

Cannabis Study & Title 17 Amendments

July 25, 2024

General Stakeholders Meeting

Introduction

- Kirk Skierski, Senior Planner
 - Project lead
- Presentation focus:
 - Comprehensive Cannabis Study
 - City Code zoning amendments
- What's not going to be covered:
 - Cannabis consumption lounges

Agenda

- Background
- City Council Policy Direction
 - Issues
 - Current Zoning Regulations
 - Preliminary Zoning Amendment Recommendations
- Project Timeline
- Q&A



Background – How We Got Here

- Council directed study preparation in 2021
- Study purpose:
 - Evaluate City's cannabis program
 - Track industry evolution
 - Guide future cannabis policy

- Study completed in 2022
- Findings on cannabis businesses:
 - Do not negatively impact surrounding uses
 - Do not increase crime
 - Are good neighbors

Policy Direction

1. Review cannabis zoning regulation purpose(s)
2. Consider additional zones for dispensaries in RMX & C-3 zones
3. Consider additional zones for nonvolatile manufacturing
4. Reevaluate sensitive use buffers
5. Evaluate mixed-light facilities
6. Consider cannabis R&D uses & zones
7. Remove distribution from district-based cap

Policy Direction Point #1



Review current cannabis business zoning to determine if they continue to serve the purpose for which they were adopted

Issues

- Most all cannabis land uses require CUP
- CUP purpose = land uses “that are known to have a distinct impact on the area” and which “are capable of creating special problems”
- CUPs cost between \$7,000-\$14,000 & take 4-9 months to process
- Public discourse on CUP applications:
 - Cannabis should not be legal / is harmful / leads to crime
 - Excessive regulations inhibits repair to harm from past practices

Existing Land Use Permits

By-Right

- No application
- No cost
- Business license

Administrative Permit

- Ministerial
- Objective standards
- Staff level review
- Low cost: \$500-\$1,200
- 1 to 2-months

Conditional Use Permit

- Discretionary
- Objective standards + ad hoc requirements
- PDC or ZA Review
- High cost: \$7 to \$14k
- 4 to 9-months

Existing Cannabis Permit Requirements

<i>Existing</i> Land Use Permit Requirements for Cannabis Businesses						
	Dispensary	Cultivation	Distribution	Nonvolatile Manufacturing	Volatile Manufacturing	Testing
By-Right/No Permit			✓ ₁	✓ ₂		✓
Ministerial Permit						
Discretionary Permit	✓	✓	✓	✓ ₃	✓	

1. Type-S and Type-T distribution licenses allowed by-right.
 2. Packaging, labeling, and infusion uses allowed by-right.
 3. Nonvolatile extraction subject to CUP.

Recommended Cannabis Permit Requirements

<i>Recommended</i> Land Use Permit Requirements for Cannabis Businesses						
	Dispensary	Cultivation	Distribution	Nonvolatile Manufacturing	Volatile Manufacturing	Testing
By-Right/No Permit						
Ministerial Permit	✓	✓	✓	✓	✓	✓
Discretionary Permit						

Rationale

- Admin Permit aligns w/ known impacts of land use
 - No distinct impacts
 - Not capable of creating special problems
- Permit verifies compliance w/ standards
- Other business standards still required (i.e., odor control & Security Plans)
 - Approved as part of BOP process

Results of permit type change:

- Permitting risk is removed
- Permit application fees are ~10% of current cost
- Permit review timeframe is ~25% of current average processing time

