

# City of Sacramento

## Legislation Text

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File #: 2021-00285, Version: 1

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**Title:**

**Establishing a Moratorium on Cannabis Uses in District 2 and Declaring the Ordinance to be an Emergency Measure to Take Effect Immediately [Four-Fifths Vote Required] (Noticed 03/26/2021) {Continued from 04/06/2021, 04/20/2021 & 05/04/2021}**

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**Location:** The area bounded by Hwy 160 and Arden Way on the south, the Natomas East Main Drainage Canal on the west, and the City limits to the north and east, District 2

**Recommendation:**

Conduct a public hearing and upon conclusion: 1) pass a Motion by two-thirds vote authorizing this item to bypass the Law and Legislation Committee review per Council Rule 13B.1.b.ii; 2) adopt a Resolution determining the proposed ordinance is not a “project” under the California Environmental Quality Act (CEQA) and is therefore exempt from CEQA Review (Pub. Res. Code, § 21065.); and 3) adopt an Emergency Ordinance by four-fifths vote establishing a moratorium on all cannabis dispensaries and cannabis production uses in District 2 (Sacramento City Charter section 32(g)(2)) to be published within ten days of adoption.

**Contact:** Garrett Norman, Associate Planner, (916) 808-7934; Evan Compton, Principal Planner, (916) 808-5260; Community Development Department

**Presenter:** Garrett Norman, Associate Planner, (916) 808-7934, Community Development Department

**Attachments:**

- 1-Description/Analysis
- 2-Map of District 2 Boundary
- 3-Resolution
- 4-Emergency Ordinance

## Description/Analysis

**Issue Detail:** In January 2021, Councilmember Loloee requested staff draft an ordinance establishing a moratorium on all cannabis uses within Council District 2. On February 11, 2021, the Planning and Design Commission passed a motion to initiate a study regarding cannabis uses in

North Sacramento to review concerns about overconcentration.

The purpose of this Ordinance is to protect the public health, safety, and welfare by prohibiting the establishment of any new cannabis dispensary or cannabis production use or the expansion or modification of those uses while the City studies and enacts new land use conditions and regulations to address the concerns of overconcentration. It would defeat in whole or part of the objectives of any proposed conditions and regulations if, during the period the proposed conditions and regulations are being studied and considered for adoption, further proliferation, establishment, expansion, or modifications of cannabis dispensaries and cannabis production uses occur.

The moratorium requires a four-fifths vote of the legislative body for adoption and initially would be effective for 45-days. The moratorium may be extended by City Council at subsequent hearings not to exceed a maximum cumulative period of two years. Each extension requires a four-fifths vote of the legislative body.

Cannabis dispensaries and cannabis production uses are permitted with a conditional use permit and the zoning districts allowing these land uses are primarily located within the southeast industrial area of the City and North Sacramento. There is an established threshold for findings related to undue concentration in the southeast industrial area and it is close to reaching that defined limit. There is no similarly defined threshold for the North Sacramento area.

There is an immediate need to define undue concentration for cannabis uses in the North Sacramento area. Approximately 62 properties have received entitlements to establish one or more cannabis related uses in District 2 since the City began accepting applications. Many of those addresses have multiple approvals to conduct more than one cannabis operation (e.g., production: cultivation, manufacturing, production; non-storefront delivery; or storefront dispensary). The City currently has five pending cannabis applications within the boundary area and project hearings for their consideration are imminent. New cannabis applications are also expected to proliferate in the North Sacramento area as the threshold is reached for the southeast area of the City.

The North Sacramento area has industrial zoning districts which directly abut residential neighborhoods. The industrial area also contains residential uses given past rezoning efforts over many decades which redefined the boundaries of the industrially zoned area. North Sacramento also has neighborhood-serving land uses which rely on locating within this industrial area to provide important amenities and services to the residents and those neighborhood-serving tenants have struggled to find available space as cannabis businesses establish and expand. The eclectic mix of land uses within this industrial area warrants a review of the locational standards for new cannabis businesses.

