

DIRECTOR REPORT

STAFF RECOMMENDATION

Staff recommends the Zoning Administrator approve, with conditions, a Conditional Use Permit, for the project known as **Z25-052**. Draft Conditions of Approval and Findings of Fact for the project are included below.

REQUESTED ENTITLEMENTS

1. **Conditional Use Permit** to enlarge a nonconforming cannabis dispensary use, to be located behind an existing 2,466-square-foot building, on 0.15 acres in the General Commercial Zone, and within the Alhambra Corridor Special Planning District (C-2-SPD).

PROJECT INFORMATION

Location:	3015 H Street
Parcel Number:	003-0212-018-0000
Council District:	4 (Phil Pluckebaum))
Applicant:	Kimberly Cargile, A.T.A.C.H.S. Inc. PO Box 162607, Sacramento, CA 95816
Property Owner:	William W. Hobbs 3110 H Street, Sacramento, CA 95816
Project Planner:	Robert W. Williams, Associate Planner

Land Use Information

2040 General Plan:	Residential Mixed Use
Community Plan Area:	Central City
Specific Plan:	n/a
Zoning:	General Commercial (C-2-SPD)
Special Planning District:	Alhambra Corridor
Planned Unit Development:	n/a
Design Review Area:	Alhambra Corridor SPD
Parking District:	Urban
Historic Landmark:	n/a
Historic District:	n/a

Surrounding Land Use and Zoning

North:	RO-SPD	Residential
South:	RO-SPD, C-2-SPD	Day Care and Retail Commercial
East:	C-2-SPD	Parking Lot & Offices
West:	RO-SPD	Offices

Site Characteristics

Existing Property Area:	6,400 square feet / ±0.15 acres
Property Dimensions:	±40'W x ±160'L
Existing Building Info:	±2,466 SF – Two-Story – Built 1908
Topography:	Flat
Street Improvements:	Existing
Utilities:	Existing
Existing Land Use:	Storefront Cannabis Dispensary

Other Information

Concurrent Files:	n/a
Previous Files:	P11-047, Z17-244, DR17-317, Z19-147, Z23-046, Z25-006.

ATTACHMENTS: Project Plans**Background**

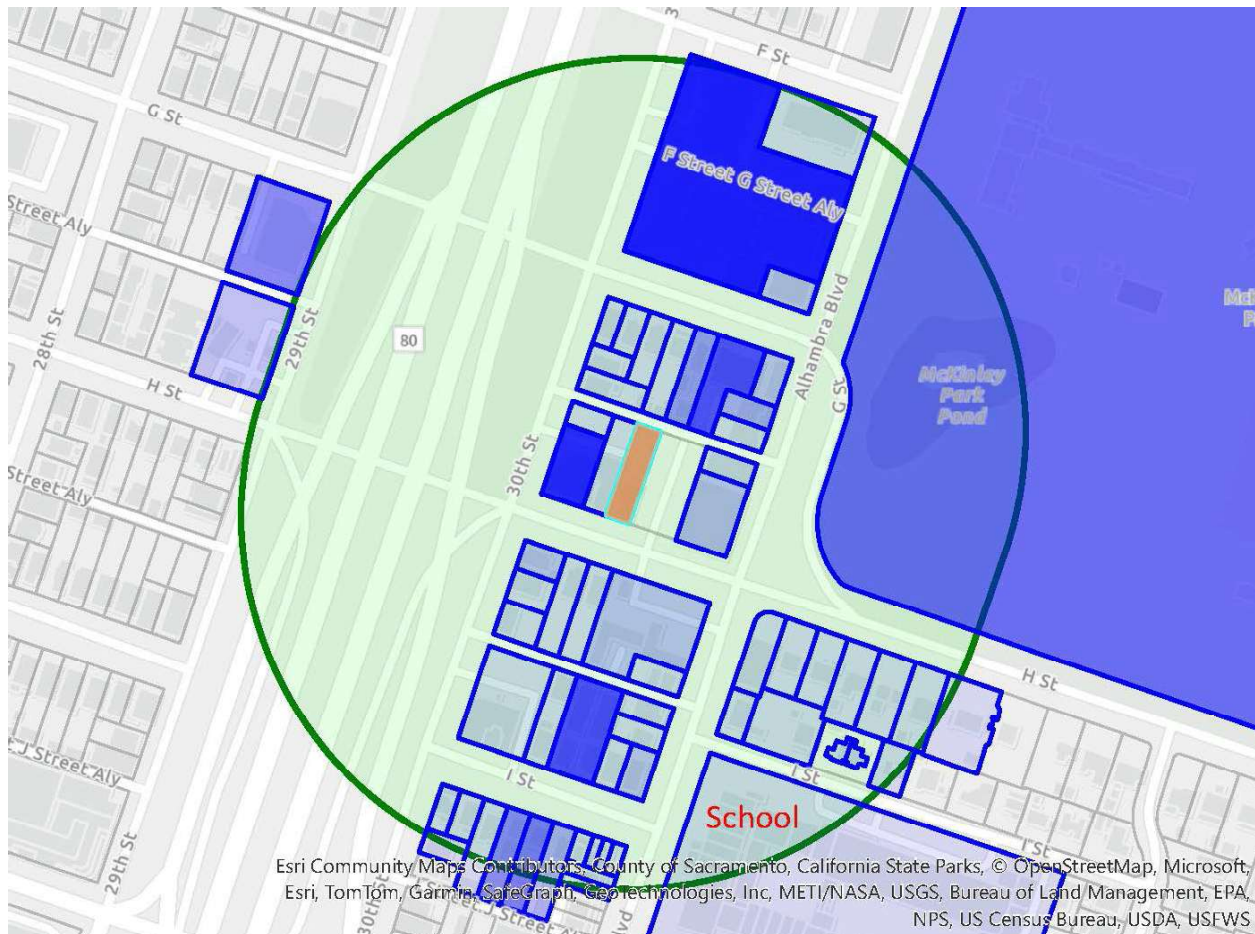
The subject site is on the north side of H Street, in the Central City, between the Business 80 / Capital City Freeway (CA-51) to the west and McKinley Park to the east. The property is a 6,400-square-foot lot developed with a 2,466 square-foot building that was originally constructed as a home in 1908. The building has previously been used as an office. There are three off-street parking spaces behind the building, accessed from Government Alley on the rear of the property.

