



**Agenda Item A.1**  
**WORKSHOP**  
**Meeting Date: January 23, 2019**

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**TO:** Mayor and Councilmembers

**FROM:** Peter T. Imhof, Planning and Environmental Review Director

**CONTACT:** Anne Wells, Advance Planning Manager

**SUBJECT:** Cannabis Ordinance Workshop

**RECOMMENDATION:**

Provide staff feedback regarding proposed amendments to the City's Cannabis Land Use Ordinance, Cannabis Business License Ordinance and related General Plan policies.

**EXECUTIVE SUMMARY**

Over the last several years, California voters and the state legislature created a legal framework to enable the cannabis industry to move into a regulated commercial market. In response to these changes, on July 17, 2018, the Goleta City Council adopted a Cannabis Land Use Ordinance (Ordinance No. 18-03) to permit and regulate medicinal and adult cannabis uses and adopted a Cannabis Business License Ordinance (Ordinance No. 18-02). Ordinance No. 18-03 is provided as Attachment 1 to this staff report for reference purposes.

On October 2, 2018, the City Council initiated the process of a General Plan amendment to consider allowable cannabis uses in the Land Use Element Tables 2-1 through 2-4 and an ordinance amendment to reconsider uses, locations, and buffers. The purpose of this public workshop is for the City Council and the public to review and provide staff feedback on the proposed General Plan and ordinance amendments. The proposed amendments to the General Plan and Cannabis Land Use Ordinance are provided as Attachments 2 and 3 respectively. A more robust application screening process is also proposed to be added to the Cannabis Business License Ordinance (Ordinance No. 18-02). The proposed amendments are provided as Attachment 4.

## **BACKGROUND:**

### **State Regulation**

The voters of California passed Proposition 64 entitled The Control, Regulate and Tax Adult Use of Marijuana Act (commonly known as the Adult Use of Marijuana Act or AUMA) in November 2016. AUMA legalized recreational marijuana use and personal cultivation. AUMA also allowed for the operation of recreational marijuana businesses, if a state license is obtained. AUMA allows local governments to regulate commercial cannabis activities, consistent with the state licensing scheme, or completely prohibit commercial cannabis-related businesses. If a local government allows commercial cannabis-related activity and has a permitting system in place, commercial license applicants must first obtain a local permit before the state will issue a license. After the approval of AUMA, the state legislature passed the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) in June 2017. MAUCRSA established a regulatory and licensing scheme at the state level for all recreational and medicinal cannabis uses. In November 2017, the State issued emergency regulations that outline the standards and licensing procedures for both medicinal and adult-use commercial cannabis uses. Beginning in January 2018, cannabis businesses could receive temporary state operating licenses. New regulations have been passed since January 2018. Effective April 2019, the state will proceed with plans to prohibit local governments from banning cannabis deliveries, pursuant to Title 16 of the California Code of Regulations, Section 5416(d). City staff is working with consultant HDL to determine whether cities may at least regulate hours of operation of cannabis delivery.

### **Cannabis Land Use Ordinance Adoption Process**

The City held a community workshop on August 21, 2017, seeking input on how the City should regulate recreational cannabis uses. On September 7, 2017, City Council instructed staff to develop a cannabis ordinance that allows and regulates recreational (adult-use) cannabis. The City hosted two nights of workshops on October 23 and 30, 2017. The workshops focused on ten "Recommendation Sets" that outlined a general framework for the Ordinance. After the October workshops, staff began developing the Ordinance. On April 26, 2018, the City held a Joint City Council and Planning Commission workshop to review the Draft Cannabis Land Use Ordinance. Following that workshop, staff revised the draft ordinance in preparation of the Planning Commission hearing.

On June 11, 2018, the Planning Commission conducted a noticed public hearing to consider recommendations to the City Council regarding the Ordinance and associated environmental review document. On June 19, 2018, City Council conducted a first reading of the Ordinance and approved the Cannabis Land Use Ordinance CEQA Addendum to the Goleta General Plan/Coastal Land Use Plan Final Environmental Impact Report. On July 17, 2018, City Council conducted a second reading of the Ordinance. The Ordinance went into effect on August 17, 2018. Since the effective date of the ordinance, the City has received and is processing applications for storefront retail and non-storefront-related cannabis uses.

## **Cannabis Land Use Ordinance Structure**

Section 5 of the Cannabis Land Use Ordinance includes the regulations for cannabis uses within the City. These include:

- ***Definitions and Use Classifications*** – These sections include definitions for words used in the ordinance and the definitions of the various uses allowed under the Ordinance.
- ***Personal Cultivation*** – State law requires the City to allow cultivation for personal use. However, this personal allowance may be limited to six plants per residence and to indoor cultivation only. This section provides a regulatory structure for this allowance.
- ***Allowed Cannabis Uses*** – The table provided in this section mirrors the formatting approach in the Draft New Zoning Ordinance. Each allowable cannabis use is included and where each use is allowed, the permit path is indicated. City staff developed these allowances based on the land use designations in Tables 2-1 through 2-4 of the City's General Plan Land Use Element. City staff identified uses comparable to the cannabis uses in these General Plan tables and where the comparable use is allowed in the General Plan, the Ordinance allows the cannabis use.
- ***Accessory Uses*** – One of the cannabis business licenses the state offers is for a "microbusiness". There is no comparable use in the General Plan to guide where the City should allow such a use. In order to address the lack of a direct comparison in the General Plan, the Accessory Uses section allows for multiple cannabis uses at one location as long as the primary use is allowed in that land use designation and that the other cannabis uses are clearly subordinate to that primary use.
- ***Specific Use Standards*** – This section identifies specific standards that apply to all cannabis uses and to each use type in particular. Of note, this section includes no buffers around sensitive receptors, no separation requirements between cannabis uses except between storefront retail uses (300 feet), and prohibits on-site cannabis consumption.
- ***Permit Procedures*** – This section provides the permit path for each cannabis use. For all but storefront retail, a Land Use Permit/Coastal Development Permit is required. For storefront retail a Minor Conditional Use Permit (CUP) is required. Where storefront retail is within 100 feet of a residential land use or within 600 feet of a school, a Major CUP is required.
- ***Inspection, Revocation, and Enforcement*** – These sections include the right to inspection for City staff and other agencies. These sections also include references to existing zoning regulations related to permit revocation and enforcement.

## **Cannabis Land Use Ordinance Implementation**

As of January 11, 2019, the City has received 14 applications for storefront retail uses, each requiring a CUP, and 7 applications for other cannabis uses, each requiring an LUP. Of the

14 CUP applications, 9 are in Old Town, 7 of which are directly on Hollister Avenue. Three of the seven applications on Hollister Avenue are buffered out by the existing 300-foot storefront retail use separation requirement, resulting in four active applications on Hollister Avenue. In total, there are nine active CUP applications.

