**Purpose of Study – Land Use Focus**

On February 11, 2021, the Planning and Design Commission initiated a study related to cannabis uses in Council District 2 to determine appropriate regulations related to undue concentration.

The Planning and Development Code (Title 17) allows the establishment of new cannabis uses primarily within commercial, heavy commercial, and industrial zones and restricts these land uses to be more than 600 feet from a K-12 school. As a result of the zoning and development standards, applicants have focused on the industrial areas of the City, particularly the Power Inn area in Council District 6 and North Sacramento in Council District 2. The Power Inn area has a defined undue concentration finding for their geographic boundary but all other areas of the City, including Council District 2, are determined on a case-by-case basis.

This study was completed to understand if a more specific undue concentration finding for Council District 2 was needed given the geographic boundary contains the second largest industrial area within the City. This study includes the number, type, and location of cannabis businesses which received approval of entitlements to inform the discussion of undue concentration. The final conclusion and proposed city code amendments were developed in consultation with Councilmember Loloee.

**Regulatory Overview of Cannabis in the City of Sacramento**

In 2010, the City of Sacramento approved the location of storefront cannabis dispensaries for medical use in the city subject to business regulatory requirements in Title 5 and land use requirements found in Title 17 of the Sacramento City Code (SCC). Title 5 of the code limited the number of storefront dispensaries in the City to a maximum of thirty facilities. Proposition 64, passed by the California voters on November 8, 2016 legalized the adult-use of cannabis for recreational purposes in the State of California beginning January 1, 2018. The cultivation of cannabis, testing of cannabis, manufacturing of cannabis products, delivery-only dispensaries, and the distribution of cannabis to manufacturers and dispensaries was also legalized.

The State of California allows cities and counties to prohibit or regulate cannabis businesses in their local jurisdictions. In 2017, the City of Sacramento began to accept applications for cannabis cultivation, delivery, manufacturing, distribution and testing facilities and to modify dispensary applications to allow for the dispensing of medical and adult-use cannabis, so businesses could open in compliance with the new laws in 2018. Regulations related to cannabis are found in SCC Titles 5, 8 and 17 as outlined below.
Office of Cannabis Management (Sacramento City Code Title 5)

Regulations for obtaining a Business Operating Permit (BOP) and operating a cannabis business in the City of Sacramento are found in Title 5.150 of the City Code and are overseen by the Office of Cannabis Management located in the Office of the City Manager. To obtain a BOP and begin operations, a cannabis business must be located in a building that has a CUP for the matching type of cannabis activity, have a Certificate of Occupancy from the Building Division that the structure is suited to the requested business activity, possess a state cannabis license, and then have fulfilled all the BOP requirements of Title 5.150. Currently there is a maximum of 40 storefront dispensary BOPs that can be issued in the City. There is also a limit of 50 delivery dispensary BOPs that can be issued in the southeast area of the City.

A Conditional Use Permit (CUP) is a requirement for most of the BOPs and is overseen by the Planning Division in the Community Development Department. The Planning Division and Office of Cannabis Management, along with the City Attorney’s Office, Fire Department, Police Department, Building Division, Housing and Dangerous Buildings Division and Code Enforcement Division staff, all work closely together to regulate cannabis businesses in the City.

The Office of Cannabis Management holds regular city department coordination meetings, cannabis stakeholder meetings and maintains a website that can be found at www.cityofsacramento.org/Finance/Revenue/Sacramento-Marijuana-Information

Cannabis Cultivation for Personal Use (Sacramento City Code Title 8)

Regulations involving the cultivation of cannabis in residences for personal use are found in Title 8.132, Cultivation of Cannabis. A person can cultivate a maximum of six plants inside a private residence in the City. A permit for cultivation is not required from the City, but a person cultivating must abide by all of the rules found in this code section. Individuals not following the regulations are subject to City’s nuisance abatement procedures.

Planning Division, Community Development Department (Sacramento City Code Title 17)

The Planning Division is responsible for overseeing the land use regulations for cannabis businesses. References to cannabis regulations are found throughout Title 17 of the Sacramento City Code. For the majority of the proposed businesses in the City of Sacramento, a Conditional Use Permit (CUP) is required before a cannabis business can obtain a BOP from the Office of Cannabis Management.

