

City of Sacramento
Cannabis Business and Neighborhood Stakeholder Meeting
Meeting Summary Notes

September 19, 2016

5:30 – 7:00 p.m.

Hagginwood Community Center Auditorium, 3271 Marysville Blvd, Sacramento, CA 95815

I. Updates

- Ordinance Updates
 - City staff took their recommendations for both Conditional Use Permit process and Operating Permit process for cultivation to the Law and Legislation Committee on August 9th.
 - Title 17 Ordinance (Planning and Development Code for Conditional Use Permit)
 - The L&L Committee forwarded the ordinance to be reviewed by City Council with the following recommendations (Note these are only staff recommendations and have not yet been approved by City Council):
 - Approval of the Conditional Use Permit will either be at the Planning and Design Commission level or the Zoning administrator level
 - Additional 'sensitive use' distance requirements in the C-2 commercial zones were removed by the Planning and Design Commission and the Law & Legislation Committee except the State required 600 feet distance from schools.
 - City staff is recommending that applications be processed in order received
 - Items will go to City Council on October 25, 2016.
 - Title 5 Ordinance (Operating Permit)
 - City staff is recommending to have a bi-annual permit process.
 - Staff will recommend to have permit process to include, but not limited to:
 - Business plan to describe how business is in compliance with all State and local laws including its safeguards against diversion
 - Background checks on employees
 - Odor filtration
 - Tax and insurance compliance
 - Budget
 - Floor, Site and lighting plans
 - Price list of all products
 - Energy and Water efficiency plan
 - Environmental plan
 - Security plan
 - Lighting Plan
 - Permit fees
 - City staff will recommend to have levels of permits for various sizes of cultivation sites, similar to the State, and to also allow for smaller cultivation businesses.

- Operating permits will be contingent upon having an approved Conditional Use Permit.
 - Due to high interest and expected volume of applications, there will likely be some bottlenecking of the process.
 - Cultivators will need to get all appropriate building permits for all renovations.
- During Process of obtaining both CUP and Operating Permit, all appropriate building permits must be pulled for all building and improvements and modifications.
- City staff encourages applicant businesses to submit a Community Benefits Plan but it is voluntary and will not be a requirement for the approval of the operating permit. Simply, the CBP is recommended to be voluntary but is strongly encouraged as a good way to work with the community where the business intends to locate. Also recommended will be hiring locally, salaries above minimum wage, compassionate needs.
- Current Cultivation:
 - **ONLY** those who registered with the City will have the ability to continue to cultivate during the application process. Registered cultivators **MUST** meet the following requirements:
 - Meet the City Council approved land use requirements (IE: appropriate zone, distance requirements, etc)
 - Apply for the CUP within 90 days of City Council adoption
 - Registered and currently cultivating business cannot relocate or expand operations. Those not currently registered or are located in the wrong zone **MUST** cease cultivation
 - **NOTE: Cultivation does not exempt you from other City of Sacramento or State of California rules and requirements, including obtaining building permits and other health and safety requirements.**
- Delivery
 - City staff will also bring to City Council for review an ordinance for patient delivery service
 - In order to align with State law, delivery services will be through one of the permitted dispensaries
 - City staff is not recommending to add any new dispensaries
- Manufacture and Testing Labs
 - City will work on bringing forward recommendations for manufacture and testing labs to Law and Legislation with ordinances to follow in the near future.
 - City Council has asked staff to limit manufacture to non-volatile forms of extraction.
- Distribution and Transportation
 - City staff will look into possibility of having distribution and transportation in the City of Sacramento if so directed by the City Council.
 - City staff will continue its outreach and research.

II. Questions, Comments and Recommendations

• **RECOMMENDATIONS and COMMENTS from audience with staff responses (NOTE: all responses from staff are based on research and recommendations to City Council. Answers are subject to change depending upon City Council action)**

- Residents have been pushing for a long time for more Code enforcements, police officers, animal control in their community. There is one new Code officer but it still takes months (4-6) for a response from Code. How long will a complaint regarding a cultivator to get a response? Where are you going to the code enforcement officers to deal with the complains?
 - City council will have to approve the fees for the permits however included in the fees will be additional monies for Code and Police to take care of issues and complains with regard to illegal cultivation.
 - Keep in mind that these items are not final. This information and your input will be taken into account and considered. City Council will be able to weigh in on these issues.
 - If legal grows are going to be allowed, then we should do something about the illegal grows.
 - Some ordinances will be phased in and we can issue so many permits and then can evaluate how the process is working.
 - Councilmember Warren is still concerned with the minimum distance between cultivation and residential, having a Community Benefits Plans be a necessity, having additional Code/Police officers. This is a big issue, one that is sensitive and Council is not taking it lightly.
- The Hagginwood Community Association has been trying to build a corridor and cultivators are not welcomed as part of that corridor. Residents don't want to be known as the "pot neighborhood".
- Can you explain the CUP process?
 - Part of the Conditional Use Process includes notifying neighbors and residents up to 300-foot radius from proposed property.
 - Conditional Use Permit is heard before either the Zoning Administrator or Planning and Design Commission and both are public hearings. Once a decision is made, it can be appealed.
- Residents should have some say in whether or not they want cultivation or not in their neighborhoods. Up until now, residents have had not say. This is our community and we feel like no one is listening to us.
 - Councilmember Warren response is that we are listening now and this is your opportunity to be heard. We do also get feedback from people who do want this so we are trying to hear all sides.
 - Registered cultivators are not getting any special treatment and will also need to go through the permit process and obtain and Conditional Use Permit and an operating permit. No matter the level of approval for a Conditional Use Permit, there will be a public hearing.
- How will residents be notified about each application? How is staff going to handle all the applications?
 - When a Conditional Use Permit application is received, the planner assigned informs the neighborhood association(s). When the approval of the permit goes to a public hearing the neighborhood association(s) are notified as well as residents with 300 feet of the location.
 - City staff is still not sure yet exactly how all applications will be handled. We will see how many we receive and inform Council of the number and if City staff needs more resources to process them.
- If staff cannot handle the volume of applications, will they just be rubber stamped?
 - Absolutely not. If the volume is more than current City staff can handle, we will inform City Council of the situation and work out a plan for processing.
- What about more Code officers?