### **Land Use Ordinance and General Plan Amendment Initiation**

During implementation, several issues have been raised that necessitate expanded clarity between the City's General Plan, the adopted Land Use Ordinance, and the adopted Cannabis Business License Ordinance. In response to this need, the City Council initiated the process to amend the General Plan (via Resolution No. 18-52) and the Cannabis Land Use Ordinance (via Resolution 18-53), the subject of this staff report and public workshop.

### **Business License Ordinance**

The City's Cannabis Business License Ordinance (Ordinance No. 18-02) was adopted on July 17, 2018 and establishes operating standards that ensure businesses are operating in compliance with local and state law. The proposed amendments to the Cannabis Land Use Ordinance will include removing the requirement for a cannabis business to obtain a land use permit to purely operate as a cannabis business. If other development at a property site triggers a land use permit, the zoning requirements would be imposed. However, the pure operation of a cannabis business, involving no other need for a land use permit, would not need to undergo a land use permit process.

Established cannabis industries in Colorado and Washington have shown that failing businesses will become the greatest drain on local government resources, generating more quality of life complaints, requiring more time and attention by enforcement staff, and being the greatest risk of illegally diverting cannabis to the black market. A screening process will promote the licensing of quality businesses so there is minimal impact to local government resources. With the failure rate of cannabis businesses expected to exceed 30%, it is important to mitigate the risk of failure through a comprehensive application screening process. A screening process is designed to identify responsible cannabis applicants who best fit the local community while screening out those who do not align with the City's priorities and/or are less prepared to enter the regulated market.

A robust application screening process is proposed to be added to the Cannabis Business License Ordinance to ensure that all state and local regulations can be met by an applicant. The existing operating requirements will be updated in accordance with best practices and new state regulations that have been adopted since adoption of the City's Cannabis Business License Ordinance.

The adoption process for the amended Cannabis Business License Ordinance will occur in parallel with any Cannabis Land Use Ordinance amendments so that all cannabis related items are presented to the City Council concurrently or soon thereafter.



## **DISCUSSION**

The goal of the workshop is to discuss and provide staff feedback on the proposed amendments. Guidance on these details will enable staff to process the General Plan and Cannabis Land Use Ordinance amendments for adoption hearings planned for March and April of 2019. This feedback will also assist City staff in understanding the necessary environmental review for the ordinance.

In order to structure the amendment discussion, staff identified specific cannabis-related General Plan and Ordinance topics for feedback that staff believes will address the concerns with implementation of the Ordinance and development of the Cannabis Business License Ordinance. A summary of these topics and relevant questions to consider are provided below:

### **Proposed General Plan Amendments**

#### ***Consideration of Accessory Uses***

During the adoption process for the Cannabis Land Use Ordinance, staff presented that accessory uses would be allowed as long as the primary cannabis use on a premises was allowed consistent with a comparable use identified for a given General Plan Land Use Designation in General Plan Land Use Element Tables 2-1 through 2-4. After adoption of the Cannabis Land Use Ordinance, staff assessed the issue of accessory uses more broadly than cannabis and determined that adding clarity to the General Plan Land Use Element Tables 2-1 through 2-4 and Cannabis Land Use Ordinance regarding accessory uses was necessary.

Accessory uses are usually regulated by the zoning ordinance. Therefore, a general clarification note is proposed to be added: "Accessory uses to the allowed uses in this table are regulated through zoning." The Cannabis Land Use Ordinance will regulate accessory cannabis uses by stipulating what accessory uses are allowed. Allowable accessory uses will relate allowed primary uses, e.g., insofar as they must be "customarily incidental" to allowed primary uses.

#### **Proposed Amendment**

1. Does the City support adding a clarifying footnote to Land Use Element Tables 2-1 through 2-4 stating that accessory uses are allowed where accessory to an allowed use as regulated through zoning and adding language to the Cannabis Land Use Ordinance which will require that an accessory cannabis use be permitted only if the particular use is allowed as a permitted use in Table 1 of the Cannabis Land Use Ordinance?

#### ***Consideration of Cannabis Retail in General Industrial (I-G)***

During the adoption process for the Cannabis Land Use Ordinance, staff presented that the General Industrial (I-G) land use designation was inappropriate for Storefront Retail cannabis uses as General Plan Land Use Element Table 2-3 does not provide an

allowance for retail trade in I-G except for Building/Landscape Materials and Equipment. However, retail of medicinal cannabis has been recognized as a legal non-conforming use for two of the three existing cannabis dispensaries. In order to legitimize the existing use, the Cannabis Land Use Ordinance would need to be amended to allow storefront retail in I-G, an action that requires a companion General Plan amendment also allowing Cannabis Storefront Retail in I-G.

*Question*

2. Does the City support Cannabis Storefront Retail in I-G but limited to locations where a Cannabis Dispensary was in operation prior to Cannabis Dispensary ban dated June 16, 2009?

***Consideration of Cannabis Distribution in Business-Park (I-BP)***

During the City Council adoption hearing for the Cannabis Land Use Ordinance, several Councilmembers expressed a desire to allow Cannabis Distribution in I-BP. City staff explained that such an allowance would be incompatible with the General Plan as “General Wholesale Trade” is not an allowed use in I-BP as noted in General Plan Table 2-3. Consequently, in order to allow Cannabis Distribution in I-BP, a General Plan amendment clarifying that General Wholesale Trade in I-BP is allowed but for cannabis distribution only.

*Question*

3. Does the City support amending the General Plan to allow General Wholesale Trade in I-BP but limiting the use to only Cannabis Distribution?

**Proposed Cannabis Land Use Ordinance Amendments**

Based on experience gained through the early processing of cannabis applications, Council feedback during the Cannabis Land Use Ordinance adoption process, and as informed by the development of the Cannabis Business License Ordinance, staff identified the need for Council to consider ordinance amendments. The proposed Cannabis Land Use Ordinance amendments are provided in Attachment 3 and are intended to move the land use regulations towards a more ministerial and less discretionary process, avoid overconcentration of storefront retail in Old Town, and to allow the existing cannabis retail business to continue.

***Permitting Procedures***

Under the Cannabis Land Use Ordinance, for all but storefront retail, a Land Use Permit/Coastal Development Permit is required. For storefront retail, a Minor CUP is generally required. Where storefront retail is within 100 feet of a residential land use or within 600 feet of a school, a Major CUP is required.