Policy Direction Point #2

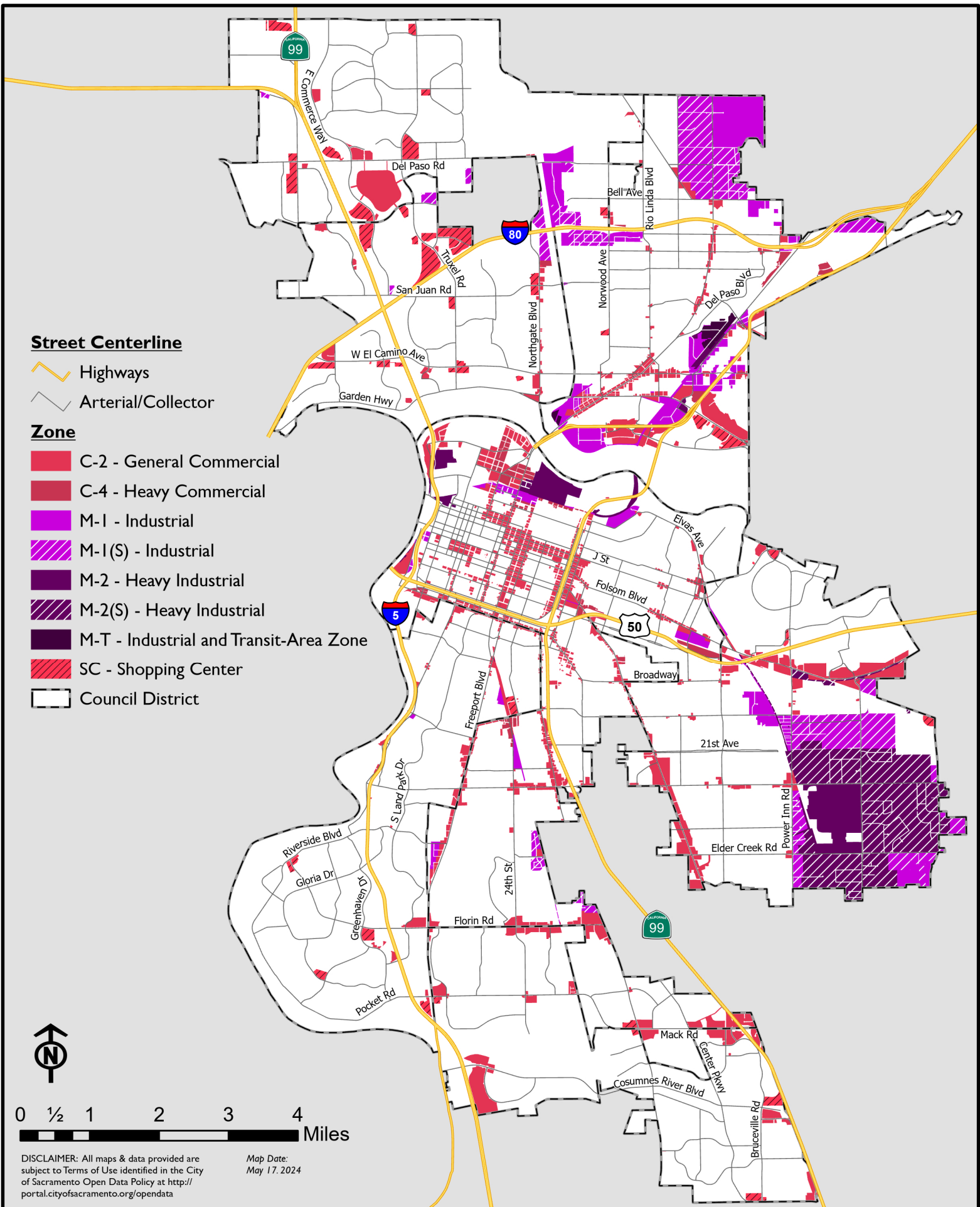
**Consider additional zones for dispensaries &
allowing storefront dispensaries in RMX and C-3**

Issues

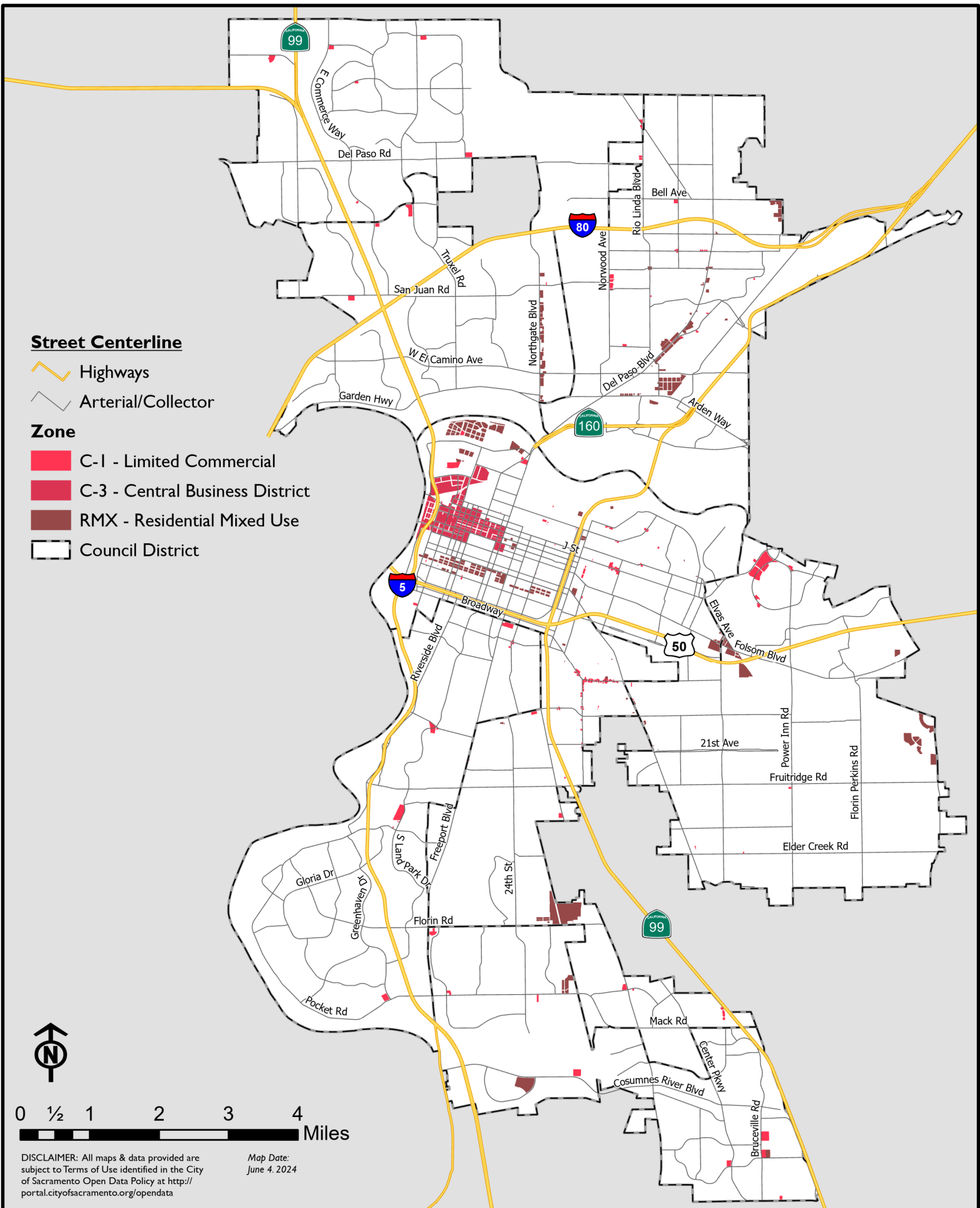
- CD-2 & CD-6 = most land zoned for dispensaries
 - CD-2, CD-4, & CD-6 highest % of dispensaries
- Central city appears to be desirable
 - CD-4 has ~10% of land available for dispensaries
 - CD-4 has ~30% of city's storefront dispensaries
- Current regs = incentivize industrial areas
 - ~45% of storefront dispensaries in industrial zones
- Industrial areas generally not walkable or close to transit
 - ~58% of storefront dispensaries are w/in 1/2 mile of a transit* stop

