Exhibit 3

CITY OF ALAMEDA ORDINANCE NO._____

New Series

AMENDING THE ALAMEDA MUNICIPAL CODE BY (1) AMENDING SECTION 30-10 (CANNABIS) TO (A) ADD CANNABIS RETAIL BUSINESSES AS CONDITIONALLY PERMITTED USES IN THE C-1, NEIGHBORHOOD BUSINESS, AND C-M, COMMERCIAL-MANUFACTURING ZONING DISTRICTS, (B) AMEND CERTAIN PORTIONS OF THE ZONING CODE TO ENABLE CANNABIS RETAIL BUSINESSES TO DISPENSE NON-MEDICINAL OR "ADULT USE" CANNABIS, AND (C) AMEND CERTAIN PORTIONS OF THE ZONING CODE TO REMOVE THE DISPERSION REQUIREMENT; AND (2) REPEAL ORDINANCE NO. 3228.

BE IT ORDAINED by the City Council of the City of Alameda:

Findings.

In enacting this Section, the City Council finds as follows:

1. The amendment maintains the integrity of the General Plan.

The proposed Zoning text amendments update the City's cannabis regulations in light of the City's semi-annual report on cannabis in a manner that complies with State law enacted through the Adult Use of Marijuana Act (AUMA), Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), and any implementing regulations. Specifically, the amendments add provisions further regulating cannabis businesses in the city. The proposed amendments to regulate cannabis activity are necessary to ensure a balance between the rights of cannabis businesses, providers, and users with the obligations of the City under the General Plan to protect the public health, safety, and general welfare of the community through land use regulations and processes. Furthermore, the proposed amendments establish additional land use regulations for cannabis businesses, a new industry that would support an overarching General Plan goal to provide adequate businesses and services to Alameda residents. For these reasons, the proposed amendments maintain the integrity of the General Plan.

2. The amendment will support the general welfare of the community.

The primary purpose and intent of the proposed Zoning text amendments is to regulate cannabis activities in a manner that protects the public health, safety and welfare of the community. The proposed Zoning text amendments support the general welfare of the community by establishing land use regulations for cannabis business activity and personal use and cultivation. Absent appropriate regulation, cannabis business activities including, but not limited to, unregulated cultivation, manufacturing, processing, and distribution have been documented throughout communities in California to pose a potential threat to the public health, safety and welfare. The proposed amendments allow

the City to ensure that land use decisions regarding cannabis business activity are made according to specific rules and regulations and through a public process. The proposed rules and regulations ensure that cannabis business activities in the city will be conducted in an orderly manner, avoiding potential public nuisance, land use conflicts and adverse impacts to the public health, safety and general welfare that may occur in the absence of these regulations.

3. The amendments are equitable.

The proposed Zoning text amendments are equitable in that they balance the rights of cannabis businesses, providers, and users with the obligations of the City to protect the public health, safety, and general welfare of the community through land use regulations and processes. The proposed regulations enable cannabis businesses to operate, and personal consumption and cultivation to occur, under the rights and privileges provided under State law while establishing rules and regulations that protect the general public from potential adverse impacts of cannabis business activity and personal consumption and cultivation. The proposed Zoning text amendments are also equitable in that they establish appropriate processes and procedures for the review of cannabis business activity that balance the community's need for local cannabis businesses, but also provides appropriate oversight and discretion for individual applications.

<u>Section 1</u>: Section 30-10.1 (Cannabis) of the Alameda Municipal Code shall be amended as follows (in redline; otherwise, no change):

30-10.1 - Commercial Cannabis Uses.

Subsections a. through b.: No Change.

c.1. *Cannabis retail* means the sale, delivery, or provision of medicinal cannabis or cannabis product to customers or members by any person, business, or organization.

Subsections c.2 through f.2: No Change.

Subsections g.1 through g.3.iii.: No Change.

- g.4. Notwithstanding Section 30-4 (District Uses and Regulations) of the Alameda Municipal Code, Cannabis Retail, to the extent permitted by the Alameda Municipal Code, may be conditionally permitted in the following zoning districts and locations:
 - i. <u>C-1, Neighborhood Business District;</u>
 - ii. C-C, Community Commercial Zone;
 - iii. C-M, Commercial Manufacturing District;
 - iv. ii. AP-AR, Alameda Point, Adaptive Reuse;

v. iii. NP-W, North Park Street Workplace subdistrict; and vi. iv. NP-G, North Park Street Gateway subdistrict.

Subsections i. through n (except renumbering): No Change.

<u>Section 2</u>: Section 30-10.2 (Personal Cultivation of Cannabis) of the Alameda Municipal Code: No Change.

Section 3: CEQA DETERMINATION

The City Council finds that adoption of this Ordinance is exempt from the California Environmental Quality Act ("CEQA") pursuant to Business and Professions Code section 26055(h) as discretionary review and approval, which shall include any applicable environmental review pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code, shall be required in order to engage in commercial cannabis activity within the City of Alameda under such Ordinance. Adoption of this Ordinance is additionally exempt from CEQA pursuant to section 15061(b)(3) of the State CEQA Guidelines because it can be seen with certainty that there is no possibility that the adoption of this Ordinance may have a significant effect on the environment.

Section 4: REPEAL

Ordinance No. 3228 is repealed in its entirety if and when this Ordinance becomes effective and operative.

Section 5: SEVERABILITY

If any provision of this Ordinance is held by a court of competent jurisdiction to be invalid, this invalidity shall not affect other provisions of this Ordinance that can be given effect without the invalid provision and therefore the provisions of this Ordinance are severable. The City Council declares that it would have enacted each section, subsection, paragraph, subparagraph and sentence notwithstanding the invalidity of any other section, subsection, paragraph, subparagraph, subparagraph or sentence.

Section 6: EFFECTIVE DATE

This Ordinance shall be in full force and effect from and after the expiration of thirty (30) days from the date of its final passage.

Presiding Officer of the City Council

Attest:

Lara Weisiger, City Clerk

* * * * *

I, the undersigned, hereby certify that the foregoing Ordinance was duly and regularly adopted and passed by the Council of the City of Alameda in a regular meeting assembled on this ____ day of _____, 2019, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said City this ____ day of _____, 2019.

Lara Weisiger, City Clerk City of Alameda

Approved as to form:

Michael H. Roush, Interim City Attorney City of Alameda