During application processing the requirement for a CUP for all storefront retailers has proved a challenge for applicants because of various site constraints. While no CUP application has been deemed “complete” by Planning and Environmental Review

Department staff, the expectation is that many of the Storefront Retail applications will be complicated and require changes in site configuration and potentially lengthy environmental review. One of the issues to address in the CUP process was what impacts a cannabis business would have on the neighborhood. However, it is a complicated process to use when a cannabis retailer wants to move into a space in which retail of another product had existed. Going from one type of retail use to another retail use does not necessarily involve a land use problem so long as all the state regulations and City operating standards are adhered to. The latter regulations deal with inventory access controls, adherence to administrative privileges as required by the various state licenses (e.g. no overlapping areas for cultivation and retail), cash handling, and security plans. These controls are all crucial to ensuring that a cannabis business does not create nuisances and quality of life impacts. These controls are more appropriately placed in the Cannabis Business License Ordinance. If a cannabis business cannot meet state and local regulations, it will not be issued a Cannabis Business License.

Question

4. Should the City eliminate permit requirements for Cannabis uses and rely on the Cannabis Business License Ordinance for standards and requirements?

***Storefront Retail Sensitive Receptor Buffers***

The City can require buffers between “sensitive receptors” and cannabis uses. The default under state law is that no licensed cannabis operation may be located within 600 feet of any “school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center that is in existence at the time the license is issued.” However, the same provision of state law notes that this 600-foot standard from those uses applies unless “a...local jurisdiction specifies a different [buffer].” Through the development of the Cannabis Land Use Ordinance, the City chose to include no prohibitive buffers around schools, day care, and youth centers and did not add any additional uses for prohibitive buffers. The Cannabis Land Use Ordinance does require a Major Conditional Use Permit (CUP), as opposed to a Minor CUP, for storefront retailers within 600 feet of a school or 100 feet of a residential land use. Since recommends eliminating the CUP process, staff seeks direction regarding whether the Council wants state law to apply (600 foot buffer) or wants to set a different prohibitive buffer around daycares, schools and youth centers. If the City does not expressly specify a buffer for these three types of entities, the state law would apply. Maps will be presented during the workshop regarding buffers around sensitive receptors to show Council how each type of buffer would eliminate potential cannabis business locations.

One location that the City Council could choose to expressly provide for a buffer is the Goleta Valley Community Center. The Goleta Valley Community Center buffer would serve to reduce the number of storefront retail dispensaries in Old Town and serve as a protective measure for this important publicly-owned facility. If the City chooses to go in this direction, staff suggests that the Council consider a 300-foot prohibitive buffer from the Community Center, which would exclude storefront retail within one block around the Community Center parcel. It is important to note that a 300-foot buffer would preclude two

of the storefront retail applications from moving forward but would preclude any of the existing dispensaries.

At the workshop, staff will present maps of buffer options for discussion purposes, showing how different buffers would work in practice and in the context of the existing dispensary locations.

Question

5. Should the City consider including a buffer (e.g., 300 feet) around the Goleta Valley Community Center.

Storefront Retail Separation Requirements

The Ordinance requires a 300-foot separation requirement between cannabis storefront retail uses. During implementation of the ordinance, the 300-foot separation has allowed for 6 active applications in Old Town. Three additional applications were received but are buffered-out by previously received applications. In order to address potential concentrations issues, the City could choose to enlarge the separation requirement. A 600-foot separation requirement would quadruple the area around a storefront retail use that would be prohibited from opening a storefront retail cannabis use. Increasing a buffer would have the effect of increasing the probability that an overconcentration of cannabis businesses would not occur.

Question

6. Should the City consider enlarging the storefront retail separation requirement, e.g., to 600 feet?

At the workshop, staff will present maps of separation requirements for discussion purposes, showing how different separation requirements would work in practice and in the context of the existing dispensary locations.

Effects of New Regulations on Existing Applications

At such time that amended cannabis land use and cannabis business license ordinances are adopted, pending applications will be subject to the new requirements. Depending on the location of the application and the impacts of new buffers and separation requirements, pending applications may be affected. In some cases, applications may be located within a new prohibitive buffer around the Community Center. In other cases, applications may be located within an expanded, prohibitive storefront retail use separation requirement and not be able to operate at the proposed locations. For the applications still in play, they may be prohibited at their proposed location. If there is no conflict with a buffer or separation requirement, they may not need a zoning permit, meaning a quicker turnaround of the pending applications. All applicants have been informed of the ordinance amendment process and the fact that the amendments could affect their applications.

## Proposed Cannabis Business License Ordinance Amendments

As discussed in the section entitled “Permitting Procedures” above, the goals of the Cannabis Business License Ordinance are to (1) establish an application screening process that will ensure that only businesses that are capable of meeting all local and state requirements are allowed, and (2) establish operating standards that will ensure that businesses are operating in compliance with local and state law. Since the current Cannabis Business License Ordinance already provides for the latter fairly well, the primary change will be to add a robust application screening process. (See Attachment 4.)

### Application Screening Process

All cannabis business license applicants would be required to submit an application that meet the minimum requirements, including:

- *Qualifications of Owners.* Applicants would be required to demonstrate that they are over 21 years of age, have no felony convictions and have not been convicted of possession, manufacture, sales and distribution of a controlled substance, except with respect to cannabis related offenses.
- *Site Plan.* Applicants would be required to provide the physical address and provide a detailed description of the physical property, including building and interior floor plan.
- *Business Plan.* Applicants would be required to provide a description of the day-to-day operations consistent with each license type sought. The proposed operations should acknowledge both state and local laws and be consistent with industry best practices. The description should be detailed enough to demonstrate how local and state law would be adhered to. For example, a cultivation and retail licensee cannot have any flowering plants in its retail area under the state law. Cultivation licensees will be required to provide a detailed premises diagram showing all boundaries and dimensions of canopy, chemical storage, packing, composting, and harvested cannabis storage. In addition, light diagrams and water plans must also be submitted.
- *Green Business Practices.* Applicants would be required to describe any proposed “green” business practices relating to energy and climate, water conservation, and materials and waste management.
- *Safety Plan.* Applicants would be required to include a detailed safety plan, including overall facility safety features, a written description including fire prevention, suppression, HVAC and alarm systems.
- *Security Plan.* Applicants would be required to provide a detailed security plan including overall security features, a diagram demonstrating the location of all cameras and recording equipment, access control equipment and all safes, vaults and locked and secured rooms, and a written description of operational security including security policies, employee policies, visitor security, third party contractor security, and delivery security. Ingress and egress access, perimeter security and product security will also be assessed.

