



# Commercial Cannabis Permit

RFP Instructions

December 2017

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Office of the City Manager  
[www.hayward-ca.gov/ccp](http://www.hayward-ca.gov/ccp)

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## Introduction

In the Fall of 2017, the Hayward City Council adopted ordinances 17-13 and 17-15, hereby referenced as the Cannabis Regulations. The Cannabis Regulations include both the regulatory apparatus for cannabis businesses as well as the land use regulations dictating where cannabis businesses may locate within the City limits.

Copies of these regulations can be found at: [www.hayward-ca.gov/cannabis](http://www.hayward-ca.gov/cannabis)

At this time, the cannabis regulations allow the following types of cannabis businesses:

- Commercial Cannabis Cultivation
- Commercial Cannabis Distribution
- Commercial Cannabis Manufacturing
- Commercial Cannabis Retail Dispensary (Limited to three establishments citywide)
- Commercial Cannabis Delivery
- Commercial Cannabis Microbusiness (Type 12)
- Cannabis Testing Laboratory

This Request for Proposals (RFP) serves as a mechanism for the City to control which cannabis businesses will be allowed to operate in our community. The City commits to ensuring an objective and transparent evaluation process.

Applicants may apply for permits for one or more business types (listed above) but must provide separate and complete proposals for each desired permit type. **Applicants who currently hold—or are applying for—Cannabis Testing Laboratory permits may not hold any other commercial cannabis permits.**

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# Overview of RFP and Selection Process

The application and selection process for commercial cannabis businesses in the City of Hayward involves the following steps:

1. Background Check
2. Submit Attestation Form, Application, and Fees for Commercial Cannabis Permits
3. Evaluation and Scoring of Applications
4. Applicant Interviews and Selection
5. Issuance of Commercial Cannabis Permits & Timely Launch of Operations

Each of these steps is summarized in the sections below.

Questions about this RFP process should be submitted **by 5:00 PM PST on December 15, 2017**. Questions must be sent via email to: [John.Stefanski@hayward-ca.gov](mailto:John.Stefanski@hayward-ca.gov). Questions received after the above deadline will not be answered. Questions posed by phone or in person will not be answered. Answers to submitted questions will be posted on the City's website **by 5:00 PM PST on December 21, 2017**.

**Applicants who intend to submit an RFP for all business types must send an email to [John.Stefanski@hayward-ca.gov](mailto:John.Stefanski@hayward-ca.gov) by 5:00 PM PST on December 15, 2017 indicating their intent to respond and identifying which business type permit they are seeking.** This will ensure that all applicants receive responses to the Q&A and any RFP addenda.

## Background Check

Each member of the Applicant Team (defined as the Applicant<sup>1</sup> and Owner<sup>2</sup> per the Hayward Municipal Code SEC. 6-14.10), must pass a criminal background check.

- **Live Scan Background Check:** All Applicant Team members must complete a Live Scan background check and submit the completed documentation along with the permit application. **Please use the Live Scan Form found at [www.hayward-ca.gov/ccp](http://www.hayward-ca.gov/ccp).**

All Applicant Team members must pass the background investigation in order to be further considered. Given that the Live Scan process can take up to several weeks, it is suggested that applicants begin the Live Scan process as quickly as possible to ensure a timely review of the full application.

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<sup>1</sup> "Applicant" means an individual, or if not an individual, the general partner, chief executive officer, chief advisor, or other person responsible for the ownership and operation of a business entity, who applies to obtain a permit under this Article.

<sup>2</sup> "Owner" means any of the following: (1) A person with an aggregate ownership interest of 20 percent or more in the person applying for a license or a licensee, unless the interest is solely a security, lien, or encumbrance. (2) The chief executive officer of a nonprofit or other entity. (3) A member of the board of directors of a nonprofit. (4) An individual who will be participating in the direction, control, or management of the person applying for a permit.

Applicants are encouraged to complete their Live Scan background check at the Hayward Police Station located at 300 W. Winton Avenue, Hayward, CA 94544. Appointments can be made by contacting:

*Joshua Wildman, Community Service Office- VICE Unit*  
[Joshua.Wildman@hayward-ca.gov](mailto:Joshua.Wildman@hayward-ca.gov) or at 510-293-7230

Each background check will cost \$58.00 which covers both HPD and DOJ fees. This can be paid by cash, credit card, or check.

Those applicants unable to do this locally may also complete a Live Scan background check at any location where Live Scan fingerprinting services are available to the public. A list of these locations can be found at: <https://oag.ca.gov/fingerprints/locations>.

Compliance determinations made in this stage by the City will not be subject to appeal. A listing of the specific types of convictions that will disqualify an Applicant can be found in Hayward Municipal Code SEC. 6-14.12(f)(3).

## Submit Attestation Form, Application, and Fees for Commercial Cannabis Permits

Applicants will submit a **Complete Attestation Form** and **Commercial Cannabis Permit Application** which provides descriptions of the Applicant's proposed business plan and operations, management experience, safety and security plan, community benefits proposals, product testing and safety protocols, environmental plan, and labor and employment practices. Forms and details related to the application process are listed below.