Storefront Dispensary Zones

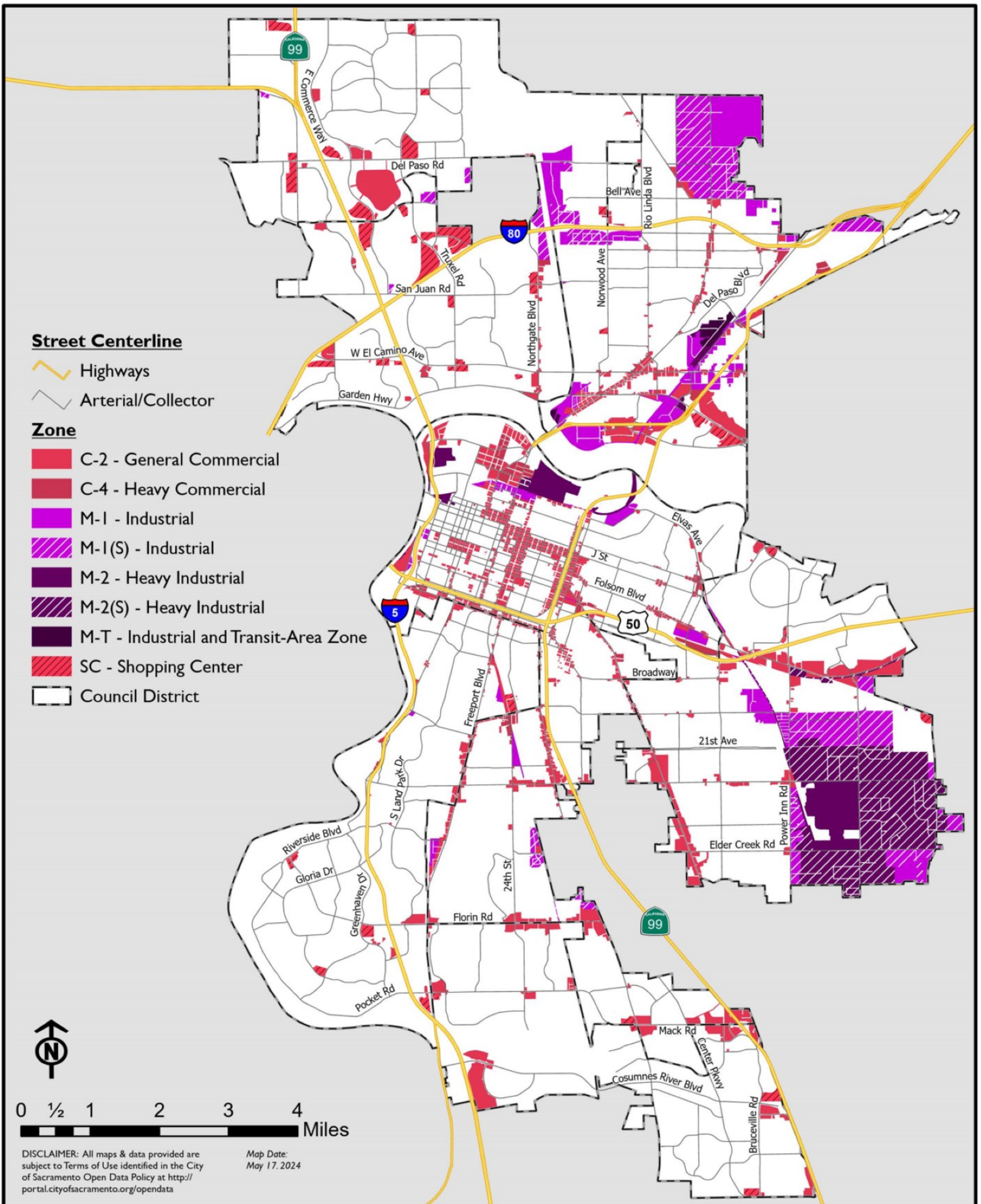
Zoning | SC, C-2, C-4, M-1, M-1(S), M-2, M-2(S), M-T