- *Enhanced Product Safety.* Applicants will be required to show that they meet the track and trace requirements in addition to packaging and labeling standards.

### Operational Standards

The Cannabis Business License Ordinance will be updated to reflect recent changes in state law, address deficiencies in state law, and to augment the operating standards governing the cannabis business types allowed in Goleta with additional provisions reflecting best practices based on local regulatory experience with the cannabis industry to date. The operational standards will provide for new regulatory provisions governing deliveries and imposing a permit requirement for any delivery within the city limits. These changes are necessary in light of the new state rule, expected to take effect in April 2019 that provides that local governments can no longer ban deliveries coming from within or without their borders.

### Next Steps

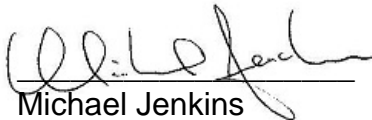
Based on the feedback from the workshop, staff will prepare any desired General Plan Amendments and/or amendments to the Cannabis Land Use Ordinance for public hearings in front of the Planning Commission and City Council. The draft Cannabis Business License Ordinance adoption process will occur in parallel so that all cannabis related items are presented to the City Council concurrently, or with the business/regulator items following shortly thereafter.

Staff will also address the requirements of the California Environmental Quality Act (CEQA). Should the General Plan and ordinance amendments remain as proposed, staff believes an addendum to the General Plan Environmental Impact Report will be appropriate based on the land use consistency between the General Plan and ordinance. Should other major changes to the General Plan or Draft Ordinance take place as a result of workshop feedback, staff will need to reassess the appropriate CEQA compliance requirements.


### **FISCAL IMPACTS:**

There is no fiscal impact associated with this item.

### **Legal Review By:**

  
Michael Jenkins  
City Attorney

### **Approved By:**

  
Michelle Greene  
City Manager

**ATTACHMENTS:**

1. Cannabis Land Use Ordinance No. 18-03
2. Proposed General Plan Amendments
3. Proposed Cannabis Land Use Ordinance Amendments
4. Proposed Cannabis Business License Ordinance Amendments





Attachment 1

Cannabis Land Use Ordinance No. 18-03



## **ORDINANCE NO. 18-03**

### **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GOLETA, CALIFORNIA, REPEALING DEFINITIONS AND REGULATIONS FROM THE INLAND AND COASTAL ZONING ORDINANCES AND ESTABLISHING REGULATIONS FOR VARIOUS CANNABIS USES WITHIN THE CITY**

**WHEREAS** the voters of California passed Proposition 64 entitled The Control, Regulate and Tax Adult Use of Marijuana Act (commonly known as the Adult Use of Marijuana Act or AUMA) in November 2016; and

**WHEREAS** AUMA legalized recreational marijuana use and personal cultivation; and

**WHEREAS** AUMA also allowed for the operation of recreational marijuana businesses, if a state license is obtained; and

**WHEREAS** AUMA allows local governments to regulate commercial cannabis activities, consistent with the state licensing scheme, or completely prohibit commercial cannabis-related businesses; and

**WHEREAS**, after the approval of AUMA, the state legislature passed the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) in June 2017; and

**WHEREAS** MAUCRSA established a regulatory and licensing scheme at the state level for all recreational and medicinal cannabis uses; and

**WHEREAS** the City's current regulations ban cannabis businesses; allow for indoor and outdoor personal cultivation; and allow for deliveries to be made in Goleta, but delivery businesses cannot be located in Goleta.; and

**WHEREAS** the City desires to allow cannabis businesses to operate within the City and regulate them; and

**WHEREAS**, on June 11, 2018, the Planning Commission adopted Resolution No. 18-06 by a majority vote, recommending to the City Council approval of the Cannabis Land Use Ordinance California Environmental Quality Act (CEQA) Addendum to the Goleta General Plan/Coastal Land Use Plan Final Environmental Impact Report (SCH#2005031151); and

**WHEREAS** a public hearing was held on June 11, 2018, in the City Council Chambers located at 130 Cremona Drive, Goleta, California, where evidence, both

written and oral, was presented to the Planning Commission, who adopted Resolution No. 18-07 by a majority vote, recommending adoption of the Cannabis Land Use Ordinance (Case No. 18-035-ORD) to the City Council.

**WHEREAS**, on June 19, 2018, the City Council adopted Resolution No. 18-30 by a majority vote, approving the Cannabis Land Use Ordinance California Environmental Quality Act (CEQA) Addendum to the Goleta General Plan/Coastal Land Use Plan Final Environmental Impact Report (SCH#2005031151); and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GOLETA DOES HEREBY ORDAIN AS FOLLOWS:**

**SECTION 1. Recitals**

The City Council hereby finds and determines that the foregoing recitals, which are incorporated herein by reference, are true and correct.

**SECTION 2. Required Findings for an Ordinance Amendment**

Pursuant to Zoning Ordinance sections 35-180.6 and 35-325.5, the City Council makes the following findings:

- A. This Ordinance is in the interest of the general community welfare since it provides a land use regulatory system for the permitting and operation of cannabis uses within the City; and
- B. This Ordinance is consistent with the Goleta General Plan/Coastal Land Use Plan and, specifically, the allowable uses identified for each land use designation in the Land Use Element. The General Plan/Coastal Land Use Plan identifies various land use designations and what types of uses are allowed in those land use designations. These land use designations and allowed uses are provided for in Tables 2-1 through 2-4 of the City's General Plan/Coastal Land Use Plan Land Use Element. Where a comparable use to each cannabis use is allowed in these tables, the cannabis use is allowed in the Ordinance, thus illustrating consistency with the General Plan/Coastal Land Use Plan; and
- C. The Ordinance is consistent with good zoning and planning practices since the Ordinance provides a comprehensive land use regulatory system for review and permitting various cannabis uses that addresses potential compatibility issues while also provide clear standards to apply to potential applicants.

**Section 3. Environmental Assessment**

The California Environmental Quality Act (CEQA) requires that the environmental impacts of the action be assessed. This project was assessed in accordance with the authority and criteria contained in the CEQA, the State CEQA Guidelines (the Guidelines), and the environmental regulations of the City. Resolution No. 18-30

of the City Council approved an Addendum to the General Plan/Coastal Land Use Plan Final Environmental Impact Report. The Resolution properly assess the environmental impact of the Project, in accordance with CEQA. This Ordinance incorporates by reference the environmental findings and analysis set forth in Resolution No. 18-30.

