

# **Cannabis Study & Title 17 Amendments**

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September 5, 2024

Virtual Webinar #1

# Agenda & Meeting Format

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1. Background
2. City Council Policy Direction
  - Analysis & Preliminary Recommendations
  - Survey Questions
3. Project Timeline & Updates
4. Q&A
  - If you have questions during the presentation, ask it in the chat!
  - You can ask questions anomalously
  - Not going to discuss Consumption Lounges

# Background – How We Got Here



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- 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

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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**



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

# Issues

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- Most 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 = \$7,000-\$14,000, 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

# Land Use Permitting Options

## 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			✓ <sub>1</sub>	✓ <sub>2</sub>		✓
Ministerial Permit						
Discretionary Permit	✓	✓	✓	✓ <sub>3</sub>	✓	

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

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- 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)

## 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

# Survey Questions

## **Policy Direction Point #2**

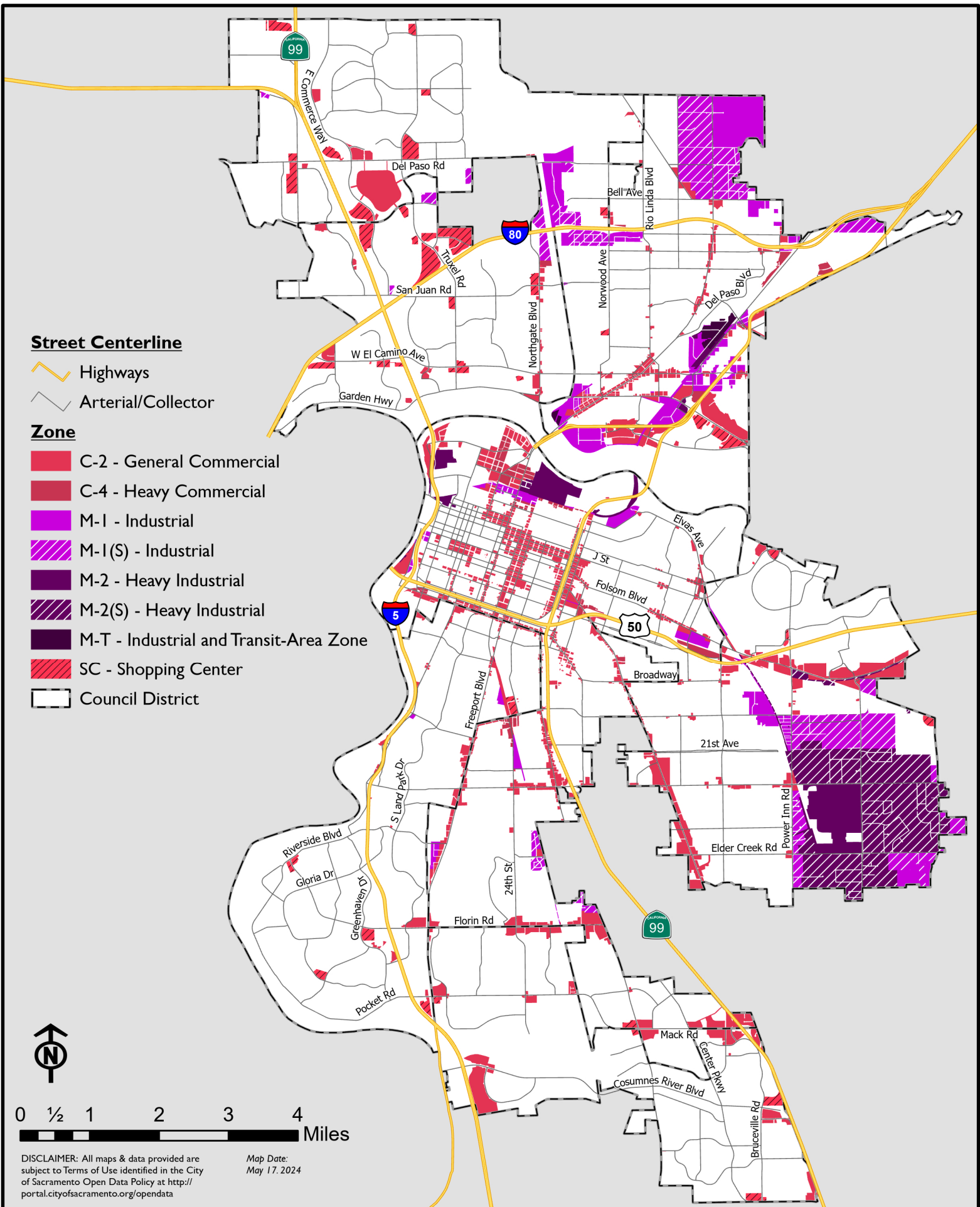
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**Consider additional zones for dispensaries &  
allowing storefront dispensaries in RMX and C-3**