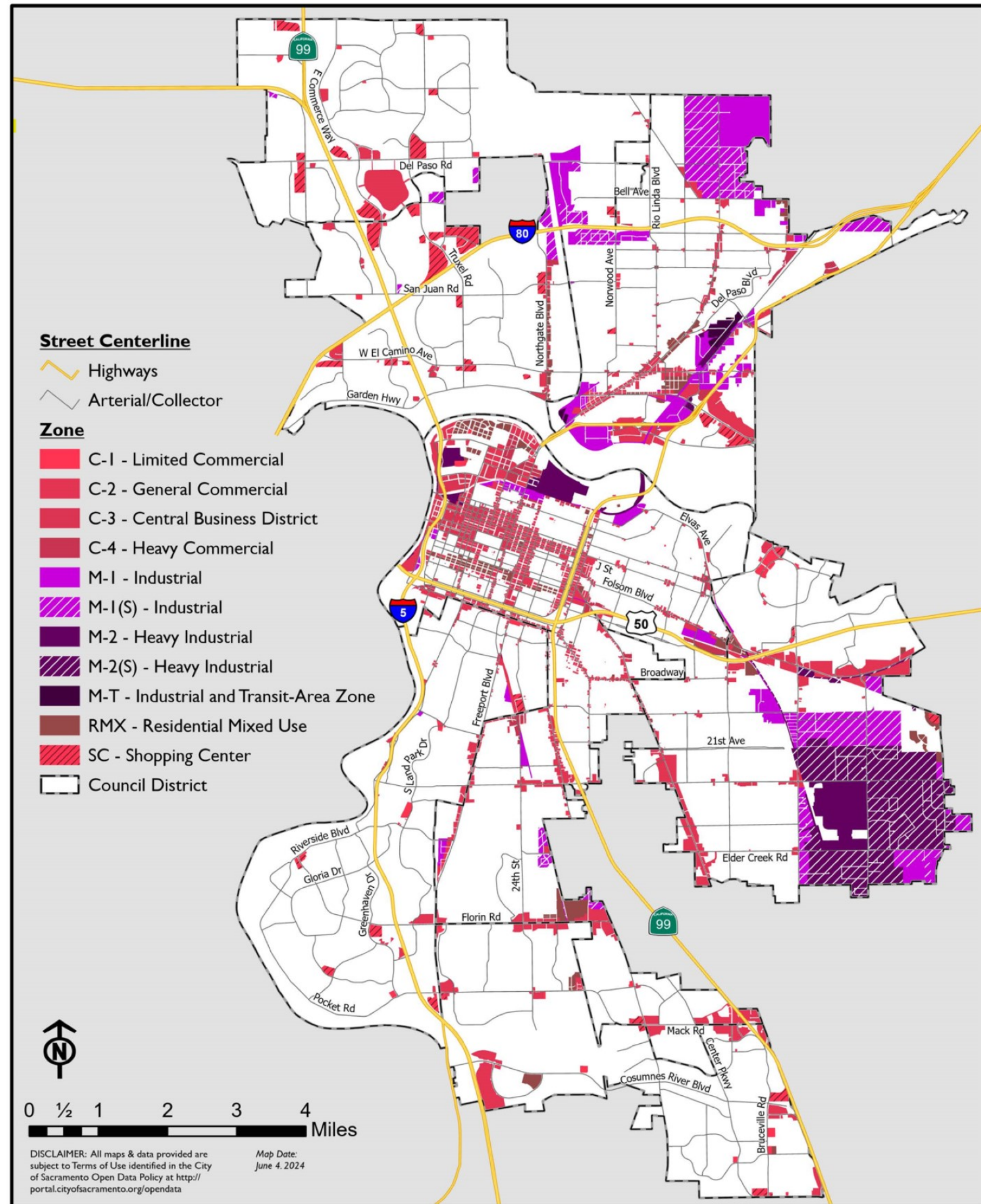
Zoning | RMX, C-1, C-3



Zoning | SC, C-2, C-4, M-1, M-1(S), M-2, M-2(S), M-T



Zoning | RMX, SC, C-1, C-2, C-3, C-4, M-1, M-1(S), M-2, M-2(S), M-T

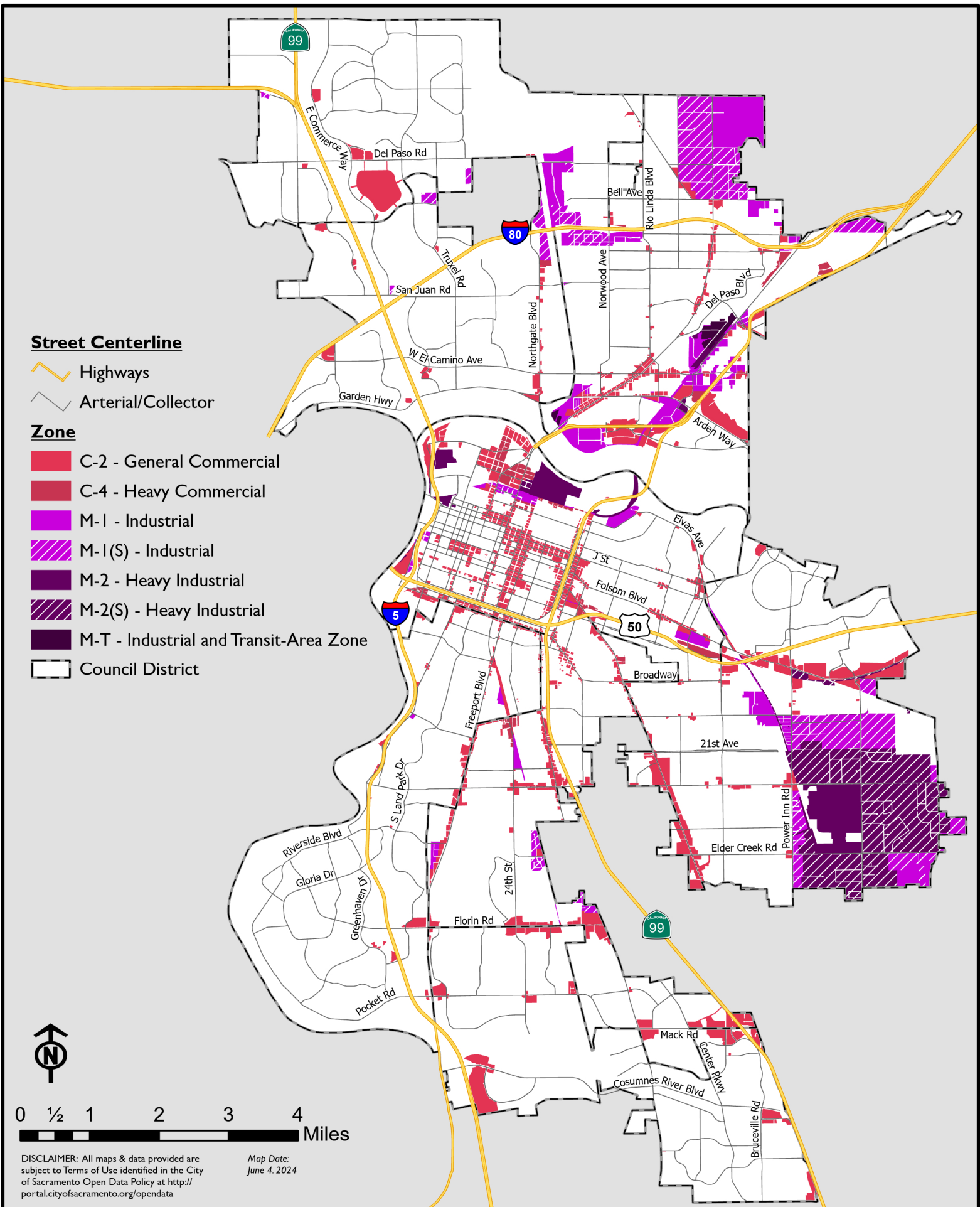


Rationale

- Small but focused increase (~10%)
 - Negligible changes to saturated areas (i.e., Southeast industrial area)
- Walkable areas (i.e., central city)
- Areas near transit (i.e., south)

Current Delivery-Only Dispensary Zones

Zoning | C-2, C-4, M-1, M-1(S), M-2, M-2(S), M-T



Recommended Delivery-Only Zones



- No additional zones

Rationale:

- Industrial areas suited for operational needs
 - ~30% located in commercial zones
- Allowed in most industrial zones
- Benefit from other recommendations