#### **SECTION 4. Repeals**

- A. Section 35-209 of Division 2 of Article III of the Inland Zoning Ordinance is amended to delete the definitions for “Cannabis, or Marijuana”, “Cannabis Accessories”, “Cannabis Product”, “Commercial Cannabis Activity”, “Concentrated Cannabis”, “Cannabis Cultivation, or ‘cultivate cannabis’”, “Delivery” (as used in Section 35-292i, “Dispensary”, “Distribution” (as used in Section 35-292i), “Manufacture” (as used in Section 35-292i), “MAUCRSA”, “Medical Marijuana Dispensary”, “Mobile Marijuana Dispensary”, “Primary Caregiver”, and “Qualified Patient”.
- B. Repeal Section 35-292i, entitled “Commercial Cannabis Activities”, of Division 7 of Article III of the Inland Zoning Ordinance in its entirety.
- C. Section 35-58 of Division 2 of Article II of the Coastal Zoning Ordinance is amended to delete the definitions for “Cannabis, or Marijuana”, “Cannabis Accessories”, “Cannabis Product”, “Commercial Cannabis Activity”, “Concentrated Cannabis”, “Cannabis Cultivation, or ‘cultivate cannabis’”, “Delivery” (as used in Section 35-144G), “Dispensary”, “Distribution” (as used in Section 35-144G), “Manufacture” (as used in Section 35-144G), “MAUCRSA”, “Medical Marijuana Dispensary”, “Mobile Marijuana Dispensary”, “Primary Caregiver”, and “Qualified Patient”.
- D. Repeal Section 35-144G, entitled “Commercial Cannabis Activities”, of Division 7 of Article II of the Coastal Zoning Ordinance in its entirety.
- E. Repeal Chapter 8.16, entitled “Marijuana Cultivation Regulations”, of the Goleta Municipal Code in its entirety.

#### **SECTION 5. Cannabis Land Use Regulations.**

*A. Purpose.* This Ordinance establishes standards to protect the public health, safety, and welfare, enact strong and effective regulatory and enforcement controls in compliance with State law, protect neighborhood character, and minimize potential for negative impacts on people, communities, and the environment by establishing minimum land use requirements for all cannabis activities including the cultivation, distribution, transportation, storage, manufacturing, processing, and sales.

*B. Applicability.* The standards of this Section apply to all cannabis activities as defined in Section D - Cannabis-Related Use Classifications. Additionally,

1. All cannabis activities shall comply with the provisions of this Section, as well as all applicable State laws, regardless of whether the use existed or occurred prior to the effective date of this Ordinance.
2. Nothing in this Section is intended, nor shall it be construed, to allow persons to engage in conduct that endangers others or causes a public nuisance, or allows any use relating to personal or commercial cannabis activity that is illegal under State law.
3. Nothing in this Section is intended, nor shall it be construed, to exempt cannabis uses from compliance with all other applicable City regulations, including development standards, as well as other applicable provisions of the Goleta Municipal Code, State and local cannabis licensing requirements, or compliance with any applicable State laws.
4. All persons operating facilities and conducting cannabis activities, as defined in this Section, are subject to possible federal prosecution, regardless of the protections provided by State or local law.

*C. Cannabis-Related Definitions.* When used in this Ordinance, the following words are defined as follows. If a word is not defined in this Section or in other provisions of the Goleta Municipal Code, the definition shall be as in State Cannabis Laws or, in cases where a definition is not provided in State Cannabis Laws, as determined by the Director.

1. "Accessory Use". A use that is customarily associated with, and is incidental and subordinate to, a permitted use and located on the same premises as the permitted use.
2. "Building". Any structure having a roof supported by columns or walls and intended for the shelter, housing or enclosure of any individual, animal, process, equipment, goods or materials.
3. "Cannabis". All parts of the *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this division, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5

of the California Health and Safety Code.

4. "Cannabis Concentrate". Cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product's potency. Resin from granular trichomes from a cannabis plant is a concentrate for purposes of this division. A cannabis concentrate is not considered food, as defined by Section 109935 of the Health and Safety Code, or drug, as defined by Section 109925 of the Health and Safety Code.
5. "Cannabis Products". Cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including but not limited to concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.
6. "Canopy". The designated area(s) at a cannabis business, except nurseries and processors, that will contain mature plants at any point in time, as follows.
  - a. For indoor cultivation, canopy is calculated in square feet and measured using the room boundaries, walls, or ceiling-to-floor partitions of each enclosed area that will contain mature plants at any point in time. If mature plants are being cultivated using a shelving system, the surface area of each level is included in the total canopy calculation.
7. "Commercial Cannabis Activity". Activities that include the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, dispensing, or retail sale of cannabis and cannabis products.
8. "Cultivation". Any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.
9. "Cultivation Site". A location where cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or a location where any combination of those activities occurs.
10. "Day Care Center". Day care center has the same meaning as in Section 1596.76 of the Health and Safety Code.
11. "Delivery". The commercial transfer of cannabis or cannabis products to a customer. Delivery also includes the use by a retailer of any technology platform.
12. "Director". The Planning and Environmental Review Department Director of the City of Goleta or his/her designee.

13. "Dispensing". Any activity involving the retail sale of cannabis or cannabis products from a retailer.
14. "Distribution". The procurement, sale, and transport of cannabis and cannabis products between licensees.
15. "Edible Cannabis Product". Cannabis product that is intended to be used, in whole or in part, for human consumption, and is not considered food.
16. "Extraction". A process by which cannabinoids are separated from cannabis plant material through chemical, physical, or any other means.
17. "License or State License". A permit or license issued by the State of California, or one of its departments or divisions, under MAUCRSA and any subsequent State of California legislation regarding the same, to engage in commercial cannabis activity.
18. "Manufacture". To compound, blend, extract, infuse, or otherwise make or prepare a cannabis product. Manufacture includes the following processes: Extraction processes; Infusion processes; Packaging or repackaging of cannabis products; and Labeling or relabeling the packages of cannabis products.
19. "Owner". Any of the following:
  - a. A person with an aggregate ownership interest of 20 percent or more in the use applying for a license or a licensee, unless the interest is solely a security, lien, or encumbrance.
  - b. The chief executive officer of a nonprofit or other entity.
  - c. A member of the board of directors of a nonprofit.
  - d. An individual who will be participating in the direction, control, or management of the person applying for a license.
20. "Premises". A legal parcel, or leasehold interest in land, or a leased or owned space in a building where the commercial cannabis use or activity is or will be conducted.
21. "State Cannabis Laws". Laws of the State of California, which include California Health and Safety Code Sections 11362.1 through 11362.45; California Health and Safety Code Section 11362.5 (Compassionate Use Act of 1996); California Health and Safety Code Sections 11362.7 to 11362.83 (Medical Marijuana Program); California Health and Safety Code Sections 26000 through 26211 (Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA", Senate Bill 94 (2017))); California Health and Safety Code Sections 26220 through 26231.2; the California Attorney General's Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued in August, 2008, as such



guidelines may be revised from time to time by action of the Attorney General; California Labor Code Section 147.5; California Revenue and Taxation Code Sections 31020 and 34010 through 34021.5; California Fish and Game Code Section 12029; California Water Code Section 13276; all state regulations adopted pursuant to MAUCRSA; and all other applicable laws of the State of California.