### ***Complete Attestation Form:***

Each member of the Applicant Team must complete an Attestation Form which describes any past criminal history, pending litigation, bankruptcies, or code violations, as well as a list of all jurisdictions in which the applicant is doing or has done cannabis business. The Attestation Form must also be submitted as part of the permit application package. The City of Hayward's Attestation Form can be found at [www.hayward-ca.gov/ccp](http://www.hayward-ca.gov/ccp).

### ***Commercial Cannabis Permit Application Form:***

The Commercial Cannabis Permit Application can be found at [www.hayward-ca.gov/ccp](http://www.hayward-ca.gov/ccp).

***IMPORTANT NOTE: Separate application forms must be submitted for each permit type being sought.***

### ***Testing Laboratory Application Form:***

Applicants for Commercial Cannabis Testing Laboratory permits should complete the streamlined application form which can be found at [www.hayward-ca.gov/ccp](http://www.hayward-ca.gov/ccp). ***NOTE: Testing laboratory permits cannot be held concurrently with any other commercial cannabis permits.***

***Application Submittal:***

Two physical (hard-copy) applications, as well as one electronic copy (in a single PDF file stored on a USB drive), shall be submitted by mail, courier, or in person to the following address:

John Stefanski  
Office of the City Manager  
RE: CCP RFP  
City of Hayward  
777 B Street  
Hayward, CA 94541

***Application Fees:***

Each application must be accompanied by a refundable deposit of **\$5,000** for processing and review of the application. In accordance with the City’s current Master Fee Schedule, if costs for processing the application(s) exceed the \$5,000 deposit amount, the Applicant will be billed on a time and materials basis. Application fee is due at time of application submittal. Payment shall be made via check, money order, or cashiers’ check payable to the “City of Hayward”. Cash and credit card payments will not be accepted.

***Submission Deadline:***

The deadline for submission of applications is: **January 12, 2018 at 12:00 pm PST**. Applications must be received by the City by this date and time. No late applications will be accepted.

The City of Hayward reserves the right to request any other additional information or documentation deemed necessary to review the applications throughout the commercial cannabis business permitting process. The City also reserves the right to request references from applicants.

**Evaluation and Scoring of Applications**

Applications will be evaluated by neutral third-party reviewers and scored in accordance with the evaluation criteria and weighting system listed below:

Evaluation Criteria	Maximum Points	%
Business Plan and Operations*	250	25%
Management Experience*	150	15%
Safety and Security Plan*	150	15%
Community Benefits	150	15%
Product Testing and Safety	100	10%
Environmental Plan	100	10%
Labor and Employment Practices	100	10%
<b>Total</b>	<b>1,000</b>	<b>100%</b>

\* Evaluation criteria included in the streamlined application for Testing Laboratories. Maximum points for Testing Laboratory applications is 550 points.

## Applicant Interviews and Selection

Upon completing the evaluation of all applications, a subset of the highest scoring applicants will be invited to participate in interviews with the City Manager or her designees. The City Manager will then prepare a report to the City Council ranking the highest scoring applications and providing recommendations on operator applicants for the City Council's consideration for permit award during a City Council public hearing. These recommended operators should be prepared to attend a City Council meeting in Hayward in order to provide a brief public presentation before the Mayor and City Council introducing their team. The City Council and Mayor will make the final decision regarding which applicants are selected for permit awards.

## Issuance of Commercial Cannabis Business Permits & Timely Launch of Operations

It should be noted that award of a Commercial Cannabis Permit does not authorize the permittee to operate a commercial cannabis business until the permittee has also: obtained appropriate land use approvals pursuant to the Hayward Zoning Ordinance; obtained an appropriate cannabis license from the State; paid all applicable fees, charges, taxes, and deposits; and complied with other applicable state and local laws and regulations.

Following acquisition of the Commercial Cannabis Permit, selected operators must continue their due diligence processes, identify a physical site, and secure necessary land use approvals in a timely manner. Applicants that are selected to receive Commercial Cannabis Permits will have up to 6 months (i.e., 180 calendar days) to submit an application for land use approval to the City of Hayward Development Services Planning Division in accordance with location restrictions under Hayward Municipal Code, Chapter 10 (Zoning Ordinance).

This proposed location shall then be subject to a public hearing as provided by Hayward Municipal Code, Chapter 10 (Zoning Ordinance) during which the community will be allowed to present concerns, support, and/or additional considerations. The City encourages applicants to use this time to introduce themselves to potential neighbors, businesses, and community groups near their proposed location and listen to any concerns these neighbors might have regarding the operation.

After the public hearing, the hearing officer can conditionally approve the Applicant subject to review and approval of the building, fire, revenue and police departments. Alternatively, the hearing officer can deny the proposed location but offer the Applicant one additional forty-five (45) day period to identify an alternative site and obtain approval. If an Applicant fails to obtain approval for a location within the above-described timelines, the Commercial Cannabis Permit expires, and applicants may re-apply for a permit during the next open application period.