Policy Direction Point #3

**Consider additional zones for nonvolatile
manufacturing including infusion and packaging**

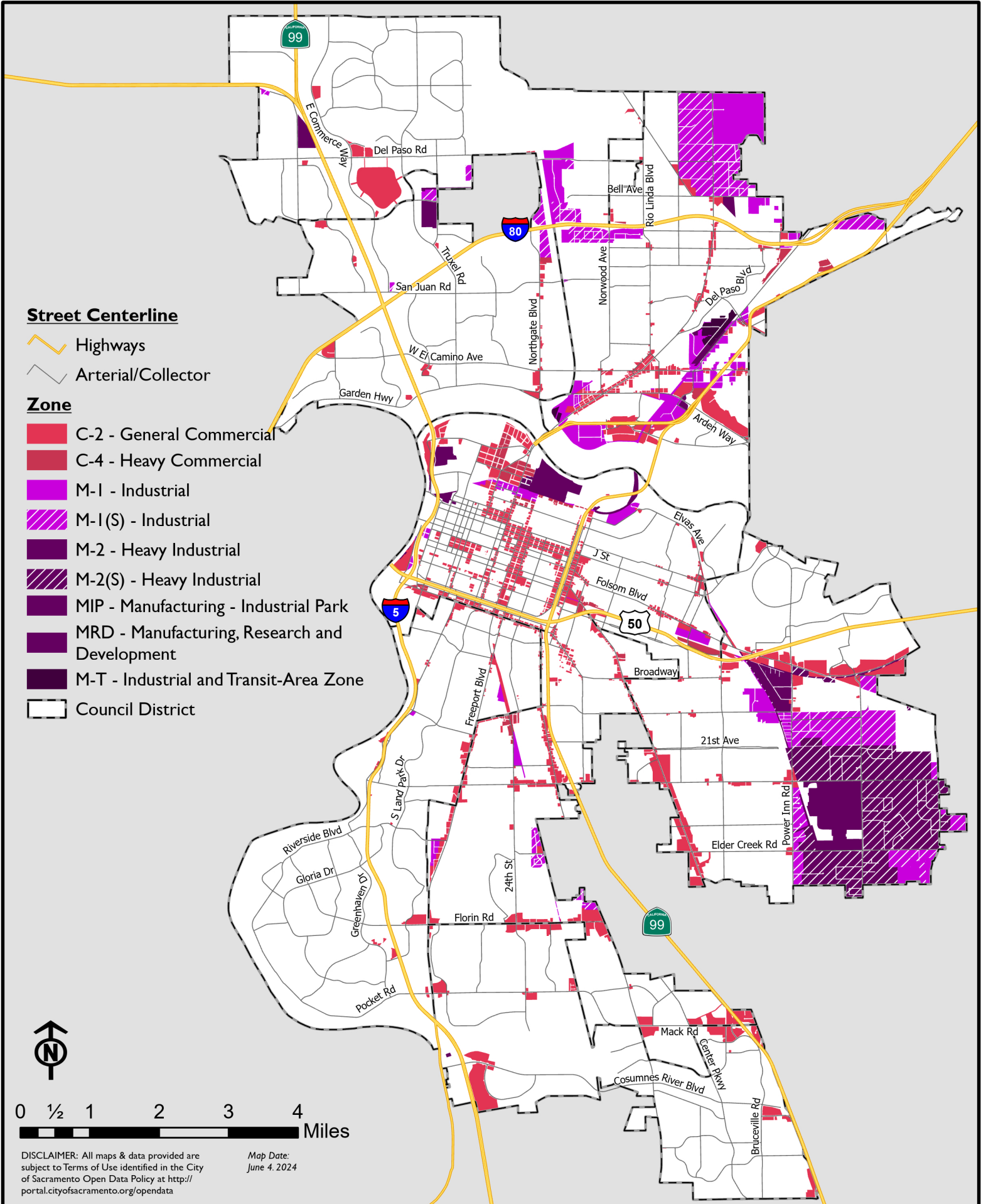


Issues

- Cannabis manufacturing = high growth potential
- Significant role in other cannabis business sectors
- Reasonable zoning standards to accommodate growth?
- Allowed in all industrial zones + C-2 & C-4
- Nonvolatile extraction requires CUP

Current Novolatile Manufacturing Zones

Zoning | C-2, C-4, M-1, M-1(S), M-2, M-2(S), MIP, MRD, M-T



Recommended Zones for Nonvolatile Manufacturing

- No additional zones

Rationale:

- Manufacturing uses best suited for industrial zones
 - Currently allowed in all industrial zones
 - ~93% existing manufacturers located in industrial zones
- Benefit from Admin permit for nonvolatile extraction

Policy Direction Point #4



Consider limiting cannabis sensitive uses to schools, youth-oriented facilities, drug and treatment centers, faith-based institutions, and neighborhood and community parks

Issues

- Current sensitive uses effect 92% of property zoned for cannabis
- 82% of storefront dispensaries w/in sensitive use buffer
- What is a “sensitive use”?
 - No studies on “sensitive uses”

Comprehensive Cannabis Study:

- Good neighbors
- Did not create issues or problems
- No increase in crime



Current Sensitive Uses

Cannabis Dispensary	Cannabis Production	Cannabis Testing
K-12 School	K-12 School	K-12 School
Park	Neighborhood & Community Park	
Youth-Oriented Facility		
Substance Abuse Rehabilitation Center		
Faith-Based Institution		
Childcare In-home/Center		
Other Dispensary		
Cinema		
Tobacco Retailer		
Residential Zone		




















Sensitive Uses Map


Sensitive Use Sites & Buffers

Street Centerline

-  Highways
-  Arterial/Collector

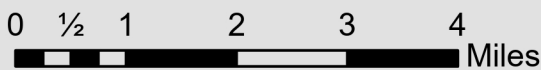
Sensitive Use Sites & Buffers *

-  School Grounds
-  School Grounds Buffer (600')
-  Rehab Center
-  Rehab Center Buffer (600')
-  Youth Facility
-  Youth Facility Buffer (600')
-  Church or Faith Based Congregation
-  Church or Faith Based Congregation Buffer (600')
-  Park
-  Park Buffer (600')
-  Storefront Dispensary
-  Storefront Dispensary Buffer (600')
-  Childcare Center Buffer (600') **
-  Tobacco Retailer Parcel
-  Tobacco Retailer Buffer (600')
-  Cinema
-  Cinema Buffer (600')
-  Residential Zoned Parcel
-  Residential Zone Buffer (300')