22. "Topical Cannabis". A product intended for external application and/or absorption through the skin. A topical cannabis product is not considered a drug as defined by Section 109925 of the California Health and Safety Code.
23. "Volatile solvent". A solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.
24. "Youth Center". The same meaning as in Section 11353.1 of the Health and Safety Code.

*D. Cannabis-Related Use Classifications.*

1. "Cannabis Cultivation". Any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.
  - a. "Outdoor Cultivation". The cultivation of cannabis without the use of light deprivation and/or artificial lighting in the canopy area. Supplemental low intensity lighting is permissible only to maintain immature plants as a source for propagation.
  - b. "Mixed-Light Cultivation". The cultivation of mature cannabis in a greenhouse, hoop-house, glasshouse, conservatory, hothouse, or other similar structure using light deprivation and/or artificial lighting.
  - c. "Indoor Cultivation". The cultivation of cannabis within a permanently affixed, fully enclosed structure using exclusively artificial light or within any type of structure using artificial light at a rate above twenty-five watts per square foot.
  - d. "Nursery". Operation that produces only cannabis clones, immature plants, seeds, and other agricultural products used in cannabis cultivation.
  - e. "Processor". A cultivation site that conducts only trimming, drying, curing, grading, packaging, or labeling of cannabis and nonmanufactured cannabis products. Cultivation of cannabis plants is prohibited.
2. "Cannabis Distribution". Facility for the distribution of cannabis and cannabis products.

3. "Cannabis Manufacturing". A building, or portion thereof, used for a business involving the manufacture for off-site sale of cannabis products.
  - a. "Non-Volatile Solvent Manufacturing". Manufacture, including extractions, of cannabis products using nonvolatile solvents, or no solvents. May also conduct packaging and labeling of cannabis products.
  - b. "Volatile Solvent Manufacturing". Manufacture, including extractions, of cannabis products using volatile solvents. May also conduct infusion operations and packaging and labeling of cannabis products.
  - c. "Infusions". Production of edible products or topical products using infusion processes, or other types of cannabis products other than extracts or concentrates, and that do not conduct extractions.
  - d. "Packaging and Labeling". Establishments engaged only in the packaging or repackaging of cannabis products or labeling or relabeling of cannabis product containers in preparation of retail sale.
4. "Cannabis Microbusiness". A business involving any combination of the cultivation of cannabis on an area less than 10,000 square feet, cannabis distribution, manufacturing with non-volatile solvents, and cannabis retail. In order to be considered a Cannabis Microbusiness, three of four of the activities described must be conducted on the same premises.
5. "Cannabis Testing". Establishments involving the materials testing, investigation, scientific research, or experimentation of medicinal or nonmedicinal cannabis or cannabis products.
6. "Cannabis Retailer". Establishment where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale and includes delivery.
  - a. "Storefront". Cannabis retailer with premises, meaning a "brick and mortar" facility, with direct physical access for the public.
  - b. "Non-Storefront". Cannabis retailer with premises, meaning a "brick and mortar" facility, that does not have a storefront with direct physical access for, nor is open to the public.
7. "Personal Use Cultivation". The cultivation, harvest, drying, or processing of plants with the intent to possess, smoke, or ingest cannabis or cannabis products for one's own individual use pursuant to Health and Safety Code section 11362.1(a), as amended, and for medicinal use pursuant to Health and Safety Code section 11362.77, as amended.

*E. Personal Use Cultivation.* Personal Use Cultivation, consistent with the requirements of this Section, is allowed in all Zoning Districts, and a land use permit is not required.

1. Cultivation is limited to six plants per private residence for adult use pursuant to Health and Safety Code section 11362.2, as amended. Cultivation is limited to the number of plants allowable under State Cannabis Laws for one qualified patient per private residence. Cultivation of more than the number of plants for one qualified patient must be consistent with Section 5(F).
2. Personal use cultivation is limited to indoor cultivation in a permanently affixed, fully enclosed structure.
3. No cannabis odors may be detectable from any place outside the residence. An odor absorbing ventilation and exhaust system must be installed if the odor generated inside the residence is detected outside the property or premises, or anywhere on adjacent property or public rights-of-way, or within another unit located within the same building as the cultivation.
4. No exterior evidence of cultivation occurring at the property can be visible from the public right-of-way.
5. Cultivation is limited to parcels with a residence and a full-time resident on the premises where the cultivation is occurring.
6. Grow lights must not exceed 1,200 watts per light and are prohibited from producing a glare that interferes with other residents' reasonable enjoyment of life or property.
7. Cannabis plants cultivated must remain at least 12 inches below the ceiling.
8. Cultivation may not occur on required on-site parking areas unless that required parking is replaced in compliance with the City's Inland and Coastal Zoning Ordinances.
9. Cultivation may not interfere with the primary occupancy of the building or structure, including regular use of the kitchen(s) or bathroom(s).
10. The living plants and any cannabis produced by the plants in excess of 28.5 grams must be kept within the person's private residence in a locked space.
11. Generators. The use of generators for cultivation is prohibited, except for temporary use in the event of a power outage or for emergency use.
  - a. For purposes of this subsection, emergency use is defined in accordance with 17 California Code of Regulations § 93115, as may be amended.
  - b. For purposes of this subsection, the limit on use of a generator in an emergency is 90 days.

12. The use of CO2 or any volatile solvents to manufacture cannabis products is prohibited.

13. Nothing in the section is intended, nor shall it be construed, to preclude any landlord from limiting or prohibiting personal cultivation by tenants.

14. Nuisance abatement. Any violation of this Section is declared to be a public nuisance and may be abated by the City pursuant to Title I of the Goleta Municipal Code.

*F. Allowed Commercial Cannabis Uses by Land Use Designation.* Commercial cannabis uses are only allowed as prescribed in Table 1, Allowed Commercial Cannabis Uses, provided all other requirements of this Section are met and a Cannabis Business License is obtained from the City under Goleta Municipal Code Chapter 5.09. Use locations are identified based on the Land Use Designations provided on Figure 2-1: Land Use Plan Map of the City's General Plan/Coastal Land Use Plan regardless of the zoning district as identified on the City's Zoning Map. Outdoor Cultivation and Mixed-Light Cultivation are prohibited.