The project site contains an existing storefront cannabis dispensary. This dispensary

was one of 34 medical cannabis dispensaries that were registered with the City prior to City Code changes formalizing the legality of cannabis dispensaries. These cannabis uses were often allowed to remain at their existing locations with the approval of a Conditional Use Permit (CUP), even if they did not conform to proposed development standards for cannabis at the time of approval.

City Code section 17.228.920.E.2 prohibits cannabis dispensaries to be located within 600 feet of a school. Pursuant to City Code section 17.108.200 ("S" definitions) "School, K-12" means any building, portion of building, or group of buildings designed, constructed, and used for public or private education or instruction for any or all grades from kindergarten through grade 12. Miwok Middle School (formerly Sutter) is located approximately 400 feet (parcel to parcel) to the south-southwest at 3150 I Street. The standards set forth by 17.228.920.E.2. cannot be waived; however, this cannabis dispensary was approved for non-medical use at their existing location and was later rendered nonconforming.

Figure #1: 600 Foot Radius Map.



The prior entitlements for this cannabis use are detailed below:

- P11-047: On March 13, 2014, the Planning and Design Commission (PDC) recommended approval for a rezone of this property from the Residential Office Zone (RO-SPD) to the General Commercial Zone (C-2-SPD), and recommended approval with conditions of a Conditional Use Permit (CUP) to operate a Medical Marijuana Dispensary within the existing building. On August 12, 2014, the Sacramento City Council approved the rezone and the CUP.
- Z17-244: On December 28, 2017, the Zoning Administrator approved a minor modification to the prior CUP to allow the dispensing of cannabis for adult-use.
- DR17-317: On February 1, 2018, the Design Director approved, with conditions, Site Plan and Design Review (SPDR) with deviations to expand and upgrade the existing onsite parking. This project was not constructed, and the entitlement has expired.
- Z19-147: On February 20, 2020, the Zoning Administrator approved a CUP minor modification to modify a condition related to parking education for customers, and to remove two conditions that placed restrictions on business sales from the original conditions of approval required by P11-047.
- Z23-046: July 28, 2023, the Zoning Administrator approved a minor modification to the prior CUP to rescind their Neighborhood Responsibility Agreement (NRA) and establish a Good Neighbor Agreement (GNA).
- Z25-006: On June 04, 2025, the Zoning Administrator approved a minor modification to the prior CUP to revise a condition related to hours of operation.

Proposed Project and Analysis

Conditional Use Permit to expand a nonconforming nonresidential use.

Per City Code section 17.108.150 (N" definitions) "Nonconforming use" means any use, whether of a building, structure, or lot, that does not conform to the land use regulations of this title for the zone in which the use is located, either on the effective date of this title or as a result of subsequent amendments to this title, but that did conform to the applicable land use regulations in existence at the time the use was established.