This land use study focuses on the Title 17 regulations which are implemented by the Community Development Department.
Types of Cannabis Uses and Locational Siting Criteria

The Planning and Development Code (Title 17) allows for three main types of cannabis uses: Production (including cultivation, manufacturing, and distribution), Testing, and Dispensaries (which may be either storefront or delivery-only). The definitions of these uses and locational criteria are further described below.

1. **Cannabis Production**
   A cannabis production use may include any combination of the three cannabis operations—cultivation, manufacturing, and distribution.

   A. **Cannabis Cultivation**
      Cannabis cultivation means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis. Cannabis cultivation is permitted in the A, C-2, C-4, M-1, M-1(S), M-2, M-2(S) and M-T zones with a Conditional Use Permit.

   B. **Cannabis Manufacturing**
      Cannabis manufacturing means the production, preparation, propagation, and compounding of cannabis and cannabis products. Cannabis manufacturing includes the extraction process, the infusion or mixture of cannabis into another substance, the preparation of an edible item that contains cannabis, and the packaging and labeling of cannabis or cannabis products. Cannabis manufacturing is permitted in the C-2, C-4, M-1, M-1(S), M-2, M-2(S), MIP, MRD and M-T zones. A Conditional Use Permit is required, unless the manufacturing use meets all three of the following exempt requirements:
      1. The use is limited to only packaging and labeling of cannabis or cannabis products, or producing edible or topical cannabis products using an infusion process;
      2. Extraction is not being conducted; and
      3. The gross receipts of the use are under $100,000 annually.

      Cannabis manufacturing involving extraction must be performed in a manner that is approved by the Fire Chief or designee. In the C-2 and M-T zone, only non-volatile cannabis manufacturing is permitted. In the C-2 zone the combined total of non-volatile cannabis manufacturing and cannabis distribution cannot exceed a total of 6,400 square feet in area.

   C. **Cannabis Distribution**
      Cannabis distribution means the procurement, sale, and transport of cannabis and cannabis products between cannabis businesses. Cannabis distribution is permitted in the C-2, C-4, M-1, M-1S, M-2, M-2(S), MIP, MRD and M-T zones. A Conditional Use Permit is required unless the distribution use meets the exemption for a type-S or type-T cannabis distribution permit, as described in article VIII of chapter 5.150.
In the C-2 zone the combined total of cannabis distribution and non-volatile cannabis manufacturing cannot exceed a total of 6,400 square feet in area. In the C-2 zone cannabis distribution cannot be the only cannabis production use on the site. Distribution must be combined with a cannabis cultivation and/or a cannabis manufacturing use to encourage active uses along commercial corridors.

**Locational Criteria for Cannabis Production**

Cannabis production uses must adhere to the following special use regulations:

**Planning and Design Commission Approval Near a Park**

- A Conditional Use Permit must be approved by the Planning and Design Commission if the production use is within 600 feet of a neighborhood or community park identified on the City’s Parks and Recreation Master Plan.

**Minimum Distance from Schools**

- A cannabis production use cannot be located within a 600-foot radius of a public or private K-12 school but does not include any private school in which education is primarily conducted in private homes.

**Other Regulations**

- Cannabis production must be within a fully enclosed building and must not be visible from the public right-of-way.

Some areas of the City have additional regulations for cannabis production uses as described below.

**Del Paso Boulevard/Arden Way Special Planning District**

- Cannabis cultivation is prohibited on parcels fronting on Del Paso Boulevard and Arden Way.

- Cannabis manufacturing and cannabis distribution businesses are permitted to front onto Del Paso Boulevard or Arden Way only if:
  - Cannabis manufacturing, cannabis distribution, and delivery-only cannabis dispensary uses do not exceed one-third gross square feet of the floor area of the parcel; and
  - The uses must only be accessed from the rear of the parcel; and
  - The uses are not visible from the public right-of-way.

