

File ID: 2026-01154

6/23/2026

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**An Ordinance Amending Various Provisions of Title 17 (Planning & Development Code) Relating to Cannabis Consumption Lounge Land Use (M26-014) [In Lieu of Pass for Publication Ordinance to be Published in its Entirety] [Published 06/12/2026]**

File ID: 2026-01154

**Location:** Citywide

**Recommendation:** Conduct a public hearing and upon conclusion, pass a **Motion:** 1) determining the Ordinance exempt from the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15061(b)(3); 2) adopt an **Ordinance** amending various provisions of Title 17 of the Sacramento City Code, relating to the cannabis consumption lounge land use; and 3) in lieu of publishing the ordinance title, publish the ordinance in full in the official newspaper of the City within ten days after adoption by the council, consistent with City Charter section 32(d).

**Contact:** Kirk Skierski, Senior Planner, (916) 808-7933, ktskierski@cityofsacramento.org; Kevin Colin, Zoning Administrator, (916) 808-5260, kcolin@cityofsacramento.org; Community Development Department

**Presenter:** Kevin Colin, Zoning Administrator, (916) 808-5260, kcolin@cityofsacramento.org, Community Development Department

**Attachments:**

- 1-Description/Analysis
- 2-Consumption Lounge Amendments Ordinance (Redline)
- 3-Consumption Lounge Amendments Ordinance (Clean)
- 4-Staff Presentation

**Description/Analysis**

**Issue Detail:** On November 19, 2024, the City Council adopted an ordinance amending Title 5 of the City Code concerning business regulations for cannabis consumption lounges. The ordinance provides business operating requirements for cannabis consumption lounges including:

- A cannabis lounge must be connected to a permitted storefront dispensary;
- Business permit types: Type 1 (non-smoking: other than smoking and vaping) and Type 2 (all

consumption: edibles, smoking, and vaping);

- Maximum cannabis lounge size of 1,500 square feet or 50% of total area of the storefront dispensary (whichever is smaller);
- Cannabis consumption lounge must be separated from all other areas of storefront dispensary by solid walls and doors;
- Interior must not be visible from the public right-of-way, non-age restricted areas, and unsecured areas surrounding the building, or main entrance and lobby;
- Type 2 (all consumption: edibles, smoking and vaping) must be indoors, fully enclosed, soundproofed, have negative pressure (i.e., to limit smoke leakage), non-recirculating and high rate of air exchange HVAC system, and odor prevention;
- Signage requirements for age, smoking-allowed (for Type 2), health warnings, parking and good neighborhood statements;
- Operating hours are between 7:00 AM and 11:00 PM;
- Age restriction of 21 years or older;
- Education and training requirements for managers, employees, and volunteers;
- A community-relations employee including their name and contact information provided by certified mail for all neighboring properties within 100 feet;
- Manager presence in lounge is required whenever a customer is present;
- Customer conduct requirements including information about ridesharing or ride-hailing services; and
- Repeal of all regulations on January 1, 2030.

In addition to enacting these regulations, the City Council also directed staff to return with an ordinance addressing equitable distribution of consumption lounges across council districts, and Title 5 councilmember call-up provisions relating to cannabis business permits. On September 16, 2025, the City Council decided not to cap consumption lounge business operating permits and adopted an ordinance removing councilmember call-up review of cannabis business permits from Title 5. Title 17 includes councilmember call-up review for conditional use permit decisions on all cannabis uses.

To allow cannabis consumption lounges to locate at a particular property in the City, additional amendments to Title 17 of the City Code are necessary. The enclosed ordinance includes amendments for cannabis consumption lounges including two main parts: (1) a land use permit type;

and (2) standards for where they can locate. The ordinance can be summarized as follows:

- Allow cannabis consumption lounges only on the premises of an existing or proposed cannabis storefront dispensary;
- Require Conditional Use Permit review and approval by the Planning and Design Commission at a noticed public hearing; and
- Provide for Councilmember call up of all Conditional Use Permit decisions.