# Storefront Dispensary Zones

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



# Available Zoning Districts

## Residential Mixed Use

- RMX
- RO

## Commercial, Office, and Mixed Use

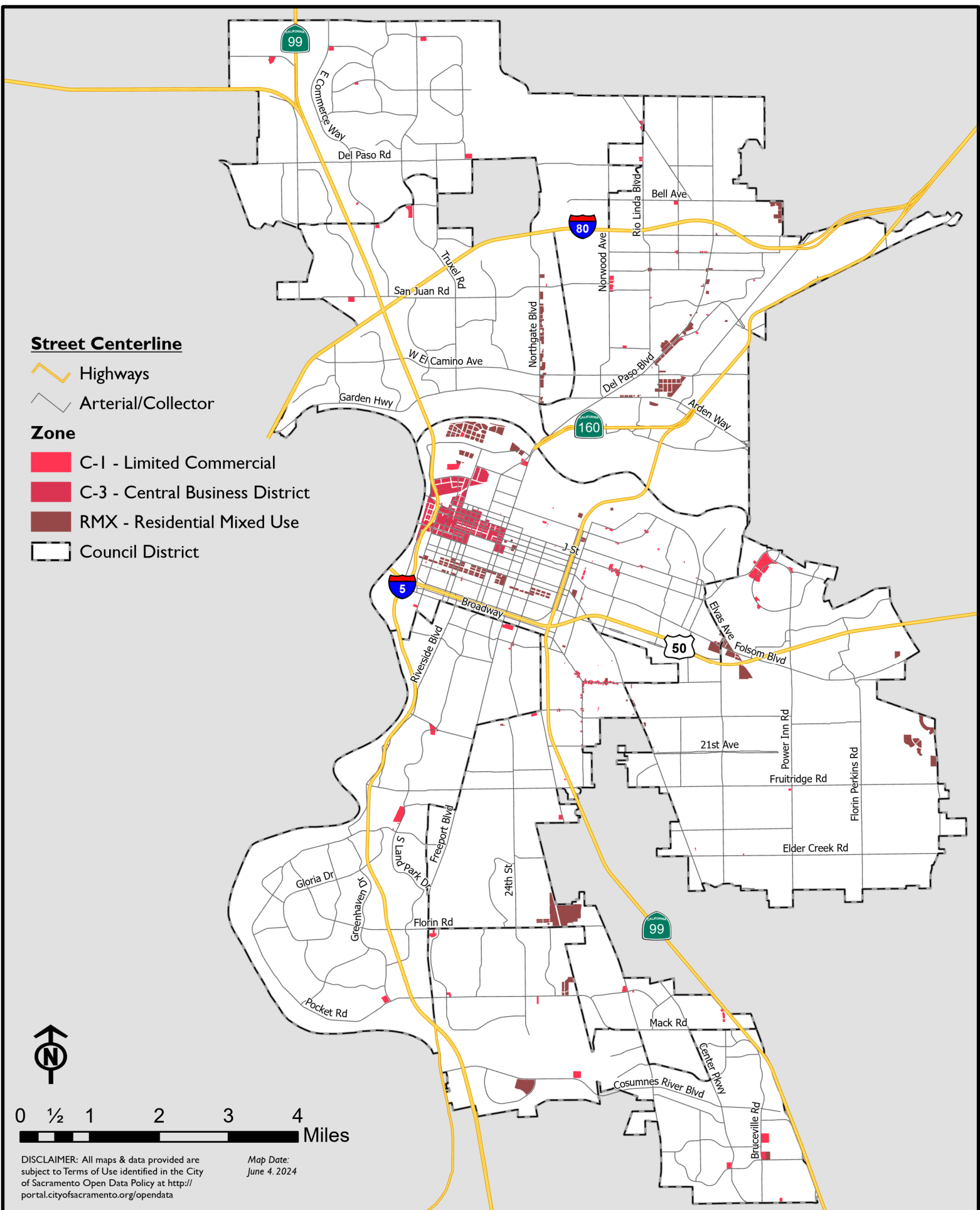
- OB
- EC
- C-1
- C-3

## Not Recommend for Consideration

- Agricultural zones
- Residential zones
- Industrial zones
- Miscellaneous zones