**Sacramento Center for Innovation Specific Plan Area**

- Cannabis cultivation is prohibited in the Sacramento Center for Innovation Specific Plan Area. This specific plan area is bounded by the US 50 freeway on the north, Power Inn Road on the east, 21st Ave. on the south, and the railroad tracks on the west.
Southeast Area for Power Inn
- The combined square footage of cannabis cultivation and cannabis distribution facilities cannot exceed 2.5 million square feet. This cap is to prevent an undue concentration of cannabis production facilities in this industrial area.

Planned Unit Developments
- A cannabis production use may not be established in a Planned Unit Development (PUD) unless the PUD schematic plan and design guidelines expressly authorize the use. An applicant/property owner is permitted to apply to amend the schematic plan and guidelines.

Near a Light Rail Station
- With exception to the A and M-T zones, if the cannabis cultivation, manufacturing, or distribution use is located within ¼-mile from the center of an existing or proposed light rail station platform, the use is subject to special use regulations in City Code section 17.228.127. This section of the code requires additional design standards to enhance the site with improvements for pedestrians and bicyclists in the area.

2. Cannabis Testing
Cannabis testing means performing scientific analysis of cannabis or cannabis products to determine its chemical profile, the presence of contaminants, or other similar data. Cannabis testing is permitted by right in the C-2, C-4, M-1, M-1(s), M-2, M-2(S), MIP, MRD, and M-T zones. A Conditional Use Permit is not required for a cannabis testing facility.

Locational Criteria for Cannabis Testing

Minimum Distance from Schools
- A cannabis testing facility cannot be located within a 600-foot radius of a public or private K-12 school but does not include any private school in which education is primarily conducted in private homes.

3. Cannabis Dispensary (Storefront and Delivery-Only)
A cannabis dispensary covers two types of sub-uses, a storefront cannabis dispensary and a delivery-only cannabis dispensary. A storefront cannabis dispensary means a business selling cannabis or cannabis products from a building or structure that is open to customers. A storefront cannabis dispensary may deliver cannabis products by meeting the additional delivery-specific requirements and obtaining the appropriate authorizations. A delivery-only cannabis dispensary means a business selling cannabis or cannabis products only by delivery, not by completing the transfer in a building or structure that is open to customers or elsewhere on the dispensary site.
Storefront cannabis dispensaries and delivery-only cannabis dispensaries are permitted in the C-2, C-4, M-1, M-1(S), M-2, M-2(S), and M-T zones with a Conditional Use Permit. A storefront cannabis dispensary is also permitted in the SC zone.

**Locational Criteria for Cannabis Dispensaries**

*Planning and Design Commission Approval for Sensitive Uses*
- A Conditional Use Permit must be approved by the Planning and Design Commission for storefront cannabis dispensary uses if:
  - The site is within 600 feet of another storefront cannabis dispensary; or
  - If the site is within 600 feet of any park, childcare center, or in-home childcare, youth-oriented facility, church or faith congregation, substance abuse center, or a cinema; or
  - If the site is within 600 feet of any tobacco retailer that has 15,000 square feet or less of gross floor area; or
  - The cannabis dispensary site is within 300 feet of a residential zone.

*Minimum Distance from Schools*
- A cannabis dispensary cannot be located within a 600-foot radius of a public or private K-12 school but does not include any private school in which education is primarily conducted in private homes.

Some areas of the City have additional regulations for cannabis dispensary uses.

*Del Paso Boulevard/Arden Way Special Planning District*
- A delivery-only dispensary is subject to the additional requirements if proposed on a parcel that fronts on Del Paso Boulevard or Arden Way:
  - Cannabis manufacturing, cannabis distribution, and delivery-only cannabis dispensary uses do not exceed one-third of the gross square feet of the floor area of the parcel; and
  - The uses can only be accessed from the rear of the parcel; and
  - The uses are not visible from the public right-of-way.

*River District Special Planning District*
- A cannabis dispensary (both storefront and delivery-only) requires Planning and Design Commission review and approval of a Conditional Use Permit in the C-2-SPD and C-4-SPD zones.