Staff is currently preparing a study to analyze the number, distribution, and extent of cannabis uses in District 2 to inform the discussion of overconcentration. Staff will also engage community members,

property owners, business associations, neighborhood associations, the district council offices, and other interested parties in defining the scope of concerns relating to cannabis uses and how best to address those concerns. Staff will bring forward the cannabis study and any recommended amendments to the Planning and Design Commission, Law and Legislation Committee, and City Council for their consideration with findings and a recommendation based on the data analyzed. A map of the District 2 boundary is provided in Attachment 2.

**Policy Considerations:** Issuing a moratorium and beginning a study of cannabis uses in North Sacramento is consistent with the City's goals and policies established in the 2035 General Plan:

**Goal LU 1.1 Growth and Change.** Support sustainable growth and change through orderly and well-planned development that provides for the needs of existing and future residents and businesses, ensures the effective and equitable provision of public services, and makes efficient use of land and infrastructure.

- **LU 1.1.12 Expanded Industrial and Heavy Commercial.** The City may allow existing industrial and heavy commercial uses in areas designated as Centers or Corridors to continue and expand operations, provided that such uses operate compatibly with existing and future new residential, and commercial development in the area.

*A majority of cannabis businesses are located in the City's industrial areas because the buildings and zoning are compatible for cannabis production and cannabis dispensaries. North Sacramento has the second highest concentration of industrial lands within the City, after the Power Inn area in the southeast area of the city.*

**Goal LU 2.1 City of Neighborhoods.** Maintain a city of diverse, distinct, and well-structured neighborhoods that meet the community's needs for complete, sustainable, and high-quality living environments, from the historic downtown core to well-integrated new growth areas.

- **LU 2.1.7 Good Neighbors.** The City shall encourage businesses located within and adjacent to residential developments to conduct their business in a courteous manner by limiting disturbances and nuisances from operations and patrons, and to act as members of the community by making themselves available to respond to complaints and by participating in neighborhood/community meetings.

*Many of North Sacramento's industrial areas are located along corridors with adjacent residential uses. For example, Kathleen Avenue has a row of industrial warehouses that is directly across the street from single-unit dwellings.*

**Goal LU 2.8 City Fair and Equitable.** Ensure fair and equitable access for all citizens to employment, housing, education, recreation, transportation, retail, and public services, including

participation in public planning for the future.

- **LU 2.8.3 High-Impact Uses.** The City shall avoid the concentration of high-impact uses and facilities in a manner that disproportionately affects a particular neighborhood, center, or corridor to ensure that such uses do not result in an inequitable environmental burden being placed on low-income or minority neighborhoods.

*Many of the cannabis businesses are located in the existing industrial areas, which are concentrated in North Sacramento and the southeast area of the City. The industrial areas in North Sacramento are typically closer to residential neighborhoods than those found in the southeast area of the City and the establishment of a disproportionate number of cannabis uses has the potential to displace other neighborhood-serving commercial tenants which provide important services and amenities to the neighborhood.*

**Economic Impacts:** Not applicable.

**Environmental Considerations:** This report concerns activities intended to preserve the status quo while the City considers further regulations relating to cannabis and does not constitute a “project” as defined by CEQA and will not result in a direct or reasonably foreseeable indirect physical change in the environment because this ordinance would prevent changes in the environment pending the review of overconcentration issues. (Pub. Res. Code, § 21065, CEQA Guidelines §§ 15060(c)(2)(3); 15061(b)(3); 15064(d)(3); 15378(a).)

**Sustainability:** Not applicable.

**Commission/Committee Action:** On February 11, 2021, the Planning and Design Commission passed a motion to initiate a study related to cannabis uses in North Sacramento.

**Rationale for Recommendation:** There is an immediate need to define undue concentration for cannabis uses in the North Sacramento area. Staff is recommending the Council pass a motion establishing a moratorium on cannabis production and cannabis dispensaries in District 2 to allow time to complete the requested study.

**Financial Considerations:** Placing a moratorium on new cannabis activities could result in a decrease in revenue from planning, building, and business operating permits, in addition to a loss in overall sales tax revenue.

**Local Business Enterprise (LBE):** No goods or services are being purchased under this report.