**Policy Considerations:** When acting upon the proposed ordinance, City Code Section 17.916.010.D.1 requires consideration of two findings:

1. Finding (Section 17.916.010.D.1.a): As amended, Title 17 complements, supports, and facilitates the implementation of the goals, policies, and other provisions of the general plan and the City's specific plans and transit village plans.

Staff Analysis: The proposed ordinance advances the following 2040 General Plan goals by authorizing a new land use, cannabis consumption lounge, on the premises of a permitted storefront dispensary. Cannabis dispensaries are allowed in zoning districts that include the City's tourism/entertainment hub and neighborhood commercial, which provides opportunities of walking and other methods of travel and supports opportunities in suitable locations for employment and services. Furthermore, the proposed ordinance authorizes cannabis consumption lounges with approval of a conditional use permit, which is a discretionary entitlement, in which General Plan consistency and environmental review will be undertaken during the permit process.

#### *Land Use Element*

Goal LUP-2: Balanced and connected community with thriving neighborhoods and centers and development intensities linked to transit.

Goal LUP-4: Walkable, transit-oriented centers and corridors that concentrate new jobs, housing, and entertainment opportunities to support frequent, reliable transit service and foster connected, accessible neighborhoods.

Goal LUP-5: Attractive, thriving commercial centers that are well-located to serve the needs of Sacramento residents, workers, and visitors.

Goal LUP-11: Create built and natural environments within the city that prioritize, support, promote, and embrace social equity, ecological regeneration, responsible resource stewardship, and human health and well-being.

#### *Economic Development Element*

Goal E-1: A dynamic, resilient economy with a diverse array of business in established and

emerging industry sectors.

Goal E-2: Sustained, inclusive growth that generates long-term, shared value in the community and creates economic opportunities for all residents.

Goal E-3: A business environment conducive to growth, investment, collaboration, and the exchange of ideas.

### *Environmental Justice*

Goal EJ-5: Investments that address long-standing inequities, empower disadvantaged residents, and build neighborhood resilience.

2. Finding (Section 17.916.010.D.1.b): The amendment promotes the public health, safety, convenience, and welfare of the city.

Staff Analysis: The proposed ordinance promotes the public health, safety, convenience, and welfare of the city through regulations that require a conditional use permit reviewed by the Planning and Design Commission, which includes public notice and public hearings. The proposed ordinance works in concert with Title 5 of the Sacramento City Code, which includes business operating standards for the protection of patrons, employees, and adjacent properties.

**Economic Impacts:** The Sacramento Comprehensive Cannabis Study, prepared by Economic Planning & Systems and dated March 8, 2022, provides the following summarized observations of the City's first five years of the City's fully operational regulatory environment for adult cannabis use:

- Based on taxes remitted to the City by cannabis businesses, the cannabis industry in Sacramento took in more than \$800 million in 2021. The industry's 2021 income is more than 3.5 times the income of the industry during the first full year of legalization in 2018.
- The cannabis industry is now among the top 10 employment sectors in the City, with approximately 8,000 workers, half of whom are estimated to be in the cultivation sector.
- Cannabis operations generate a significant fiscal surplus (\$19.8 million in 2021) to the City's General Fund annually. Retail operations are the largest driver of fiscal surpluses, with an estimated surplus of \$11.3 million attributable to retail cannabis operations in 2021.
- Cannabis operations in the city are estimated to result in \$2.2 billion in total economic output in the local economy, annually, inclusive of direct, indirect, and induced impacts. Of the \$2.2 billion in activity (in 2021), \$606.3 million will be retained by employees of local businesses in the form of income.
- Cannabis operations generated \$1.5 billion in direct economic activity (in 2021), \$357.1 million

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of which is income. The remaining \$746.2 million of economic activity reflects the estimated indirect and induced impacts supported by cannabis operations as spending ripples through the local economy. This level of economic activity generates support for approximately 12,500 full- and part-time jobs in the region, including 8,000 direct, 2,600 indirect, and 1,800 induced jobs.