*Planned Unit Developments*
- A cannabis dispensary (both storefront and delivery-only) may not be established in a Planned Unit Development (PUD) unless the PUD schematic plan and design guidelines expressly authorize the use. An applicant/property owner is permitted to apply to amend the schematic plan and guidelines.
Near a Light Rail Station

In addition to the findings noted above, if a cannabis dispensary site is located within ½-mile of an existing or planned light rail station platform, the following findings must be met:

1. The project includes pedestrian amenities such as lighting, benches, tree shading, and landscaping;
2. If the project includes the construction or reconstruction of one or more buildings or an addition to an existing building—
   a) New buildings adjacent to the street are designed with ground-floor street-facing facades that include transparent glass storefront windows or display windows that are equal to or greater in size than 50% of the product of the interior height of the ground floor and the width of the building’s street frontage;
   b) The project site provides continuous, direct, and convenient pedestrian walkways to transit, adjacent uses, and other uses on the same site;
   c) Off-street vehicle parking is located beneath, on top, to the rear, or on the interior side of the building and not in front of the building; and
   d) The primary entrance has direct access to public ways and sidewalks.
Cannabis Projects Approved in Council District 2

The map below shows the approved cannabis projects for Council District 2. Conditional Use Permits were approved for 66 cannabis production sites, 13 cannabis storefront dispensaries, and 16 delivery-only dispensaries. The numbers below were accurate as of the writing of this report on June 7, 2021. These approvals by cannabis business type, and comparison to other areas of the city, are further discussed below.
Cannabis Production by City Council District

The graphs and charts below indicate the approved square footages for cannabis production uses. The numbers below were accurate as of the writing of this report on June 7, 2021.

The square footages reflect what was approved by the various hearing bodies. Some applicants may not move forward with building permits and licensing so the numbers may not always reflect what is open and operating in those districts.

As shown on the bar chart, Council District 2 has approximately 1.3 million square feet of approved cannabis production and District 6 has approximately 2.3 million square feet of approved cannabis production. There are no cannabis production uses in District 1 and District 7. There is only one cannabis production use in District 8 which is located in a commercial zone and therefore restricted to a maximum tenant space size of 6,400 square feet.

For more detailed information on the breakdown of all the cannabis production uses both approved and in progress for each Council District, reference the charts below. There are no charts for Council District 1 or 7 because there were no cannabis production approvals for those areas.
### Cannabis Production Businesses in Council District 2

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Approved Land Use Entitlements</th>
<th>In Progress Review</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cannabis Cultivation</td>
<td>1,075,998 sqft</td>
<td>40,460 sqft</td>
<td>1,116,458 sqft</td>
</tr>
<tr>
<td>Cannabis Manufacturing</td>
<td>126,970 sqft</td>
<td>2,251 sqft</td>
<td>129,221 sqft</td>
</tr>
<tr>
<td>Cannabis Distribution</td>
<td>92,665 sqft</td>
<td>2,736 sqft</td>
<td>95,401 sqft</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>1,295,633 sqft</td>
<td>45,447 sqft</td>
<td>1,341,080 sqft</td>
</tr>
</tbody>
</table>

### Cannabis Production Businesses in Council District 3

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Approved Land Use Entitlements</th>
<th>In Progress Review</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cannabis Cultivation</td>
<td>409,145 sqft</td>
<td>62,357 sqft</td>
<td>471,502 sqft</td>
</tr>
<tr>
<td>Cannabis Manufacturing</td>
<td>25,166 sqft</td>
<td>3,455 sqft</td>
<td>28,621 sqft</td>
</tr>
<tr>
<td>Cannabis Distribution</td>
<td>21,078 sqft</td>
<td>6,968 sqft</td>
<td>28,046 sqft</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>455,389 sqft</td>
<td>72,780 sqft</td>
<td>527,809 sqft</td>
</tr>
</tbody>
</table>

### Cannabis Production Businesses in Council District 4

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Approved Land Use Entitlements</th>
<th>In Progress Review</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cannabis Cultivation</td>
<td>20,146 sqft</td>
<td>0</td>
<td>20,146 sqft</td>
</tr>
<tr>
<td>Cannabis Manufacturing</td>
<td>910 sqft</td>
<td>0</td>
<td>910 sqft</td>
</tr>
<tr>
<td>Cannabis Distribution</td>
<td>2,000 sqft</td>
<td>0</td>
<td>2,000 sqft</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>23,056 sqft</td>
<td>0</td>
<td>23,056 sqft</td>
</tr>
</tbody>
</table>