TABLE 1: ALLOWED COMMERCIAL CANNABIS USES BY GENERAL PLAN LAND USE DESIGNATION				"P" – Land Use Permit or Coastal Development Permit is Required "MU" – Minor Conditional Use Permit Required "–" – Use Not allowed				
Uses	Land Use Designations							
	CR	CC	OT	CG	BP	OI	IS	IG
Cannabis Cultivation	See Subclassifications below.							
Indoor Cultivation	-	-	-	-	P	-	P	P
Nursery	-	-	-	-	P	-	P	P
Processor	-	-	-	-	P	-	P	P
Cannabis Distribution	-	-	-	P	-	-	P	P
Cannabis Manufacturing	See Subclassifications below.							
Non-Volatile Solvent Manufacturing	-	-	-	-	P	-	P	P
Volatile Solvent Manufacturing	-	-	-	-	P	-	P	P
Infusions	-	-	-	-	P	-	P	P
Packaging and Labeling	-	-	-	-	P	-	P	P
Cannabis Microbusiness	Allowed based on allowance for primary use if secondary uses are consistent with the Accessory Uses standards below.							
Cannabis Testing	-	-	-	-	P	P	-	P

TABLE 1: ALLOWED COMMERCIAL CANNABIS USES BY GENERAL PLAN LAND USE DESIGNATION				"P" – Land Use Permit or Coastal Development Permit is Required "MU" – Minor Conditional Use Permit Required "–" - Use Not allowed				
Uses	Land Use Designations							
	CR	CC	OT	CG	BP	OI	IS	IG
Cannabis Retailer	See Subclassifications below.							
Storefront	MU <sup>1</sup>	MU <sup>1</sup>	MU <sup>1</sup>	MU <sup>1</sup>	-	-	-	-
Non-Storefront	-	-	-	P	-	-	P	P
1. A Major Conditional Use Permit is required within 600 feet of a school or 100 feet of a residential land use designation.								

#### G. Accessory Uses.

1. All accessory uses must be included and reviewed as part of a permit consistent with Section J.
2. For all cannabis accessory uses, the primary permitted or conditionally permitted use must also be a cannabis use.
3. Cannabis uses may not have non-cannabis related accessory uses.
4. All accessory cannabis uses must adhere to the Specific Use Standards for such uses as identified below.
5. Storefront retail is allowed as an accessory use but must obtain the permit required as if the accessory Storefront Retail use was the primary use. Every Storefront Retail use, whether primary or accessory, must obtain the permit required for Storefront Retail use as shown in the Table 1.
6. Volatile Manufacturing is only allowed in IG, IS, and BP as an accessory use.

**H. Cannabis Events.** Cannabis Events, as regulated in State Cannabis Laws, are prohibited.

**I. Specific Use Standards.** In addition to any other requirements of this Title and Cannabis State Laws, cannabis activities must be located, developed, and operated in compliance with the following standards, where allowed by Section F, Allowed Commercial Cannabis Activities by Land Use Designation.

1. All Cannabis Uses.
  - a. Licenses Required.

- i. State License. The permittee of a cannabis use that requires one or more of the State cannabis license types set forth in California Business and Professions Code must:
    - 1. Obtain the requisite State cannabis license for the cannabis use prior to the commencement of the use.
    - 2. Conduct the cannabis use in compliance with the State cannabis license at all times.
  - ii. City Cannabis Business License (CBL). The permittee of a cannabis use must:
    - 1. Obtain a CBL from the City of Goleta prior to the commencement of the use.
    - 2. Conduct the cannabis use in compliance with the CBL at all times.
- b. Location Limitations. No prohibitive buffers are required from schools, day cares, and youth centers.
- c. Outdoor Lighting.
  - i. Outdoor lighting necessary for security must consist solely of motion-sensor lights.
  - ii. Any outdoor lighting used for the illumination of parking areas and/or loading areas, or for security, must be fully shielded, directed downward, and dark sky compliant.
- d. Odor. Odor generated inside a cannabis use must not be detectable outside the property or premises, or anywhere on adjacent property or public rights-of-way, or within any other unit located within the same building as the cannabis use. The applicant must submit to the Department for review and approval an Odor Abatement Plan. The Odor Abatement Plan must be reviewed by City staff and approved by the City prior to permit issuance. The Odor Abatement Plan must be implemented prior to the issuance of final building and/or grading inspection and/or throughout operation of the project as applicable. The Odor Abatement Plan must include the following:
  - i. A floor plan, specifying locations of odor-emitting activity(ies) and emissions.
  - ii. A description of the specific odor-emitting activity(ies) that will occur.
  - iii. A description of all equipment and methods to be used for reducing odors and ensuring that odors do not migrate off-site. Odor control equipment should consist of a building ventilation system that collects the air from all potential odor-generating activities and direct to a control device such as an activated carbon system. A Professional Engineer or a Certified Industrial Hygienist must review and certify that the equipment and methods to be used for reducing odors are consistent with accepted and available industry-specific best control technologies and methods designed to ensure that odors from the use do no migrate off-site.



- e. Operation. Once a cannabis use is established on the subject parcel, any cessation of operation must be for less than one year. The one-year limit may be extended by the Director one time for good cause shown, provided a written request, including a statement of reasons for the time extension request, is filed with Planning and Environmental Review prior to the end of the one-year period. If the one-year period ends and no extension request has been filed, the land use entitlement will be considered null and void.

## 2. Storefront Cannabis Retailer.

- a. Location Separation. A Storefront Cannabis Retailer must be located a minimum of 300 feet from the closest property line of a lot on which another Storefront Cannabis Retailer is legally established.
- b. Location Limitations. The distances specified in this Section must be the horizontal distance measured in a straight line from the closest property line of the lot on which the cannabis activity is to be located without regard to intervening structures.
  - i. Storefront Cannabis Retailer uses on a lot within 600 feet from the closest property line of a lot on which a school is located require a Major Conditional Use Permit pursuant to the City's Inland and Coastal Zoning Ordinances.
  - ii. Storefront Cannabis Retailer uses on a lot within 100 feet of a residential land use designation as identified in the City's General Plan require a Major Conditional Use Permit pursuant to the City's Inland and Coastal Zoning Ordinances.
- c. On-Site Consumption is Prohibited. The premises of each Storefront Cannabis Retailer shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis on the premises or in the areas adjacent to the retailer is prohibited.
- d. Edibles. Only commercially prepackaged, shelf-stable edible cannabis products may be sold.
- e. A limit of fifteen Storefront Cannabis Retailer uses is established.