- Cannabis cultivation activities are estimated to generate \$1.6 billion in economic activity annually, supporting 7,000 jobs, the greatest level of impact generated out of all cannabis business groups analyzed.
- Business operations taxes are the largest revenue source for cannabis operation in the City. For the 2021/22 City budget, cannabis uses were anticipated to contribute approximately 73 percent of all business operations taxes generated in the city.
- Revenues generated are significantly greater than the cost of operating the Office of Cannabis Management.
- 40% of local cannabis tax revenues are, pursuant to Measure L, to be spent on child and youth services. Tax revenue collected is placed into the Sacramento Children's Fund and whose chief purpose is to support positive youth development and youth violence prevention programs - such as services for homeless youth and foster children; mental health counseling; substance-abuse treatment, prevention, and early intervention; and after-school activities - for children and youth less than 25 years old.

The local cannabis tax revenue for fiscal year 2025 was \$22,629,563 (40% = \$9,051,825).

**Environmental Considerations:** The Community Development Department, Environmental Planning Services Section has determined that the proposed ordinance is exempt from review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3).

It can be seen with certainty that there is no possibility that the proposed ordinance may have a significant effect on the environment. The proposed ordinance authorizes a new land use - cannabis consumption lounge - but this use is allowed only on the premises of a storefront cannabis dispensary, which is an existing authorized use, and only with approval of a conditional use permit, which is a discretionary entitlement in which environmental review will be undertaken during the permit process. In addition, cannabis consumption lounges are required to construct and implement business operating standards within Title 5 of the Sacramento City Code, which include HVAC and odor prevention requirements. Nonetheless, the addition of a consumption lounge use (i.e., on the premises of a storefront cannabis dispensary) will not result in a significant effect on the environment.

**Sustainability:** None.

**Commission/Committee Action:** The following actions have been taken to date regarding cannabis amendments to Title 17 of the City Code:

- On May 31, 2022, the City Council directed staff to evaluate seven points of direction relating to cannabis zoning regulations and return with recommended cannabis zoning amendments.
- On September 19, 2023, the Law and Legislation Committee directed Office of Cannabis Management (“OCM”) to develop a pilot framework for cannabis social consumption lounges.
- On May 21, 2024, the Law and Legislation Committee heard updates on the Title 17 Cannabis Amendments project and directed staff to bring back a package of policy recommendations for consideration.
- On May 21, 2024, OCM provided an informational update to the Law and Legislation Committee regarding a framework for consumption lounge business operating permits. The Committee provided direction to return with a framework to allow consumption business operating permits for all storefront dispensaries.
- On September 12, 2024, the Planning and Design Commission discussed preliminary recommendations of the Title 17 Cannabis Amendments Project and provided feedback to the proposed Title 17 cannabis amendments.
- On September 17, 2024, OCM presented a cannabis consumption business operating permit framework to the Law and Legislation Committee. The Committee forwarded the pilot program concept for social consumption to City Council for consideration but requested a City Council workshop soliciting the expertise of public health experts regarding cannabis consumption statewide public health trends prior to Council consideration of social consumption.
- On October 22, 2024, the City Council heard presentations from public health experts discussing statewide public health trends and secondhand smoke in dispensaries.
- On November 19, 2024, the City Council adopted an ordinance amending Title 5 concerning business regulations for cannabis consumption lounges.
- On March 13, 2025, pursuant to City Code Section 17.916.010(B), the Planning and Design Commission passed a motion forwarding a recommendation of approval. The commission’s recommendation also included amendments relating to proposed Title 17 zoning amendments for cannabis land uses.
- On April 8, 2025, pursuant Chapter 13 of the City Council Rules of Procedure, the Law and

Legislation Committee passed a motion forwarding the proposed cannabis ordinance and Planning and Design Commission recommendations to the City Council for discussion and direction.

- On September 16, 2025, the City Council reviewed, commented, and provided direction to staff on the desired contents of an ordinance.
- On November 18, 2025, the City Council reviewed, commented, and provided further direction to staff on the desired contents of an ordinance.
- On June 16, 2026, the City Council adopted an ordinance amending Title 17 relating to cannabis zoning regulations and definitions.