### Cannabis Production Businesses in Council District 5

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Approved Land Use Entitlements</th>
<th>In Progress Review</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cannabis Cultivation</td>
<td>145,122 sqft</td>
<td>19,204 sqft</td>
<td>164,326 sqft</td>
</tr>
<tr>
<td>Cannabis Manufacturing</td>
<td>44,862 sqft</td>
<td>7,665 sqft</td>
<td>52,527 sqft</td>
</tr>
<tr>
<td>Cannabis Distribution</td>
<td>46,195 sqft</td>
<td>-151 sqft*</td>
<td>46,044 sqft</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>236,179 sqft</td>
<td>26,718 sqft</td>
<td>262,897 sqft</td>
</tr>
</tbody>
</table>

*Applications for conversions of existing distribution areas may result in negative square footages for in progress reviews.*
Cannabis Production Businesses in Council District 6

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Approved Land Use Entitlements</th>
<th>In Progress Review</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cannabis Production Totals (cultivation and distribution)*</td>
<td>2,312,491 sqft</td>
<td>187,509 sqft</td>
<td>2,500,000 sqft</td>
</tr>
</tbody>
</table>

*Cannabis manufacturing is not included in the cannabis cap for the Power Inn Area.

Cannabis Production Businesses in Council District 8

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Approved Land Use Entitlements</th>
<th>In Progress Review</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cannabis Cultivation</td>
<td>2,743 sqft</td>
<td>0</td>
<td>2,743 sqft</td>
</tr>
<tr>
<td>Cannabis Manufacturing</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Cannabis Distribution</td>
<td>2,402 sqft</td>
<td>0</td>
<td>2,402 sqft</td>
</tr>
<tr>
<td>Totals</td>
<td>5,145 sqft</td>
<td>0</td>
<td>5,145 sqft</td>
</tr>
</tbody>
</table>

Cannabis production uses are most common in the industrial areas of the city and therefore the data shows District 2 and District 6 have the greatest amount of approved square footages of cannabis production. The pie chart below illustrates that District 2 has 31% of the industrially zoned land in the city and that District 6 has 52%.
This map shows the approximate number of acres of industrially zoned land. The limited cannabis production uses in District 1, District 7, and District 8 can be attributed to the amount of industrial zoning within these areas. District 7 and District 8 do not have any industrial zoning and District 1 has less than 72 acres total.
Cannabis Dispensaries by City Council District

The graphs and charts below indicate the approved cannabis dispensary uses. The numbers below were accurate as of the writing of this report on June 7, 2021.

The number of dispensary land use entitlements reflect what was approved by the various hearing bodies. Information on the breakdown of all the cannabis dispensary uses, both approved and in progress for each Council District, are referenced on the charts below. There are no charts for Council District 1 or District 7 because there were no cannabis dispensary approvals for those areas.

Cannabis Dispensaries in Council District 2

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Approved Land Use Entitlements</th>
<th>In Progress Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery only dispensary</td>
<td>16 dispensaries</td>
<td>2 dispensaries</td>
</tr>
<tr>
<td>Storefront dispensary</td>
<td>13 dispensaries</td>
<td>1 dispensary</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>29 dispensaries</td>
<td>3 dispensaries</td>
</tr>
</tbody>
</table>

Cannabis Dispensaries in Council District 3

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Approved Land Use Entitlements</th>
<th>In Progress Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery only dispensary</td>
<td>4 dispensaries</td>
<td>1 dispensary</td>
</tr>
<tr>
<td>Storefront dispensary</td>
<td>6 dispensaries</td>
<td>1 dispensary</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>10 dispensaries</td>
<td>2 dispensaries</td>
</tr>
</tbody>
</table>

Cannabis Dispensaries in Council District 4

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Approved Land Use Entitlements</th>
<th>In Progress Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery only dispensary</td>
<td>1 dispensary</td>
<td>None</td>
</tr>
<tr>
<td>Storefront dispensary</td>
<td>9 dispensaries</td>
<td>None</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>10 dispensaries</td>
<td>None</td>
</tr>
</tbody>
</table>

