular, applications should address ingress and egress access, perimeter security, product security (at all hours), internal security measures for access (area specific), types of security systems (alarms and cameras), and security personnel to be employed. The security plan shall also include an assessment of site security by a qualified security consultant. Security plans will not be made public.
 - A floor plan showing existing conditions. If changes are proposed as part of the project, then a proposed floor plan should also be submitted. The floor plan(s) should be accurate, dimensioned and to-scale (minimum scale of 1/4").

- ❖ **Community Benefits.** The application should describe benefits that the CCB would provide to the local community, such as employment for residents of the City, community contributions, or economic incentives to the City.
- ❖ **Labor & Employment.** The application should describe to what extent the CCB will adhere to heightened pay and benefits standards and practices, including recognition of the collective bargaining rights of employees. Specific practices that are subject to consideration include the following:
 - Providing compensation to and opportunities for continuing education and training of employees/staff (applications should provide proof of the CCB policy and regulations to employees);
 - Providing a “living wage” to facility staff and employees. Wage scale should be provided in writing for all levels of employment at the facility. “Living Wage” shall mean 150% of the minimum wage mandated by California or Federal law, whichever is greater.
- ❖ **Qualifications of Principals.** The application should include information concerning any special business or professional qualifications or licenses of principals that would add to the number or quality of services that the CCB would provide, especially in areas related to medical cannabis, such as scientific or health care fields.

ADDITIONAL EVALUATION NOTES:

- ❖ After the completion of the application interviews in Phase 3 and prior to the Selection Committees final review and evaluation, the City reserves the right to request and obtain additional information from any candidate who submitted a proposal. Upon the completion of the final review process, the Selection Committee will tabulate its final scores of all applicants who were interviewed in Phase 3. The City Manager will review the selection committee’s rankings and recommendations and may award up to the amount permitted by the Ordinance or Council Resolution pursuant to HMC Section 5.56.080. The City reserves the right to award a lesser number of permits, or to award no permits at all. Only those applicants on the final list will be eligible to be issued a permit from the initial permit process. The top Applicants, which are being reviewed by the City Manager for consideration, should be prepared to attend a second interview in Hanford to provide additional information, introduce their team and provide an overview of their proposal if requested by the City Manager.
- ❖ Please note that being awarded a CCB permit does not constitute a land use entitlement and does not waive or remove the requirements of applying for and receiving permits for all construction including electrical, plumbing, fire, planning permits or reviews, and any other permits, licenses, or reviews as may be necessary by the relevant departments or governmental entities in charge of said permits. Nor does it guarantee that the plans submitted via the CCB application process meet the standards or requirements in Chapter 17 or any other permit requirement from other city departments or agencies.

CCB PERMIT APPLICATION TIMELINE

1. For storefront and non-storefront applications there will be a set date for the acceptance of applications.
2. For all other CBB permit types they are accepted on an on-going basis.
3. Phase 1 Preliminary determination of eligibility
 - a. Backgrounds 1 month
 - b. Zoning verification letter 10 days.
4. Phase 2 Initial Ranking
 - a. 1 month
5. Phase 3 Second Ranking
 - a. 1 month

6. Phase 4 City Managers determination and award
 - a. 3 weeks

This is an approximate timeline. Actual timeline may vary based upon the number of applicants, information being requested by third parties, approved corrections that need to be made by the applicant and other factors that may arise during the application process. You may always contact the City to determine the status of your application.

CONDITIONAL USE PERMIT PROCESS

Applications for storefront and non-storefront dispensaries cannot begin the CUP process until they have been awarded a permit by the City of Hanford. Applications for other CCB permit types may begin the CUP process if they are prepared to do so. This may occur concurrently with the CCB permit application process once the application has entered phase 3. The process is outlined below;