**Rationale for Recommendation:** To facilitate the cannabis consumption lounge pilot program established by the City Council on November 19, 2024, staff prepared an ordinance responsive to Council direction and for adoption purposes. The ordinance requires a conditional use permit reviewed by the Planning and Design Commission to establish a cannabis consumption lounge, which would be subject to councilmember call-up provisions.

**Financial Considerations:** Not applicable.

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

**ORDINANCE NO.**

Adopted by the Sacramento City Council  
Date Adopted

**AN ORDINANCE AMENDING VARIOUS PROVISIONS OF TITLE 17  
OF THE SACRAMENTO CITY CODE, RELATING TO CANNABIS CONSUMPTION LOUNGES**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

**SECTION 1.**

The city council finds the following:

1. As amended by this ordinance, the Planning and Development Code complements, supports, and facilitates the implementation of the goals, policies, and other provisions of the general plan and the city’s specific plans and transit village plans; and
2. The amendments in this ordinance promote the public health, safety, convenience, and welfare of the city.

**SECTION 2.**

A. Section 17.108.040 (“C” definitions) of the Sacramento City Code is hereby amended as follows:

1. A definition of “cannabis consumption lounge” is hereby added to read as follows:

“Cannabis consumption lounge” means the area on the premises (as defined in California Business and Professions Code section 26001), of a storefront cannabis dispensary where cannabis or cannabis products are allowed to be consumed in accordance with this code.

2. The definition of “cannabis use” is hereby amended to read as follows:

“Cannabis use” means cannabis production, cannabis testing, ~~and~~ cannabis dispensary, and cannabis consumption lounge.

B. Except as amended by subsection A above, all provisions of section 17.108.040 remain unchanged and in full effect.

**SECTION 3.**

A. A row for “cannabis consumption lounge” is hereby added to the table in subsection B.2 of section 17.212.110 (RMX zone; conditional uses; commercial and institutional uses) of the Sacramento City Code to read as follows:

<u>Cannabis consumption lounge</u>	<u>Subject to special use regulations in article IX of chapter 17.228</u>	<u>PDC</u>
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B. Except as amended by subsection A above, all provisions of section 17.212.110 remain unchanged and in full effect.

**SECTION 4.**

A. A row for “cannabis consumption lounge” is hereby added to the table in subsection B.2 of section 17.216.510 (SC zone; conditional uses; commercial and institutional uses) of the Sacramento City Code to read as follows:

<u>Cannabis consumption lounge</u>	<u>Subject to special use regulations in article IX of chapter 17.228</u>	<u>PDC</u>
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B. Except as amended by subsection A above, all provisions of section 17.216.510 remain unchanged and in full effect.

**SECTION 5.**

A. A row for “cannabis consumption lounge” is hereby added to the table in subsection B.2 of section 17.216.610 (C-1 zone; conditional uses; commercial and institutional uses) of the Sacramento City Code to read as follows:

<u>Cannabis consumption lounge</u>	<u>Subject to special use regulations in article IX of chapter 17.228</u>	<u>PDC</u>
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B. Except as amended by subsection A above, all provisions of section 17.216.610 remain unchanged and in full effect.

**SECTION 6.**

A. A row for “cannabis consumption lounge” is hereby added to the table in subsection B.2 of section 17.216.710 (C-2 zone; conditional uses; commercial and institutional uses) of the Sacramento City Code to read as follows:

<u>Cannabis consumption lounge</u>	<u>Subject to special use regulations in article IX of chapter 17.228</u>	<u>PDC</u>
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B. Except as amended by subsection A above, all provisions of section 17.216.710 remain unchanged and in full effect.

**SECTION 7.**

A. A row for “cannabis consumption lounge” is hereby added to the table in subsection B.2 of section 17.216.810 (C-3 zone; conditional uses; commercial and institutional uses) of the Sacramento City Code to read as follows:

<u>Cannabis consumption lounge</u>	<u>Subject to special use regulations in article IX of chapter 17.228</u>	<u>PDC</u>
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B. Except as amended by subsection A above, all provisions of section 17.216.810 remain unchanged and in full effect.