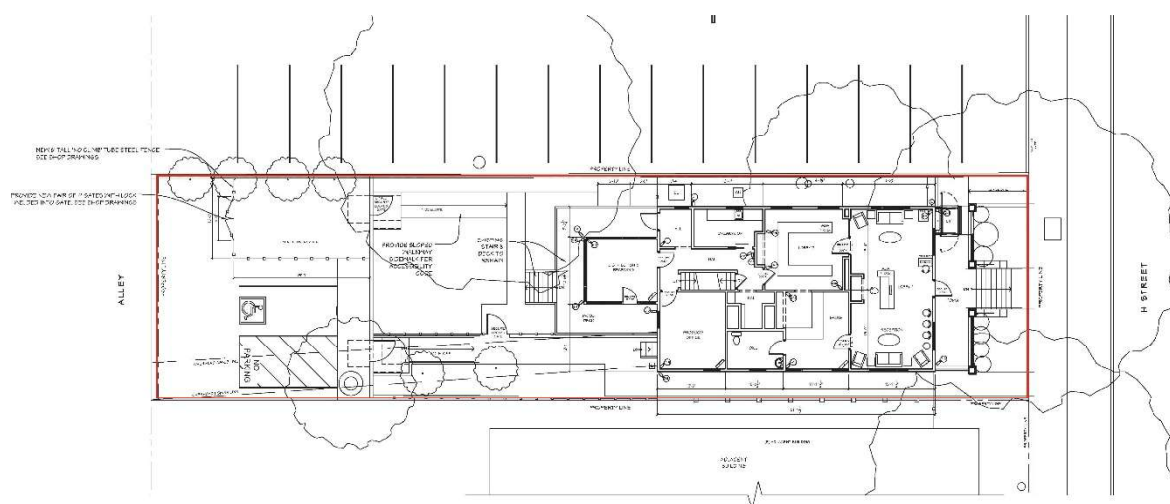
This site is atypical because the nonconformance of the cannabis use was created with the approval of a CUP by the PDC. Existing legal nonconforming uses are typically established without a CUP, before being made nonconforming by a change of either the zoning designation of the property or a change of the City Code. However, pursuant to City Code section 17.232.030 *Change of ordinance or policy that results in a nonconforming use*, a lawful use existing or substantially under construction at the time the title was adopted or amended may be continued although the use does not conform with the current use regulations of the zone in which it is located.

Additionally, per City Code section 17.232.050, a nonconforming nonresidential use may continue in use, but a conditional use permit approved by the zoning administrator is required to enlarge the nonconforming nonresidential use to occupy a greater portion

of the building or lot on which it is located, or to relocate the nonconforming nonresidential use to another location on the same lot.

The applicant is proposing to add a cannabis delivery service to the existing storefront services and therefore expand the nonconforming nonresidential use. This requires a secure area for delivery vehicles. There is not a garage within the existing building, so the applicant is proposing to provide a fenced area in the existing parking lot that leads from an existing secured rear yard area behind the building, accessed from Government Alley. Security requirements from the Police Department will require that fences shall be a minimum of 6 feet high, constructed of decorative tubular steel, no climb type.

Figure #2: Proposed Site Plan with delivery only fencing.



Neighborhood Context

The subject property is in the General Commercial Zone, and within the Alhambra Corridor Special Planning District (C-2-SPD). This is a mixed-use area. There are offices adjacent on the west side and a parking lot with offices adjacent on the east side. There are residential properties to the north behind the site and across the alley. McKinley Park is approximately 285 feet east across Alhambra Boulevard. There is a childcare center to the south at 3008 & 3014 H Street.

Parking Concerns

While the proposed enclosure will eliminate parking spaces behind the building, recent changes to City Code have eliminated minimum vehicle parking requirements Citywide. This site is near transit and on street parking is available.

Security Concerns

The Police Department will provide their specific security conditions within the Business Operations Permit, which is updated annually.

Cannabis Business Operating Permit

Any cannabis-related business, in addition to obtaining all required land use approvals under the Planning and Development Code (Title 17), must also obtain a business permit from the City pursuant to Sacramento City Code Title 5, Chapter 5.150. Among other things, the business permit regulates the business and requires a final security plan, lighting plan, odor control plan, community relations plan, business plan and information on employees and owners for each business permitted by the City. The cannabis-related business is also required to obtain applicable permits from the State of California.

Environmental Determination

This project will not have a significant effect on the environment and is exempt from environmental review pursuant to California Environmental Quality Act Guidelines, Class 1, Section Number 15301, Existing Facilities.