1. Site Plan Review (SPR) application (link below), pursuant to HMC 17.72.020
 - a. The SPR is an administrative process to assure that the project types as listed in HMC 17.72.020 comply with all applicable requirements of the HMC and the City General Plan. Once this process is completed the applicant may move to step 2.
 - b. https://cms6.revize.com/revize/hanfordca/document_center/Planning/Planning%20Applications/Site%20Plan%20Review%20Application.pdf
2. Conditional Use Permit application(link below), pursuant to HMC 17.80
 - a. The CUP permit process allows a City to consider special uses which may be essential or desirable to a particular community, but which are not allowed as a matter of right within a zoning district. The permit application is approved after a review and under a set of conditions as identified by the City of Hanford.
 - b. https://cms6.revize.com/revize/hanfordca/document_center/Planning/Planning%20Applications/Conditional%20Use%20Permit.pdf
3. California Environmental Quality Act (CEQA)
 - a. Any development project in California requiring to a discretionary land use entitlement, such as a Conditional Use Permit, are also subject to review for potential environmental impacts pursuant to CEQA, pronounced "C-kwah". This process can typically take 4-6 months depending on the complexity of the project and/or potential environmental impacts that could result from the project related to the site or areas surrounding the site. The City will prepare and implement the required CEQA document and process; however, the applicant may choose to hire a consultant (approved by the City) to perform the work. The consultant's product must be provided to City in Administrative Draft form for the City's review and comment. A final draft acceptable to City staff will then be provided to the City who will manage the required public review process.
 - b. As soon as the public review CEQA process is completed, responses to any comments received will be prepared and the CUP staff report/CEQA doc. will be scheduled by staff for the soonest available Planning Commission meeting for a required public hearing.
 - c. As soon as the public review CEQA process is completed, responses to any comments received will be prepared and the CUP staff report/CEQA doc. will be scheduled by staff for the soonest available Planning Commission meeting for a required public hearing.
 - d. If the CEQA document (including the Mitigation Monitoring and Reporting Program (MMRP), if required, and the Project are approved by Planning Commission, a 10-day appeal period will follow, during which time any aggrieved party may file a written appeal (along with required appeal fees) of the Planning Commission's decision to the City Council.
 - e. If an appeal is filed, the matter will be scheduled for the soonest available City Council meeting for a required public hearing for a decision to uphold or deny the appeal.

- f. If no appeals are received, or the appeal is denied by Council, the Project may proceed to file for Building Permits.
 - g. If the appeal is upheld by Council, the Project can be denied or returned to Planning Commission, if so directed by Council, with specific direction for consideration of changes or modifications to the project.
4. Building Permit issuance
- a. The use may not commence operations until passing a Final Building Inspection and a Certificate of Occupancy is issued.

CONDITIONAL USE PERMIT PROCESS FEES

1. Site Plan Review Application Fee.
 - a. Initial Minor - \$1,000
 - b. Initial Major - \$3,000
 - c. Resubmittal (First Resubmittal - No Charge) - \$750
2. Conditional Use Permit Application Fees
 - a. Minor (Existing Structures) - \$1,500
 - b. Regular – \$3,500
 - c. Amendment to an approved CUP - \$1,500
3. CEQA Compliance, Initial Fee
 - a. Initial Study/Negative Declaration (City-Prepared) - \$1,450
 - b. Initial Study/Negative Declaration (Consultant Prepared – Actual Cost +10%)

THE CITY’S RESERVATION OF RIGHT’S

The City reserves the right to reject any and/or all proposals, with or without any cause or reason. The City may also, modify, postpone, or cancel the request for permit applications without liability, obligation, or commitment to any party, firm, or organization. In addition, the City reserves the right to request and obtain additional information from any candidate submitting a proposal. Late and incomplete proposals WILL BE REJECTED. Furthermore, a proposal RISKS BEING REJECTED for any of the following reasons:

- Proposal considered not fully responsive to this request for a permit application.
- Proposal contains excess or extraneous material not called for in the request for permit application.

CONTACT:

If you have any questions or would like an update on the status of your application, please contact; The City Clerk at 559-585-2515 or by email at ncorral@cityofhanfordca.com.

THE CCB PERMITTING PROCESS REQUIRES A HIGH LEVEL OF EXPERTISE. IT IS HIGHLY RECOMMENDED THAT YOU HIGHER A PROFESSIONAL TO HELP YOU NAVIGATE THIS PROCESS TO AVOID UNNECESSARY DELAYS AND ADDITIONAL COSTS.