**SECTION 8.**

A. A row for “cannabis consumption lounge” is hereby added to the table in subsection B.2 of section 17.216.910 (C-4 zone; conditional uses; commercial and institutional uses) of the Sacramento City Code to read as follows:

<u>Cannabis consumption lounge</u>	<u>Subject to special use regulations in article IX of chapter 17.228</u>	<u>PDC</u>
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B. Except as amended by subsection A above, all provisions of section 17.216.910 remain unchanged and in full effect.

**SECTION 9.**

A. A row for “cannabis consumption lounge” is hereby added to the table in subsection B.2 of section 17.220.110 (M-1 zone; conditional uses; commercial and institutional uses) of the Sacramento City Code to read as follows:

<u>Cannabis consumption lounge</u>	<u>Subject to special use regulations in article IX of chapter 17.228</u>	<u>PDC</u>
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B. Except as amended by subsection A above, all provisions of section 17.220.110 remain unchanged and in full effect.

**SECTION 10.**

A. A row for “cannabis consumption lounge” is hereby added to the table in subsection B.2 of section 17.220.210 (M-1(S) zone; conditional uses; commercial and institutional uses) of the Sacramento City Code to read as follows:

<u>Cannabis consumption lounge</u>	<u>Subject to special use regulations in article IX of chapter 17.228</u>	<u>PDC</u>
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B. Except as amended by subsection A above, all provisions of section 17.220.210 remain unchanged and in full effect.

**SECTION 11.**

A. A row for “cannabis consumption lounge” is hereby added to the table in subsection B.2 of section 17.220.310 (M-2 zone; conditional uses; commercial and institutional uses) of the Sacramento City Code to read as follows:

<u>Cannabis consumption lounge</u>	<u>Subject to special use regulations in article IX of chapter 17.228</u>	<u>PDC</u>
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B. Except as amended by subsection A above, all provisions of section 17.220.310 remain unchanged and in full effect.

**SECTION 12.**

A. A row for “cannabis consumption lounge” is hereby added to the table in subsection B.2 of section 17.220.410 (M-2(S) zone; conditional uses; commercial and institutional uses) of the Sacramento City Code to read as follows:

<u>Cannabis consumption lounge</u>	<u>Subject to special use regulations in article IX of chapter 17.228</u>	<u>PDC</u>
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B. Except as amended by subsection A above, all provisions of section 17.220.410 remain unchanged and in full effect.

**SECTION 13.**

A. A row for “cannabis consumption lounge” is hereby added to the table in subsection B.2 of section 17.220.710 (MT zone; conditional uses; commercial and institutional uses) of the Sacramento City Code to read as follows:

<u>Cannabis consumption lounge</u>	<u>Subject to special use regulations in article IX of chapter 17.228</u>	<u>PDC</u>
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B. Except as amended by subsection A above, all provisions of section 17.220.710 remain unchanged and in full effect.

**SECTION 14.**

A. Section 17.228.920 of the Sacramento City Code is hereby amended as follows:

1. Subsection A.2 is hereby amended to read as follows:

2. A conditional use permit approved by the planning and design commission is required to establish ~~—a cannabis dispensary within 600 feet of any sensitive use.~~

a. A cannabis dispensary within 600 feet of any sensitive use.

b. A cannabis consumption lounge.

2. Subsection B.2 is hereby amended to read as follows:

2. Distance from schools. No cannabis use, except a consumption lounge, may be established within 600 feet of an elementary or middle school or within 1,000 feet of a high school.

B. Except as amended by subsection A above, all provisions of section 17.228.920 remain unchanged and in full effect.

**SECTION 15.**

Section 17.228.960 is hereby added to the Sacramento City Code to read as follows:

**17.228.960 Cannabis consumption lounges.**

A. As used in this section, “premises” has the same meaning as the definition in California Business and Professions Code section 26001.