**RMX, C-1 & C-3**

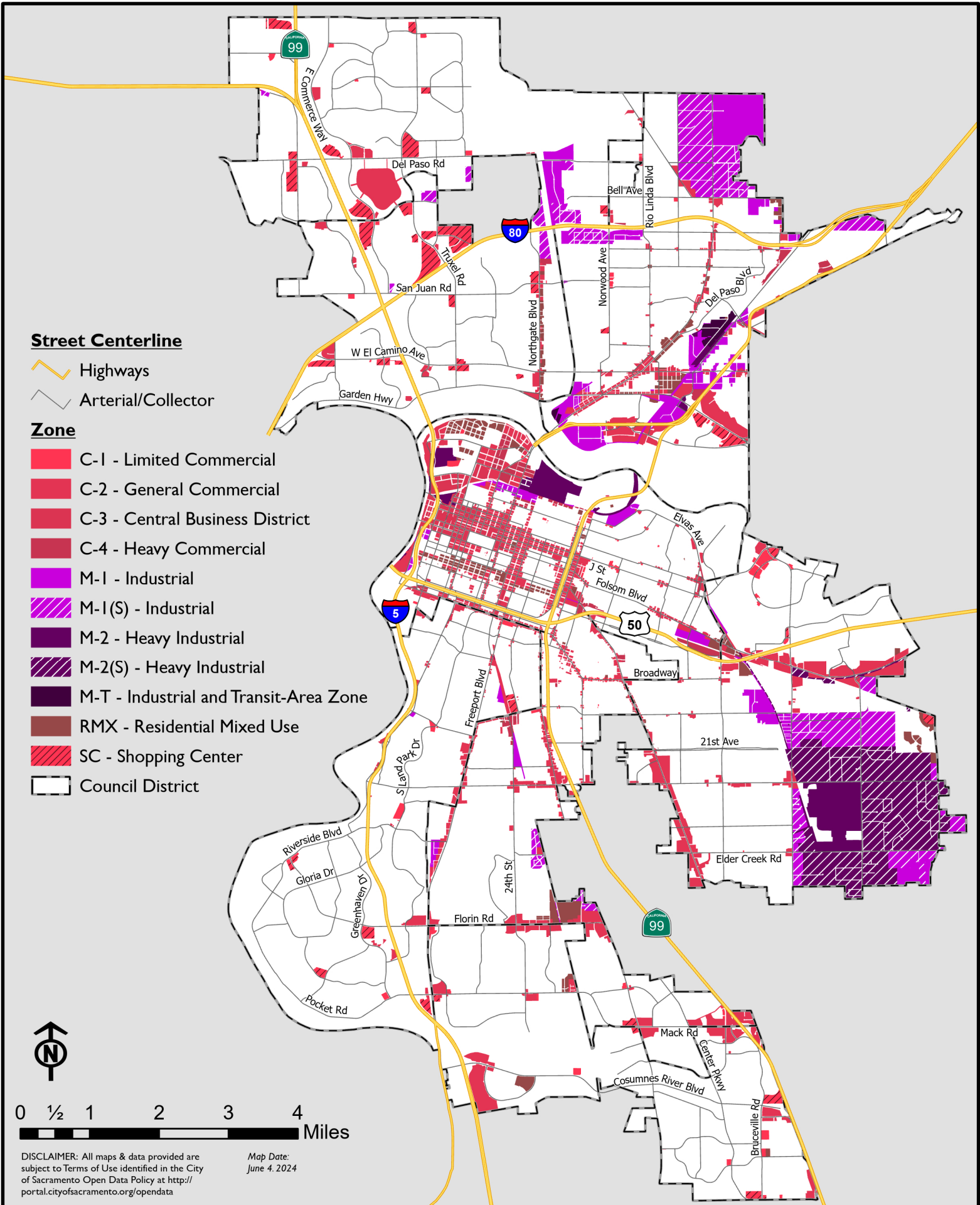
# Zoning | RMX, C-1, C-3



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: June 4, 2024

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



# Rationale

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- Small but focused increase
  - More opportunities outside of industrial areas
  - Negligible increase outside of central city
- Walkable areas (i.e., central city)
- Areas near transit (i.e., south)

# Survey Questions



# Recommended Delivery-Only Zones



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- 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 #4**



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

# Issues

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- No studies on “sensitive uses”
  - What is a sensitive use?
- State default = school, daycare, & “youth center”
- Best practices of other cities vary largely
  - Most common = schools, parks, & youth uses

- Current regs = 92% of cannabis zones w/in buffer
- Can locate w/in buffer w/ PDC approval
  - 82% of storefront w/in buffer
- Some sensitive uses = hard to track/verify some uses