 Council District

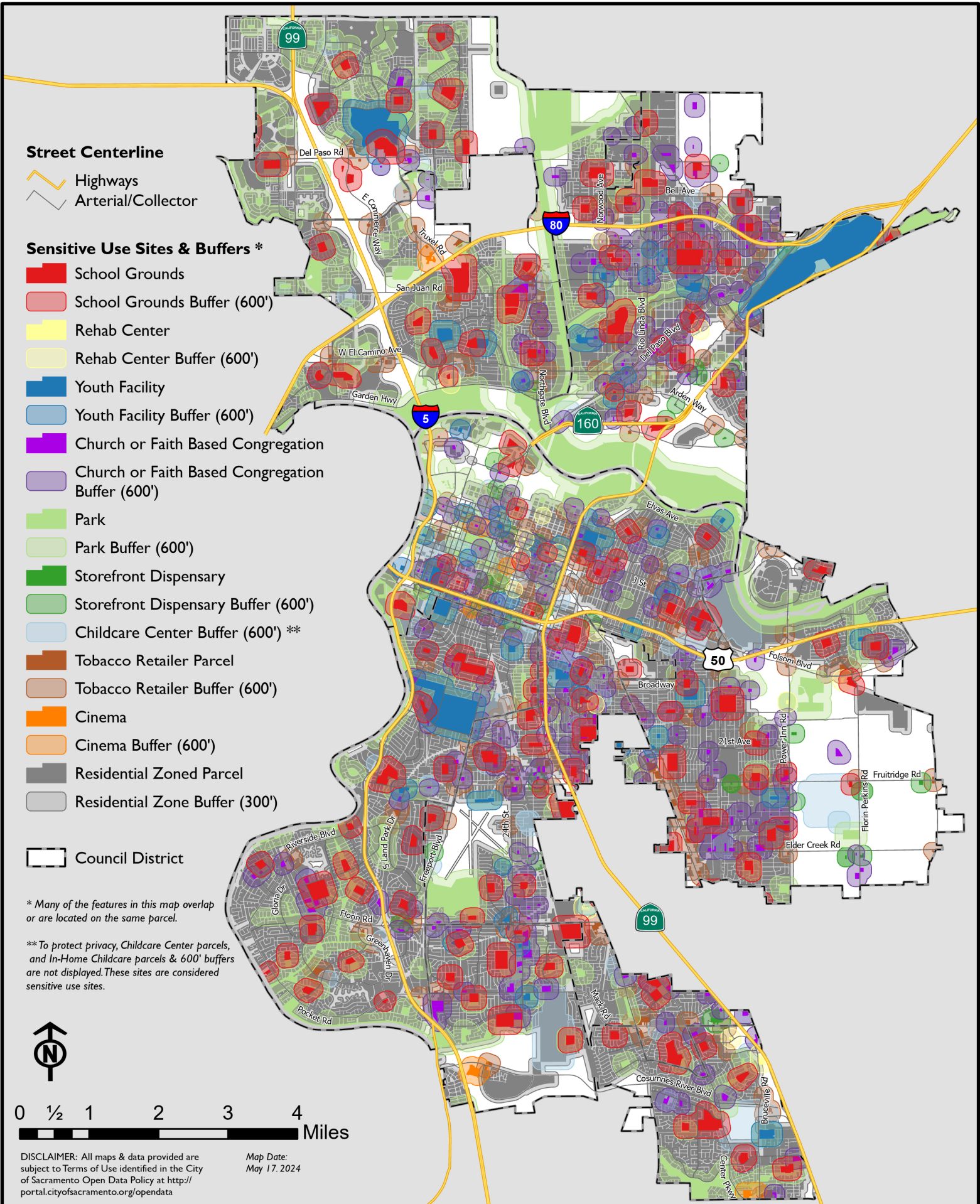
* Many of the features in this map overlap or are located on the same parcel.

** To protect privacy, Childcare Center parcels, and In-Home Childcare parcels & 600' buffers are not displayed. These sites are considered sensitive use sites.





DISCLAIMER: All maps & data provided are subject to Terms of Use identified in the City of Sacramento Open Data Policy at <http://portal.cityofsacramento.org/opendata>