B. A cannabis consumption lounge may only locate on the premises of a storefront cannabis dispensary.

**ORDINANCE NO.**

Adopted by the Sacramento City Council

Date Adopted

**AN ORDINANCE AMENDING VARIOUS PROVISIONS OF TITLE 17  
OF THE SACRAMENTO CITY CODE, RELATING TO CANNABIS CONSUMPTION LOUNGES**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

**SECTION 1.**

The city council finds the following:

1. As amended by this ordinance, the Planning and Development Code complements, supports, and facilitates the implementation of the goals, policies, and other provisions of the general plan and the city's specific plans and transit village plans; and
2. The amendments in this ordinance promote the public health, safety, convenience, and welfare of the city.

**SECTION 2.**

A. Section 17.108.040 ("C" definitions) of the Sacramento City Code is hereby amended as follows:

1. A definition of "cannabis consumption lounge" is hereby added to read as follows:

"Cannabis consumption lounge" means the area on the premises (as defined in California Business and Professions Code section 26001), of a storefront cannabis dispensary where cannabis or cannabis products are allowed to be consumed in accordance with this code.

2. The definition of "cannabis use" is hereby amended to read as follows:

"Cannabis use" means cannabis production, cannabis testing, cannabis dispensary, and cannabis consumption lounge.

B. Except as amended by subsection A above, all provisions of section 17.108.040 remain unchanged and in full effect.

**SECTION 3.**

A. A row for “cannabis consumption lounge” is hereby added to the table in subsection B.2 of section 17.212.110 (RMX zone; conditional uses; commercial and institutional uses) of the Sacramento City Code to read as follows:

Cannabis consumption lounge	Subject to special use regulations in article IX of chapter 17.228	PDC
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B. Except as amended by subsection A above, all provisions of section 17.212.110 remain unchanged and in full effect.

**SECTION 4.**

A. A row for “cannabis consumption lounge” is hereby added to the table in subsection B.2 of section 17.216.510 (SC zone; conditional uses; commercial and institutional uses) of the Sacramento City Code to read as follows:

Cannabis consumption lounge	Subject to special use regulations in article IX of chapter 17.228	PDC
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B. Except as amended by subsection A above, all provisions of section 17.216.510 remain unchanged and in full effect.

**SECTION 5.**

A. A row for “cannabis consumption lounge” is hereby added to the table in subsection B.2 of section 17.216.610 (C-1 zone; conditional uses; commercial and institutional uses) of the Sacramento City Code to read as follows:

Cannabis consumption lounge	Subject to special use regulations in article IX of chapter 17.228	PDC
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B. Except as amended by subsection A above, all provisions of section 17.216.610 remain unchanged and in full effect.

**SECTION 6.**

A. A row for “cannabis consumption lounge” is hereby added to the table in subsection B.2 of section 17.216.710 (C-2 zone; conditional uses; commercial and institutional uses) of the Sacramento City Code to read as follows:

Cannabis consumption lounge	Subject to special use regulations in article IX of chapter 17.228	PDC
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B. Except as amended by subsection A above, all provisions of section 17.216.710 remain unchanged and in full effect.

**SECTION 7.**

A. A row for “cannabis consumption lounge” is hereby added to the table in subsection B.2 of section 17.216.810 (C-3 zone; conditional uses; commercial and institutional uses) of the Sacramento City Code to read as follows:

Cannabis consumption lounge	Subject to special use regulations in article IX of chapter 17.228	PDC
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B. Except as amended by subsection A above, all provisions of section 17.216.810 remain unchanged and in full effect.

**SECTION 8.**

A. A row for “cannabis consumption lounge” is hereby added to the table in subsection B.2 of section 17.216.910 (C-4 zone; conditional uses; commercial and institutional uses) of the Sacramento City Code to read as follows:

Cannabis consumption lounge	Subject to special use regulations in article IX of chapter 17.228	PDC
-----------------------------	--	-----

B. Except as amended by subsection A above, all provisions of section 17.216.910 remain unchanged and in full effect.

**SECTION 9.**

A. A row for “cannabis consumption lounge” is hereby added to the table in subsection B.2 of section 17.220.110 (M-1 zone; conditional uses; commercial and institutional uses) of the Sacramento City Code to read as follows:

Cannabis consumption lounge	Subject to special use regulations in article IX of chapter 17.228	PDC
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B. Except as amended by subsection A above, all provisions of section 17.220.110 remain unchanged and in full effect.