# Sensitive Uses Map

# Sensitive Use Sites & Buffers

## Street Centerline

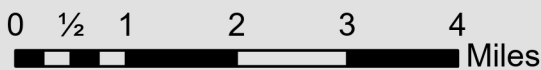
- Highways
- Arterial/Collector

## 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

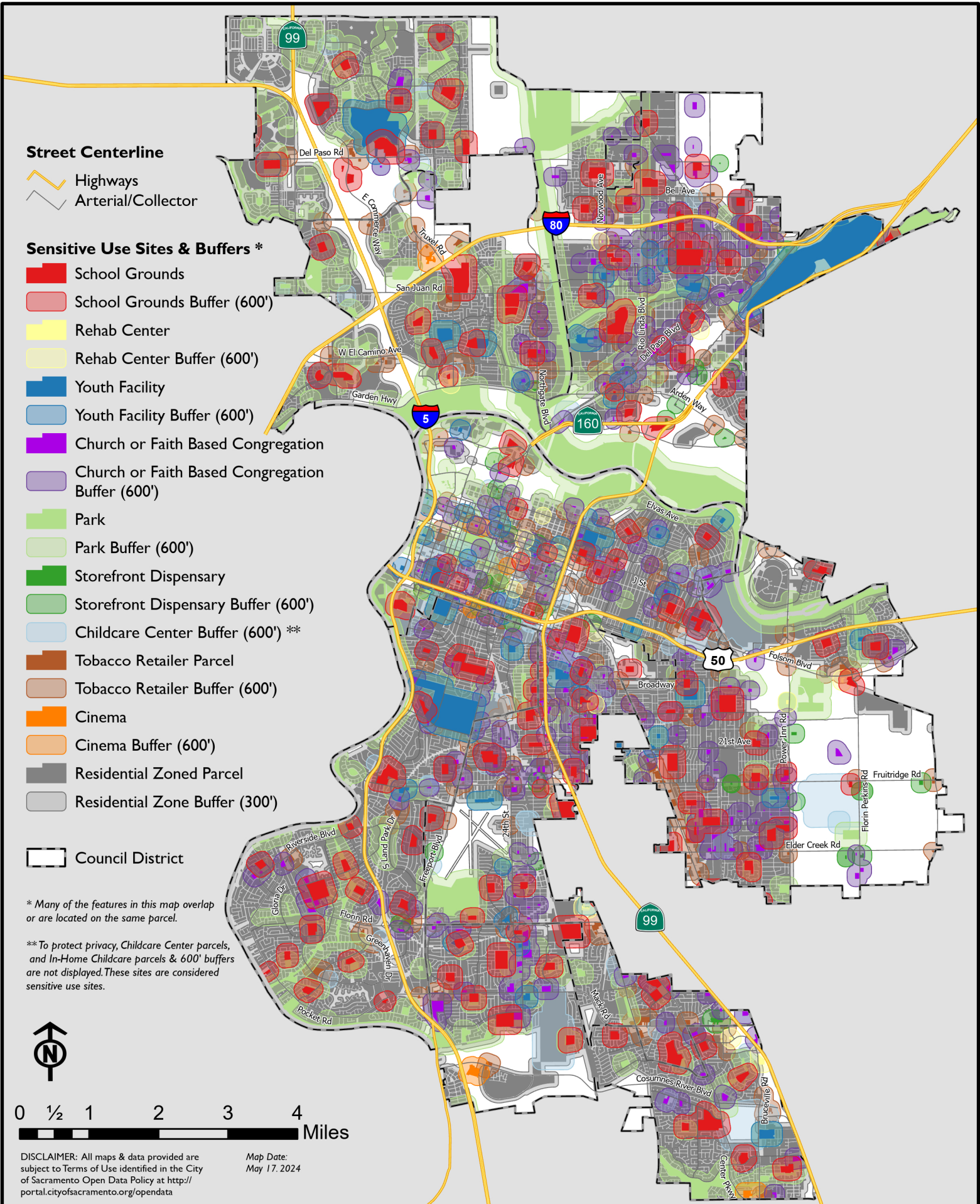
\* Many of the features in this map overlap or are located on the same parcel.