Cannabis Dispensaries in Council District 5

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Approved Land Use Entitlements</th>
<th>In Progress Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery only dispensary</td>
<td>5 dispensaries</td>
<td>1 dispensary</td>
</tr>
<tr>
<td>Storefront dispensary</td>
<td>4 dispensaries</td>
<td>2 dispensaries</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>9 dispensaries</td>
<td>3 dispensaries</td>
</tr>
</tbody>
</table>
Cannabis Dispensaries in Council District 6

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Approved Land Use Entitlements</th>
<th>In Progress Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery only dispensary</td>
<td>28 dispensaries</td>
<td>1 dispensary</td>
</tr>
<tr>
<td>Storefront dispensary</td>
<td>10 dispensaries</td>
<td>None</td>
</tr>
<tr>
<td>Totals</td>
<td>38 dispensaries</td>
<td>1 dispensary</td>
</tr>
</tbody>
</table>

Cannabis Dispensaries in Council District 8

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Approved Land Use Entitlements</th>
<th>In Progress Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery only dispensary</td>
<td>1 dispensary</td>
<td>None</td>
</tr>
<tr>
<td>Storefront dispensary</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Totals</td>
<td>1 dispensary</td>
<td>None</td>
</tr>
</tbody>
</table>

The number of storefront dispensaries is currently limited to 40 facilities maximum citywide. There are 10 storefront dispensaries that are in the process of finding a location. The number of delivery-only dispensaries does not have a limit except in the Power Inn Area where it is capped at a maximum of 50 facilities. The chart below shows the number of approved conditional use permits per Council District for all dispensaries from the charts listed above.
Cannabis Dispensary CUPs by City Council District

- District 1: 0
- District 2: 3
- District 3: 2
- District 4: 10
- District 5: 3
- District 6: 38
- District 7: 0
- District 8: 0

**Legend:**
- Approved Land Use Entitlements
- In Progress Land Use Entitlement
Number of Applications Submitted for Land Use Entitlement Review

The chart below shows the number of cannabis land use entitlement projects submitted each year since 2017 when cannabis production applications began to be accepted. The data indicates that the greatest number of applications for cannabis land use entitlements were received in 2017 and 2018. The number of cannabis applications submitted has been on a downward trend since that time.

This first line graph shows the number of land use entitlement applications specifically for the Council District 2 boundaries.

*C2021 application numbers reflect those received as of June 7, 2021.*
This second line graph shows the number of cannabis land use entitlement applications citywide which also includes the applications from Council District 2.

*2021 application numbers reflect those received as of June 7, 2021.
Undue Concentration Findings

The City of Sacramento has general findings referenced in 17.808.200 and shown below for establishing a cannabis use citywide. These findings include that the proposal is consistent with the General Plan, allowed within the zoning district, located on a parcel that is suitable in size and access, and that the use will not be detrimental to the public health and safety of the surrounding area.

17.808.200 Conditional use permit.

C. Decision and findings.

1. The decision-maker may approve a conditional use permit based on all of the following findings:

   a. The proposed use and its operating characteristics are consistent with the general plan and any applicable specific plan or transit village plan; and
   b. 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; and
   c. The proposed use is situated on a parcel that is physically suitable in terms of location, size, topography, and access, and that is adequately served by public services and utilities; and
   d. 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.

Within the Power Inn area, there is an additional finding to those above regarding undue concentration. On May 22, 2018, Ordinance 2018-0022, amending Title 17 became effective and added this finding for cannabis production establishments in the southeast area. The Ordinance indicates that an undue concentration of cannabis production establishments will exist if more than 2.5 million square feet of building floor space in this area is utilized for cannabis cultivation and cannabis distribution as shown below in 17.228.900(E). Cannabis manufacturing facilities are exempt from this square footage restriction. The boundaries of the southeast area are Power Inn Road to the west, Folsom Boulevard to the north, and the City limits to the east and south.