**SECTION 10.**

A. A row for “cannabis consumption lounge” is hereby added to the table in subsection B.2 of section 17.220.210 (M-1(S) zone; conditional uses; commercial and institutional uses) of the Sacramento City Code to read as follows:

Cannabis consumption lounge	Subject to special use regulations in article IX of chapter 17.228	PDC
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B. Except as amended by subsection A above, all provisions of section 17.220.210 remain unchanged and in full effect.

**SECTION 11.**

A. A row for “cannabis consumption lounge” is hereby added to the table in subsection B.2 of section 17.220.310 (M-2 zone; conditional uses; commercial and institutional uses) of the Sacramento City Code to read as follows:

Cannabis consumption lounge	Subject to special use regulations in article IX of chapter 17.228	PDC
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B. Except as amended by subsection A above, all provisions of section 17.220.310 remain unchanged and in full effect.

**SECTION 12.**

A. A row for “cannabis consumption lounge” is hereby added to the table in subsection B.2 of section 17.220.410 (M-2(S) zone; conditional uses; commercial and institutional uses) of the Sacramento City Code to read as follows:

Cannabis consumption lounge	Subject to special use regulations in article IX of chapter 17.228	PDC
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B. Except as amended by subsection A above, all provisions of section 17.220.410 remain unchanged and in full effect.

**SECTION 13.**

A. A row for “cannabis consumption lounge” is hereby added to the table in subsection B.2 of section 17.220.710 (MT zone; conditional uses; commercial and institutional uses) of the Sacramento City Code to read as follows:

Cannabis consumption lounge	Subject to special use regulations in article IX of chapter 17.228	PDC
-----------------------------	--	-----

B. Except as amended by subsection A above, all provisions of section 17.220.710 remain unchanged and in full effect.

**SECTION 14.**

A. Section 17.228.920 of the Sacramento City Code is hereby amended as follows:

1. Subsection A.2 is hereby amended to read as follows:

2. A conditional use permit approved by the planning and design commission is required to establish—

- a. A cannabis dispensary within 600 feet of any sensitive use.
- b. A cannabis consumption lounge.

2. Subsection B.2 is hereby amended to read as follows:

2. Distance from schools. No cannabis use, except a consumption lounge, may be established within 600 feet of an elementary or middle school or within 1,000 feet of a high school.

B. Except as amended by subsection A above, all provisions of section 17.228.920 remain unchanged and in full effect.

**SECTION 15.**

Section 17.228.960 is hereby added to the Sacramento City Code to read as follows:

**17.228.960 Cannabis consumption lounges.**

A. As used in this section, “premises” has the same meaning as the definition in California Business and Professions Code section 26001.

B. A cannabis consumption lounge may only locate on the premises of a storefront cannabis dispensary.

*City of*  
SACRAMENTO



# Cannabis Consumption Lounges

June 23, 2026 City Council

# OVERVIEW

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- *Background*
- *Ordinance Overview*
- *Recommendation*

# Public Meetings

## Title 17 Cannabis Zoning Amendments

### Cannabis Study @ Stakeholder Meetings

- 7 meetings

### Cannabis Study @ Committee/Council

- 5 meetings

### Community Meetings - Zoning Changes

- 7+ meetings

### Ordinance Public Hearings

- March 13, 2025 (PDC)
- April 8, 2025 (L&L)
- September 16, 2025 (Council)
- November 18, 2025 (Council)
- June 16, 2026 (Council)

# Public Meetings

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Cannabis Consumption  
Lounges

## OCM - Public Hearings

- September 19, 2023 (L&L)
- May 21, 2024 (L&L)
- September 17, 2024 (L&L)
- October 22, 2024 (Council)
- November 19, 2024 (Council)
- June 23, 2026 (Council)