Map Date:
May 17, 2024



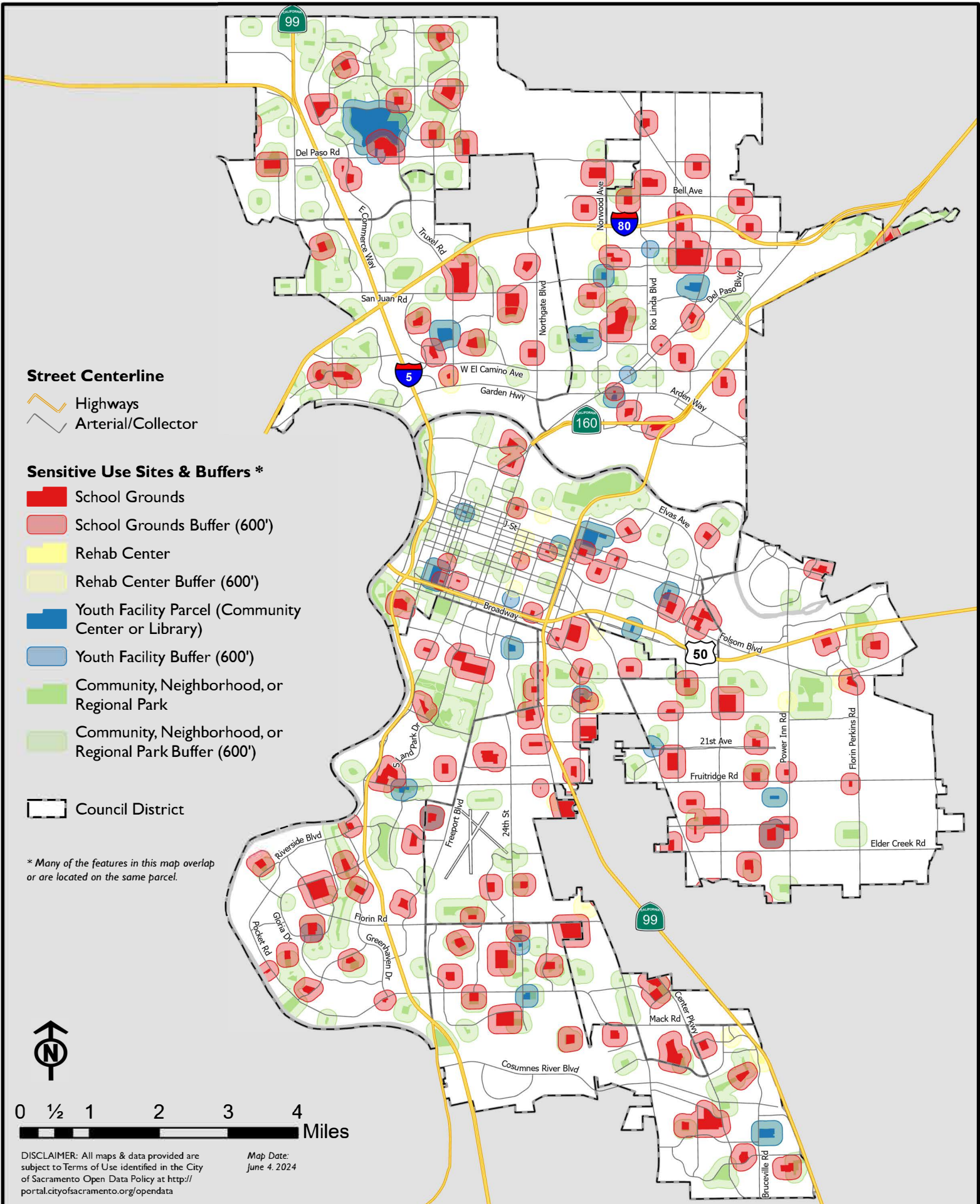
Recommended Sensitive Uses

Cannabis Dispensary	Cannabis Production	Cannabis Testing
K-12 School	K-12 School	K-12 School
Park <i>Neighborhood, Community, or Regional Park</i>	Neighborhood & Community Park	
Youth-Oriented Facility <i>Community Center</i> <i>Library</i>		
Substance Abuse Rehabilitation Center		
Faith-Based Institution		
Childcare In-home/Center		
Other Dispensary		
Cinema		
Tobacco Retailer		
Residential Zone		

-  Revised criteria
-  Remove use
- Maintain 600' foot buffer requirement
- All buffers mandatory

Recommended Sensitive Uses Map

Recommended Sensitive Use Sites & Buffers



Rationale

- Cannabis Study: good neighbors & don't create issues
 - 31 of 38 storefront w/in a sensitive use
- Clarifies which “youth-oriented facilities” are sensitive uses
 - Facilities that cater to impressionable youth
 - Facilities w/ youth programs
 - Other youth-oriented facilities captured by parks* buffer
- Clarifies park types subject that typically include recreation amenities

Policy Direction Point #5



Consider the suitability of mixed-light cannabis uses

Issues

- Cultivation = largest cannabis business sector
- Differs from conventional buildings (i.e., translucent roof)

Raised concerns:

- Light pollution
- Odor
- Building reuse/adaptation



Mixed-Light Facilities



Existing & Proposed:

- 8280 Elder Creek Road
Status: Constructed & operating
- 8580 Elder Creek Road
Status: Not constructed; CUP expired

Mixed-Light Recommendation



- No recommended amendments

Rationale:

- Minimal instances (1 out of 127 cultivation sites)
- Reduced energy usage
- Also suited for traditional agriculture
- No light pollution, odor, or security problems

Policy Direction Point #6



Consider zoning and a permit type for cannabis research and development

Issues

- No State license type for cannabis R&D
- No uniform or common definition of cannabis R&D
- “Research & Laboratory” uses include cannabis R&D?
- State leveraging public colleges for cannabis R&D
 - Exclusive grant funding

Cannabis R&D Recommendation



- Amend “cannabis testing” definition to include cannabis R&D

Rationale:

- Low regulatory barrier for cannabis testing uses
 - Zoning does not appear to constrain cannabis testing or R&D
- State leveraging public colleges
 - Public colleges not subject to City regs
- Market demand for R&D?

Policy Direction Point #7

Consider removing cannabis distribution from the current uses subject to a district-based square footage cap



Issues

- In 2018, rush of cultivation CUP applications
 - SE industrial area had 116 out of 213 applications
 - ~2.8 million sf of *approved* cultivation floor area
- Cultivation was primary concern
 - Minimal manufacturing & distribution CUPs

Cannabis Distribution Recommendation

- Exclude distribution from floor area cap

Rationale:

- Cultivation = primary driver for cap
- Cannabis Study:
 - Green rush has eased
 - Cap may not be necessary
 - Decrease in cultivation (2,044,125 square feet)

Project Timeline



Community Engagement

The diagram consists of three green chevron-shaped boxes pointing to the right, connected by white arrows. The first box is labeled 'Community Engagement' and 'July-August'. The second box is labeled 'Workshops & Recommendations' and 'August-September'. The third box is labeled 'Hearings' and 'November/December'. There are decorative geometric shapes in the bottom left corner: a teal triangle, a yellow triangle, and a green triangle.

July-August

Workshops &
Recommendations

August-September

Hearings

November/December



Thank you

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