17.228.900 Cannabis production.

E. The decision-maker may approve a conditional use permit for cannabis production based on the following findings:

   1. The findings set forth in section 17.808.200.C; and
2. The proposed cannabis production will not result in undue concentration of cannabis production establishments. An undue concentration of cannabis production establishments will result if the following condition is met:

   a. The proposed cannabis production use is located within the area bounded by Power Inn Road to the west, Folsom Boulevard to the north, and the city limits to the east and south; and will result in more than 2.5 million square feet of building floor space approved by a conditional use permit for cannabis production use in that area. Building floor space designated for a cannabis manufacturing use in a conditional use permit may be excluded from the 2.5 million square footage calculation.

An “undue concentration” for areas outside of the Power Inn area are not subject to a specific threshold, but it is intended to be determined on a case-by-case basis as individual applications are evaluated by staff and decisions are rendered by either the Zoning Administrator or the Planning and Design Commission. There has been concern there is not a more objective threshold for making determinations in Council District 2. Providing more direction on a threshold for undue concentration would ensure consistent decisions by establishing a more concrete policy. It would also provide more predictability for both applicants and the general public.
Title 17 Code Amendment Proposed for City Council Review

In consulting with Councilmember Loloee on specific options related to undue concentration findings in Council District 2, a proposed city code amendment has been developed.

With this amendment, new cannabis land use entitlement applications would be required to meet the following buffer requirements subject to adoption by City Council: a minimum distance of 1,000 feet from residential zoning and a minimum of 1,500 feet from parcels developed with a place of worship, schools, and parks.

This buffer criteria was selected because within the industrial area in Council District 2, there are a considerable number of legal, nonconforming residential uses in industrial zones. Many of these nonconforming residential uses border nearby residential zoning districts. These industrial areas also include neighborhood amenities like places of worship, schools, and parks.

Over the last several decades, the zoning districts have alternated from residential to industrial. The map on page 21 shows residential uses (parcels in yellow) which are located within industrial zoning districts (districts in light purple).

In particular, the area between Dry Creek and Raley Boulevard to the south of Ascot Avenue has a lot of residential uses in the industrial zone. There are also a few instances of industrial uses in residential zones as indicated by the deep purple color.

Implementing a minimum distance requirement for new cannabis cultivation, manufacturing, and distribution businesses from residential zoning, and existing places of worship, schools, and parks would improve the compatibility for the placement of these cannabis production uses given these large industrially zoned areas contain legal, nonconforming residential dwellings, and other sensitive uses like schools, parks, and places of worship.

In an area like Power Inn, limiting cannabis production sites to primarily industrial zones avoided residential conflicts and these type of sensitive uses. The concern for Power Inn was to ensure cannabis businesses didn’t displace other industrial users and that was the reasoning for a square footage maximum cap. However, as demonstrated on the map exhibit, industrial zoning in District 2 has a much more eclectic mix of uses and a different approach is necessary.

In determining undue concentration for these areas, consideration for the existing sensitive uses within the industrial areas is important to ensure appropriate siting of additional cannabis facilities moving forward.
The map on page 23 shows the impact of the proposed mandatory buffers on the remaining industrially zoned land within Council District 2. The dark purples areas indicate the parcel is zoned industrial but would not comply with the proposed buffer criteria so new land use entitlement applications could not be approved. The lighter purple areas indicate the parcels are zoned industrial and would meet the buffer criteria. Context maps would be required from applicants to verify this fact and ensure compliance for implementing the proposed criteria. The yellow dots show in progress applications and the red dots indicate a site where cannabis land use entitlements were already approved.

With the new buffer criteria adopted by City Council, new applications would primarily be limited to the northeastern portion of the city and to an area south of Arden Way and west of I-80 within Council District 2.

Conditional use permits for cannabis businesses which are already approved or existing and within those buffers, would become legal, nonconforming uses after the adoption of the proposed amendment. They may continue to operate but future expansions or a discontinuance of the business for one continuous year or more would subject the site to additional entitlements and public hearings.

The next steps for this Ordinance will be a hearing in front of the Planning and Design Commission, followed by a review at the Law and Legislation Committee. The Ordinance would then require City Council approval before becoming effective.
COUNCIL DISTRICT 2
Industrial Zoned Parcels
Within 1,000ft from Residential Zoning and 1,500ft from Schools, Parks, and Places of Worship