Flood Hazard Zone

State Law (SB 5) and Planning and Development Code Chapter 17.810 require that the City must make specific findings prior to approving certain entitlements for projects within a flood hazard zone. The purpose is to ensure that new development will have protection from a 200-year flood event or will achieve that protection by 2025. The project site is within a flood hazard zone and is an area covered by SAFCA's Improvements to the State Plan of Flood Control System, and specific findings related to the level of protection have been incorporated as part of this project. Even though the project site is within a flood hazard zone, the local flood management agency, SAFCA, has made adequate progress on the construction of a flood protection system that will ensure protection from a 200-year flood event or will achieve that protection by 2025. This is based on the SAFCA Urban level of flood protection plan, adequate progress baseline report, and adequate progress toward an urban level of flood protection engineer's report that were accepted by City Council Resolution No. 2016-0226 on June 21, 2016, and the SAFCA 2024 Adequate Progress Annual Report accepted by City Council Resolution No. 2024-0311 on October 22, 2024.

Community/Neighborhood Contact

On July 24, 2025, the project was routed by email to community groups, including the East Sacramento Community Association, Marshall-New Era Neighborhood Association, the East Sac Give Back, the East Sacramento Chamber of Commerce, and East Sacramento Preservation (ESP). On July 31, 2025, an early notice of the proposed project was mailed to these groups and to all property owners and addresses within a 500-foot radius of the subject site.

Staff received one comment of opposition who thought that the proposal might be for a drive-up service to deliver to people waiting in their vehicles, which is not allowed.

On October 02, 2025, a notice of public hearing for the proposed project was mailed to the same groups and radius. At the time of this report, staff has not received any additional comments about the project.

Director Hearing

The public hearing is scheduled for October 16, 2025. Staff recommends that the Zoning Administrator approve the project per the proposed findings of fact and with the draft conditions listed below.

Staff finds the proposed enlargement cannabis production facility to be an appropriate use for this location as the operations will have a minimal impact on the adjacent commercially zoned neighborhood.

Findings of Fact – Conditional Use Permit – Nonconforming Use Enlargement

1. The proposed use and its operating characteristics are consistent with the 2040 General Plan designation, Residential Mixed Use. This designation is intended to foster vibrant, walkable areas with a high-intensity mix of residential, commercial, office, and public uses, where daily errands can be accomplished on foot, by bicycle, or by transit. The RMU designation applies principally in the Central City and the corridors.
2. The proposed use and its operating characteristics are consistent with the applicable standards, requirements, and regulations of the zoning district in which it is located, and of all other provisions of this title and this code, in that the site is zoned General Commercial Zone, and within the Alhambra Corridor Special Planning District (C-2-SPD). The purpose of the C-2 Zone is to provide for the sale of goods; the performance of services, including repair facilities; office uses; dwellings; small wholesale stores or distributors; and limited processing and packaging. The sale of cannabis is an allowed use in the C-2 zone subject to obtaining a CUP.
3. The proposed use is situated on a parcel that is physically suitable in terms of location, size, topography, and access, and is adequately served by public and private services and utilities, in that the site will have vehicular access from Government Alley. The site will have internal loading areas. Furthermore, the site will be served by the necessary public and private utilities to ensure proper operation of the use.
4. The proposed use and its operating characteristics are not detrimental to the public health, safety, convenience, or welfare of persons residing, working, visiting, or recreating in the surrounding neighborhood and will not result in the creation of a nuisance. The proposed cannabis production use will not create a nuisance because the buildings have a fenced loading area for the transfer of cannabis products. Additionally, the distribution and delivery of cannabis will be provided for by smaller vehicles, rather than large trucks, which are less noticeable in their impacts to surrounding uses.

Findings of Fact – 200-Year Flood Protection

1. The project site is within an area for which the local flood-management agency has made adequate progress (as defined in California Government Code section 65007) on the construction of a flood-protection system that, for the area

intended to be protected by the system, will result in flood protection equal to or greater than the urban level of flood protection in urban areas for property located within a flood-hazard zone, as demonstrated by the SAFCA Urban Level of Flood Protection Plan and Adequate Progress Baseline Report and the SAFCA Adequate Progress Toward an Urban Level of Flood Protection Engineer's Report, each accepted by the City Council on June 21, 2016 (Resolution No. 2016-0226), and the SAFCA 2024 Adequate Progress Annual Report accepted by the City Council on October 22, 2024 (Resolution No. 2024-0311).

