

# City of Sacramento

## Legislation Text

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File #: 2020-00598, Version: 1

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**Title:**

**Ordinances Amending Sections 17.216.510, 17.228.920, 17.424.060 and 17.424.070 of the Sacramento City Code Relating to Cannabis Uses in the Shopping Center Zone and the Del Paso Boulevard/Arden Way Special Planning District (M19-005) [Noticed 06/05/2020; Passed for Publication 06/02/2020; Published 06/05/2020] {Continued from 06/16/2020}**

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**Location:** Citywide (Shopping Center (SC) Zone and Planned Unit Development (PUD) Amendments) and the Del Paso Boulevard/Arden Way Special Planning District (SPD) Amendments)

**Recommendation:**

1) Conduct a public hearing and upon conclusion: a) pass a Motion determining the activity is exempt from CEQA (per CEQA Guidelines 15061(b)(1) and (3), Cal. Bus.& Prof. Code, § 26055 (h)); and b) adopt an Ordinance amending sections 17.216.510 and 17.228.920 of the Planning and Development Code relating to cannabis uses in the shopping center zone to be published in its entirety within ten days of adoption per City Code section 32(d); and 2) conduct a public hearing and upon conclusion: a) pass a Motion determining the activity is exempt from CEQA (per CEQA Guidelines 15061(b)(1) and (3), Cal. Bus. & Prof. Code, §26055(h)); and b) adopt an Ordinance amending sections 17.424.060 and 17.424.070 of the Planning and Development Code relating to cannabis uses in the Del Paso Boulevard/Arden Way (SPD) to be published in its entirety within ten days of adoption per City Code section 32(d).

**Contact:** Joy Patterson, Principal Planner, (916) 808-5607, Community Development Department

**Presenter:** Joy Patterson, Principal Planner, (916) 808-5607, Community Development Department

**Attachments:**

- 1-Description/Analysis
- 2-Ordinance Amending the SC Zone (Clean)
- 3-Ordinance Amending the SC Zone (Redline)
- 4-Ordinance Amending the Del Paso Blvd./Arden Way SPD (Clean)
- 5-Ordinance Amending the Del Paso Blvd./Arden Way SPD (Redline)
- 6-Map of Del Paso Blvd/Arden Way SPD Boundaries

## Description/Analysis

**Overall Issue Detail:** On June 16, 2020, the City Council conducted a public hearing on an ordinance amending sections of the Planning and Development Code (Title 17) which would allow cannabis storefront dispensaries in the SC zone, require guideline amendments in PUDs for storefront dispensaries and place additional restrictions on cannabis manufacturing, distribution and delivery-only cannabis dispensaries in the Del Paso Boulevard/Arden Way Special Planning District. The City Council continued the item to the June 30, 2020 meeting so that the amendments related to storefront dispensaries in the SC zone and PUD areas and the amendments to the SPD could be considered and voted on separately. The proposed ordinance reviewed by the Council on June 16, 2020 has been separated into two separate ordinances. A discussion on each proposed ordinance follows.

### **1) Ordinance Amending Sections 17.216.610 and 17.228.920 of the City Code (Proposed SC zone and PUD amendments)**

**Issue Detail:** The proposed amendments to sections 17.216.610 and 17.228.920 would permit storefront dispensaries in the SC zone subject to CUP review and approval. Storefront dispensaries are currently not permitted in the SC zone. The amendments would also require, if a storefront cannabis dispensary is proposed in a PUD, the PUD be amended to allow storefront dispensaries to ensure that the use is compatible with the goals and objectives of the PUD. This additional requirement in PUD areas would apply to all zoning districts, including the SC zone. These proposed amendments apply citywide.

On November 9, 2010, the Sacramento City Council adopted ordinance 2010-038 allowing cannabis dispensaries with a Conditional Use Permit (CUP) in the C-2, C-4, M-1, M-1S, M-2 and M-2S zones if locational criteria was met. An ordinance amending the Revenue section of the city code (Title 5) was also adopted, putting in place permitting requirements. The Title 5 ordinance also limited the number of dispensary licenses to a maximum of 30 in the city. Currently there are 29 dispensaries operating in the City of Sacramento, in six council districts: D2 - seven, D3 - three, D4 - seven, D5 - four, D6 - eight. Eleven of the storefront dispensaries are located in the C-2 zone, three in the C-4 zone, six in the M-1 zone, five in M-1S zone, zero in the M-2 zone and four in the M-2S zone.

On May 23, 2019, the Planning and Design Commission requested that staff work on an ordinance permitting storefront cannabis dispensaries in the SC zone. The SC zone is a retail commercial zone found in areas of the City of Sacramento developed after 1970 or in Planned PUDs, starting with the Campus Commons PUD in 1969 (the majority of SC zoned properties are found in PUDs). Of the total acreage of the City (64,410 acres), 757 acres, or 1.2 percent, is zoned SC. Prior to the 1970's, general/retail commercial areas in the city were typically zoned General Commercial (C-2). Two of the largest retail shopping areas in the City, Arden Fair and Delta Shores, are zoned C-2. As noted above, storefront cannabis dispensaries are currently permitted in the C-2 zone with a CUP.