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



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Map Date:  
May 17, 2024





# 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		

# Recommended Sensitive Uses - Dispensary

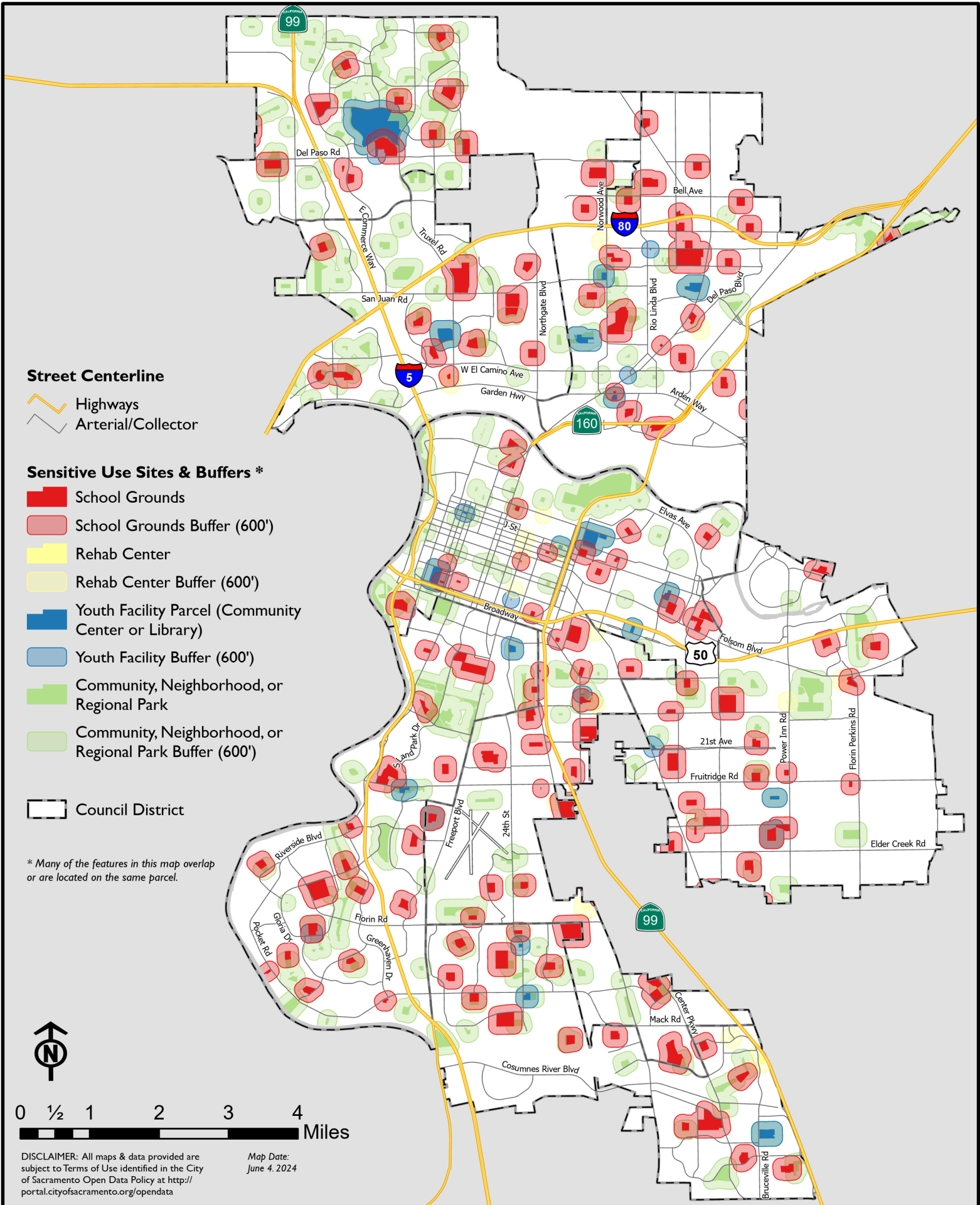
K-12 School
<b>Park</b> <b><i>Neighborhood, Community, or Regional Park</i></b>
<del>Youth-Oriented Facility</del> <b><i>Community Center</i></b> <b><i>Library</i></b>
Substance Abuse Rehabilitation Center
<del>Faith-Based Institution</del>
<del>Childcare In-home/Center</del>
<del>Other Dispensary</del>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

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

# Recommended Sensitive Uses Map



# Revised Sensitive Use Sites & Buffers



# Survey Questions

# Sensitive Uses – Cannabis Production

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## Current Sensitive Uses:

- K-12 School
- Neighborhood or community park

## Recommended Sensitive Uses:

- K-12 School
- ~~• Neighborhood or community park~~

## Rationale:

- Minimal instances of production near parks
  - 4 out of 243 or 1.6%
- Production locates predominately in industrial areas
  - Industrial areas typically not near parks
- No retail sales, difficult to differentiate

# **Policy Direction Point #5**



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**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



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## Existing & Proposed:

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

# Mixed-Light Recommendation



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- No recommended amendments

## Rationale:

- Minimal instances (1 out of 127 cultivation sites)
- Recent slowdown in cultivation applications
- Can be adapted for traditional agriculture uses
- Staff research found no light pollution, odor, or security problems

# **Policy Direction Point #7**

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





# Issues

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- 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 in 2018

# Distribution Recommendation



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## Recommendation:

- Exclude distribution from floor area cap

## Rationale:

- Cultivation = primary driver for cap
- Recent slowdown in cultivation apps.
- Decrease in cultivation
  - 1,920,745 sf of entitled floor area
  - 579,255 sf of available floor area

## **Policy Direction Point #3**

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



# Issues

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

# Recommendation - Nonvolatile Manufacturing

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- 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 #6**



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**Consider zoning and a permit type for cannabis research and development**

# Issues

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- No State license type for cannabis R&D
- No uniform or common definition of cannabis R&D
- Minimal # of private sector cannabis R&D businesses
- Potential manufacturing growth could increase cannabis R&D?
- Do current cannabis zoning regs. account for cannabis R&D?
- “Research & Laboratory” uses include cannabis R&D?

# Cannabis R&D Recommendation



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

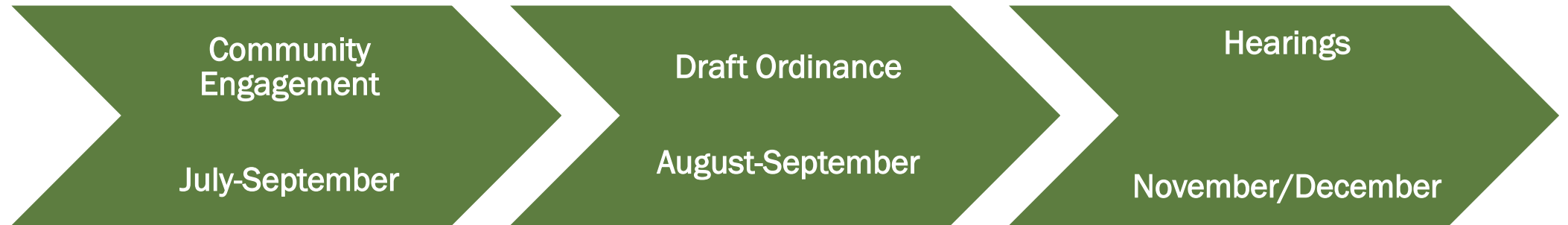
## Rationale:

- Best suited to expand into cannabis R&D sector
- Low regulatory barrier for cannabis testing uses
- Market demand for R&D?
  - State leveraging public colleges – exclusive cannabis R&D grants



# Project Timeline

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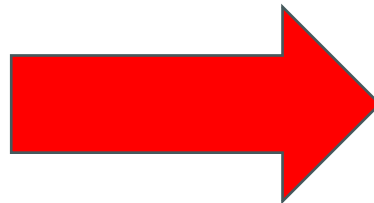
## Upcoming Activities:

- September 12<sup>th</sup>: PDC Workshop 5:30pm
- September 19<sup>th</sup>: Webinar #2 10:00am

# Project Website

- Title 17 Cannabis Amendments Project
- Planning Division's webpage > Major Planning Projects
- Project info, recommendations, email notification sign-up

[www.cityofsacramento.gov/community-development/planning/major-projects/Title17CannabisAmendments](http://www.cityofsacramento.gov/community-development/planning/major-projects/Title17CannabisAmendments)



MENU

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## Planning Division

### about

The Planning Division manages our city's land, establishes and oversees zoning and parcel use guidelines, and ensures new development proceeds in accordance with not only our design guidelines and principles, but also the environmental standards set forth by the state.

### index

#### PAGES IN THIS SECTION

- Environmental Planning**  
Review of development projects in accordance with the California En...
- Historic Preservation**  
Identifying, protecting and preserving the City's historic and cult...
- Housing**  
Programs, projects, and processes to increase housing production.
- Long Range**  
Developing plans, policies and programs made to guide the physical...
- Major Planning Projects**  
Current major projects and plans currently being developed and revi...
- Planning Forms**  
Planning forms and publications available online and at our Public...
- Site Plan and Design Review**  
Ensures new development is of high quality and compatible with surr...
- Temporary Shelter Facilities**  
Construction of small temporary residential shelters for those expe...



# Thank you

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