# Cannabis: Local Regulatory Framework

## City of Sacramento – City Code

### Title 5 (Business)

Who	How
When	Which
Whether	How many

### Title 17 (Zoning)

Where

# Title 5

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**Who How**

**When Which**

**Whether How Many**

**Adopted  
November 19, 2024**

- Connected w/ permitted dispensary
- Age restriction (21+)
- Size limitation
- Separated & not visible from public
- Signage & education
- Community-Relations employee
- Manager presence
- HVAC improvements\* (i.e., negative pressure, odor prevention, etc.)

# Title 17

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## Where

### Location

- On the premises of a storefront dispensary

### Zoning Districts

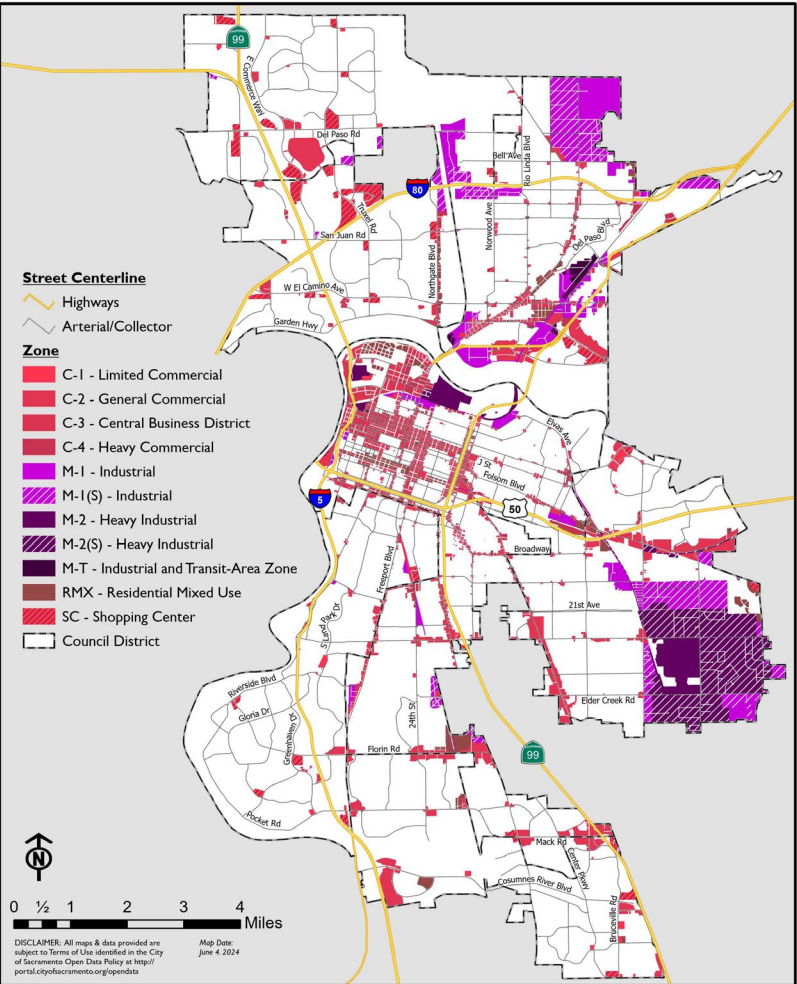
- RMX, C-1, C-2, C-3, C-4, SC, M-1, M-1(s), M-2, M-2(s), & MT

### Permit Process

- Commission level CUP
- Subject to Councilmember call-up

# Title 17

## Zoning Districts that allow Dispensaries



# Recommendation

Pass motion:

- Determining the Ordinance exempt from the California Environmental Quality Environmental Act (CEQA)
- Adopting Ordinance amending various provisions of Title 17 of the Sacramento City Code relating to the cannabis consumption lounge land use.

# Thanks!

Contact:

Kevin Colin, Zoning Administrator  
(916) 808-5260  
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