The purpose of both the C-2 zone and the SC zone is to provide locations in the city for retail commercial sales. Staff finds that a cannabis storefront dispensary is a retail commercial use and an appropriate use in both the SC and the C-2 zones with CUP review and approval.

Currently none of the storefront dispensaries in the City are located in a PUD. In order to ensure that a dispensary would be compatible with the goals and objectives of a particular PUD, the proposed ordinance requires that the PUD development guidelines must be amended to specifically indicate that a dispensary may be permitted in the PUD. PUD amendments can be initiated by a property owner in the PUD and requires the approval of the Planning and Design Commission.

**Policy Considerations:** Adoption of the proposed ordinance amending 17.216.510 and 17.228.920 will allow for retail cannabis sales with a CUP in an additional retail commercial zone (SC) of the city and require Planning and Design Commission review of any storefront dispensary proposed in a PUD area in the city.

**Economic Impacts:** None.

**Environmental Considerations:** This action is exempt from the California Environmental Quality Act (CEQA) because it is the adoption of an ordinance, rule, or regulation that requires discretionary review, including environmental review, and approval of permits, licenses, or other authorizations to engage in commercial cannabis activity (CEQA Guidelines sections 15061(b)(1), California Business and Professions Code section 26055 (h)) and because it does not have the potential for causing a significant effect on the environment (CEQA Guidelines section 15061(b)(3)).

**Sustainability:** Not applicable.

**Commission/Committee Action:** On September 26, 2019, the Planning and Design Commission recommended approval of the proposed amendments to City Code chapters 17.216 and 17.228 permitting storefront dispensaries in SC zones with a vote of 7-0-5 (none opposed, 5 absent). Those proposed amendments were also reviewed by the Law and Legislation Committee on February 18, 2020, with a vote of 4-0 to recommend approval to the City Council.

**Rationale for Recommendation:** The proposed amendments reflect the May of 2019 direction of the Planning and Design Commission relative to the location of cannabis businesses in the City.

## **2) Ordinance amending Sections 17.424.060 and 17.424.070 of the City Code (Del Paso Boulevard/Arden Way SPD)**

**Issue Detail:** The Del Paso Boulevard/Arden Way Special Planning District (SPD) was established in

1994 to assist in the preservation of an active economic climate in this mixed-use neighborhood of residential, commercial and light industrial uses by retaining existing businesses while accommodating new development. One of the goals for properties in the area is to promote an active retail district along the two major thoroughfares of Del Paso Boulevard and Arden Way. A storefront cannabis dispensary, with an approved CUP, is a compatible land use with this goal. Cannabis production businesses and delivery-only dispensaries, however, are not.

Cannabis cultivation on parcels fronting Del Paso Boulevard and Arden Way in the SPD is prohibited (Ordinance 2018-0018). This ordinance adopted in May of 2018, however, did not address other cannabis businesses. Currently cannabis manufacturing, cannabis distribution and cannabis delivery-only dispensary businesses are permitted with a CUP. The proposed ordinance would place additional restrictions on manufacturing, distribution, and delivery-only cannabis businesses on these parcels.

The attached ordinance proposes that the SPD be further amended to limit cannabis manufacturing, distribution, and delivery-only dispensary businesses to the rear of the buildings that front on these two streets. These uses are not compatible with the goals of the SPD in that they are low intensity, non-retail uses that are not pedestrian-friendly and do not activate the street by encouraging visitors and customers to the SPD.

The attached ordinance amends sections 17.424.060 and 17.424.070 to require that cannabis manufacturing, distribution and delivery-only dispensary uses be: 1) limited to the rear one-third of any building located on a parcel fronting Del Paso Boulevard or Arden Way in the SPD area; and 2) be accessible and visible from the rear only of the building. These amendments will allow for activation of vacant buildings in the area while still promoting retail and general commercial uses on the two major streets of the SPD.

**Policy Considerations:** Adoption of the proposed ordinance amending 17.424.060 and 17.424.070 will limit non-retail cannabis uses on the Arden Way and Del Paso Boulevard frontages in the SPD while continuing to allow storefront cannabis dispensaries.

**Economic Impacts:** None.

**Environmental Considerations:** This action is exempt from the California Environmental Quality Act (CEQA) because it is the adoption of an ordinance, rule, or regulation that requires discretionary review, including environmental review, and approval of permits, licenses, or other authorizations to engage in commercial cannabis activity (CEQA Guidelines sections 15061(b)(1), California Business and Professions Code section 26055 (h)) and because it does not have the potential for causing a significant effect on the environment (CEQA Guidelines section 15061(b)(3)).

**Sustainability:** Not applicable.

**Commission/Committee Action:** On April 23, 2020, the Planning and Design Commission reviewed the proposed amendments to chapter 17.424 limiting commercial cannabis manufacturing, distribution and delivery-only dispensary uses on the Arden Way and Del Paso Boulevard frontages in the SPD and voted to recommend approval by a vote of 11 ayes, one no, with one seat vacant. On May 19, 2020, the Law and Legislation Committee reviewed the amendments to chapter 17.424 and, with a vote of four ayes, voted to recommend approval to the City Council.

**Rationale for Recommendation:** The proposed amendments reflect the direction off City Council at their workshop on January 14, 2020 relative to the location of cannabis businesses in the City.

**Financial Considerations:** Not applicable.

**Local Business Enterprise (LBE):** Not applicable.