- City staff is recommending that some of the revenue from cultivation be earmarked for more enforcement officers.
- Is cultivation happening Citywide? Why does it seem like they're getting dumped in this (district 2) neighborhood?
 - Yes, cultivation is allowed citywide in the designated zones. Because district 2 has a larger area of industrial and commercial zones, there is more cultivation sites possible. This is not the intent, however due to zoning and land use, this is where these locations tend to be more prevalent.
- How will the money and taxes be regulated and how will you know if they're paying the right amount of taxes?
 - Cultivation sites, like dispensaries will be subject to audits. The State will regulate the seed to sale tracking.
- Will there be a 1,000 feet between grow sites?
 - City staff recommending 1,000 feet between sites however that is not what Planning and Design Commission or Law and Legislation Committee approved.
- What will happen if the City of Sacramento does nothing about cultivation?
 - If the City does not regulate cultivation it will continue to occur anyway. Having regulations in place, like any other business, allows the City the opportunity to have better controls and safeguards in place for those that are permitted and operating and shut down those that are not permitted to operate.
- There are good people in the industry who provide medicine to patients. I (Kimberly Cargile) am happy to give tours so people can better understand how we handle our money and security, etc.
- Marijuana should not be called medicine. Justifying its effects on low income neighborhoods is not fair.
 - The City is looking towards other cities, such as Oakland, and what they have done to enrich the community where cultivation sites are located.
- The industry is committing to having the tax money go to the neighborhoods. We recommend that the money be used for what the community needs.
- We have looked at other communities where this has happened – Oregon, Washington – the social burden falls on the low income communities full of people of color. DUIs go up, employability of youth goes down. We can't handle these social burdens.
- We, the residents, want to see the regulations that distributes revenue. We want to see the fine print regarding where the money will go. I don't object to having the grow facilities, I just don't want them on the boulevard. We want to see the regulations and the actual facts so we have all the details.
 - All the recommending regulations that are presenting to the City Council are available 10 days before the meeting and are made available to the public.
- There are some positives that can come out of this, but we don't want it right next to our homes, schools or shops. We want it farther away. This could attract a higher level of crime due to all the cash on hand.
- How far from our schools and homes can these cultivation sites be?
 - 600 feet from schools. City staff recommending 300-foot distance requirement from residential in C-2 zone, however City Council still has yet to approve those additional requirements. The Conditional Use Permit process is supposed to vet other issues with regard to proximity and other sensitive uses.
- Why is cultivation being put first? What about delivery and manufacture?
 - State legislation stated that if local government wanted to retain local control over cultivation, they must have regulations in place by March 2016. This is what drove the City to act and being working on zoning

- and land use ordinances for cultivation first. Delivery is pretty cut and dry due to the State law which requires it to be tied to a dispensary. City Council has not yet given city staff direction on distribution and transportation but has asked us to work on manufacture and delivery.
- There are other cities where everyone is just selling marijuana, like Watts and Compton. This is what is happening here in Sacramento too. It's just going to get worse.
 - Will the revenue really be used for additional police and code officers?
 - That is what the City staff is recommending the funds be used for.
 - What's the bottom line? Is there a start date for cultivation?
 - No applications will be accepted until we are ready to accept them and until an ordinance has been reviewed and approved by City Council.
 - Residents would like more notification of these meetings and other issues.
 - What if the community doesn't want cultivation?
 - The City Council decides the policies and passes or not the recommendations of City staff.
 - There will not be new police officers. The attrition is so bad it takes two years to fill positions. Don't just take their [City staff's] word for it that we are going to get more enforcement. Unless this money is specifically earmarked for police then it is worthless.
 - There are two districts that are being targeted. That means there are only two votes on Council but this money will benefit the whole City.
 - The City Manager is more for this than against. He just sees dollar signs. I don't think he cares what we are saying.
 - We have lists on the walls about what we want. The residential distance requirement is key as well as protecting our corridors that we have been promised will be developed. Hand write letters to your Council members and other City officials.
 - A Planning Commission member said that 'CUP's are always problematic to enforce' but Law and Legislation said it would be the CUP that protects us.

III. Work plan and upcoming dates

- Law and Legislation Meeting – October 18, 2016
 - City staff will bring forward recommendations for manufacturing and testing labs.
- City Council – October 25 2016
 - City will bring forward cultivation ordinances for Title 17 land use and Title 5 operating permit and ordinance for delivery