Draft Conditions of Approval – CUP

Planning

1. The project shall conform to the approved site plan as shown on the attached exhibits. Any changes will require additional review.
2. The approved cannabis use shall comply with all applicable requirements of Sacramento City Code Chapter 5.510, including, but not limited to, the security plan requirements of Section 5.150.110.
3. Fences shall be a minimum of 6 feet high, constructed of decorative tubular steel, no climb type.
4. Only one non-illuminated sign is permitted for the use. If a sign is proposed in the future the maximum size permitted is six square feet in area. The sign may be attached or detached. If the sign is detached it shall be a monument sign. A sign permit from the Building Division is required.
5. The site shall be inspected and maintained daily to be clear of litter. A maintenance plan must be implemented to control litter and debris.
6. Landscaping shall be maintained per Crime Prevention Through Environmental Design (CPTED) principles. Landscaping shall be provided in compliance with City Code requirements for the M-2S zone.
7. The cannabis operator permit holder(s) and/or property owner shall provide regular landscape maintenance for the site. The cannabis business permit holder or property owner shall provide a plan that demonstrates meeting this requirement.
8. All cannabis related activities, including but not limited to cannabis loading, shall be performed indoors. No outdoor storage is allowed.
9. No unpermitted cannabis events on the premises hosted by the property owner, tenants, subtenants or guests.
10. Storage containers are not allowed on the property.
11. All dumpsters shall be locked. Refuse containers for cannabis products shall be stored within the building.
12. Outdoor areas shall not be used for any other commercial use unrelated to cannabis production operations.

13. All cannabis project facilities shall be connected to Sacramento Municipal Utility District (SMUD) or Pacific Gas and Electric (PG&E) facilities for the supply of all electrical power. Generators shall be used only for emergency electrical service for the duration of any power outage.
14. Trees on the cannabis project site shall be trimmed to avoid interference with security cameras operated as part of the project.
15. No storage of motor vehicles and boats and trailers is allowed on the property, except as registered to onsite cannabis business operations. No tire storage is allowed.
16. Mechanical Equipment: All newly installed ground-mounted and roof-mounted mechanical equipment must be completely concealed from all adjacent and approaching right-of-way views. Construction documents shall clearly illustrate compliance. Placement of all exterior mechanical equipment, along with any necessary screening and details, must be shown on site plans, roof plans, and exterior elevations. Permanently supported solid, slatted, or louvered metal panel material only may be used. Openings in slatted material shall be less than 10%. Louvered material shall be positioned so spacing does not align with line of sight views. All material shall be painted to match elements of building exterior finish.
17. Electrical Service Equipment: All newly installed exterior wall-mounted and ground-mounted electrical service equipment, excluding transformers, must be completely concealed from all adjacent and approaching right-of-way views. Construction documents shall clearly illustrate compliance. Placement of all exterior electrical equipment, along with any necessary screening and details, must be shown on site plans, floor plans, and exterior elevations, while maintaining all service clearance requirements. Permanently supported solid, slatted, or louvered metal panel material only may be used. Openings in slatted material shall be less than 10%. All material shall be painted to match elements of building exterior finish.
18. Any modification to the project proposed in the future shall be subject to review and approval by Planning staff and may require additional entitlement(s).

Advisory Notes

- AV1. *PLANNING*: "Pursuant to Sacramento Planning and Development Code § 17.808.400.A.1.a.ii, the use or development project authorized by this permit must be "established" — as specified in Sacramento Planning and Development Code § 17.808.400.A.1.b or c, as applicable — no later than October 16, 2028, or this permit shall expire and be void."
- AV2. *PLANNING*: The approval of this project does not authorize any previous unpermitted work. Any existing unpermitted exterior building or site work is subject to SPDR approval.

Respectfully Submitted: 

Robert W. Williams
Associate Planner

Approved: 
[Thomas Vogt \(Oct 9, 2025 16:55:49 PDT\)](#)

Thomas Vogt
Senior Planner

The decisions of the Zoning Administrator and Design Director may be appealed to the Planning and Design Commission. An appeal must be filed within 10 days of the decision. If an appeal is not filed, the action of the Zoning Administrator and Design Director is final.

A discretionary permit expires and is thereafter void if the use or development project for which the discretionary permit has been granted is not established within the applicable time period. The applicable time period is either **three years** from the effective date of approval of the discretionary permit; **or the time specified by the decision-maker**, if so stated in a condition of approval of the discretionary permit. A use or development project that requires a building permit is established when the building permit is secured for the entire development project and construction is physically commenced.

REVISIONS	BY

DATE	03/18/25
SCALE	AS NOTED
DRAWN	
JOB	
SHEET	A1.1
OF	SHEETS



SITE PLAN

SCALE: 1/8" = 1'-0" (OR 1/16" = 1'-0" ON 11X17)