## 3. Non-Storefront Cannabis Retailer

- a. Edibles. Only commercially prepackaged, shelf-stable edible cannabis products may be sold.
- b. Hours of Operation. Hours of operation are limited to 10:00 am to 10:00 pm.

## 4. Indoor Cultivation.

- a. From a public right-of-way, there shall be no exterior evidence of cannabis cultivation except for any signage authorized by City regulations.
- b. Canopy size is limited to 5,000 square feet.
- c. Energy Use.

- i. Any applicant for indoor cultivation under this Ordinance must provide proof of consultation with Southern California Edison (SCE) prior to application submittal including a copy of a completed and submitted SCE Customer/Project Information Sheet.
- ii. Applicant must show proof of participation in energy use assessments as follows:
  - 1. If available, participation in the Resource Innovation Institute's Calculate Powerscore tool.
  - 2. If available, participation in SCE's Savings By Design program.
- d. Generators. The use of generators for cultivation is prohibited, except for temporary use in the event of a power outage or for emergency use.
  - i. For purposes of this subsection, emergency use is defined in accordance with 17 California Code of Regulations § 93115, as may be amended.
  - ii. For purposes of this subsection, the limit on use of a generator in an emergency is 90 days.
- e. Indoor cultivation activities, including materials and equipment storage, must occur solely in fully enclosed buildings.
- f. Indoor cultivation is limited to one use per building.

5. Nursery

- a. Nurseries must adhere to all standards for indoor cultivation pursuant to this Ordinance.

*J. Permit Procedures.*

- 1. Required Permit. A Land Use Permit (pursuant to §35-314 of the City's Inland Zoning Ordinance) or Coastal Development Permit (pursuant to §35-169 of the City's Coastal Zoning Ordinance) is required for all cannabis uses except Personal Use Cultivation unless a Conditional Use Permit is otherwise required pursuant to this Section or another provision of this Title.
- 2. Public Notice. In addition to the noticing requirements of the required permit, the City, at the applicant's cost, must mail notice to all property owners of record and residents and tenants of property within 300 feet of the exterior boundaries of the subject property(ies) at least 10 days before the date of the public hearing or at the time of a complete application if there is no hearing.

*K. Inspection.* All permitted cannabis use sites are subject to review and inspection from Law Enforcement, Fire Department, and the Building Department or any agents of the State or City charged with enforcement of this Ordinance and any other State or local license.



*L. Revocation.* Any entitlement to allow cannabis activities may be revoked in compliance with Section 35-314.7 and 35-315.10 of the City's Inland Zoning Ordinance and 35-169.9 and 35-172.10 of the City's Coastal Zoning Ordinance as applicable.

*M. Enforcement.* Any entitlement to allow cannabis activities may be revoked in compliance with Section 35-330 of the City's Inland Zoning Ordinance and 35-185 of the City's Coastal Zoning Ordinance as applicable.

**SECTION 6. Summaries of Information.**

All summaries of information in the findings, which precede this section, are based on the substantial evidence in the record. The absence of any particular fact from any such summary is not an indication that a particular finding is not based in part on that fact.

**SECTION 7. Repeals.**

To the extent any provision of this Ordinance repeals or supersedes any previous approvals, such repeal or replacement will not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before, this Ordinance's effective date. Any such repealed or superseded part of previous approvals will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

**SECTION 8. Severability.**

If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

**SECTION 9. Certification of City Clerk.**

The City Clerk shall certify to the adoption of this ordinance and, within 15 days after its adoption, shall cause it to be published in accord with California Law.

**SECTION 10. Effective Date.**

This ordinance shall take effect on the 31<sup>st</sup> day following adoption by the City Council.

**INTRODUCED ON** the 19<sup>th</sup> day of June, 2018.

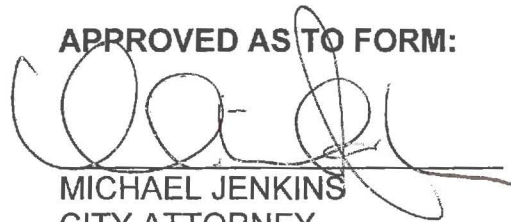
**PASSED, APPROVED, AND ADOPTED** this 17<sup>th</sup> day of July 2018.

  
PAULA PEROTTE  
MAYOR

**ATTEST:**

  
DEBORAH S. LOPEZ  
CITY CLERK

**APPROVED AS TO FORM:**

  
MICHAEL JENKINS  
CITY ATTORNEY

STATE OF CALIFORNIA )  
COUNTY OF SANTA BARBARA ) ss.  
CITY OF GOLETA )

I, DEBORAH S. LOPEZ, City Clerk of the City of Goleta, California, do hereby certify that the foregoing Ordinance No. 18-03 was introduced on June 19, 2018, and adopted at a regular meeting of the City Council of the City of Goleta, California, held on the 17<sup>th</sup> day of July, 2018, by the following roll-call vote:

AYES: MAYOR PEROTTE, MAYOR PRO TEMPORE KASDIN,  
COUNCILMEMBERS ACEVES, AND RICHARDS

NOES: NONE

ABSENT: COUNCILMEMBER BENNETT

ABSTENTIONS: NONE

(SEAL)

  
DEBORAH S. LOPEZ  
CITY CLERK



## Attachment 2

### Proposed General Plan Amendments



**TABLE 2-1  
ALLOWABLE USES AND STANDARDS FOR RESIDENTIAL USE CATEGORIES**

Allowed Uses and Standards	Residential Use Categories				
	R-SF	R-P	R-MD	R-HD	R-MHP
<b>Residential Uses</b>					
One Single-Family Detached Dwelling per Lot	X	X	-	-	-
Single-Family Attached and Detached Dwellings	X	X	X	X	-
Multiunit Apartment Dwellings	-	X	X	X	-
Mobile Home Parks	-	-	-	-	X
Second (Accessory) Residential Units	X	X	-	-	-
Assisted-Living Residential Units	-	-	X	X	-
<b>Other Uses</b>					
Religious Institutions	X	X	X	X	-
Small-Scale Residential Care Facility	X	X	-	-	-
Small-Scale Day Care Center	X	X	X	X	X
Public and Quasi-public Uses	X	X	X	X	-
<b>Accessory Uses</b>					
Home Occupations	X	X	X	X	X
<b>Standards for Density and Building Intensity</b>					
<b><i>Recommended Standards for Permitted Density</i></b>					
Maximum Permitted Density (units/acres)	5 or less	5.01–13	20	30	15
Minimum Permitted Density (units/acres)	N/A	N/A	15	15	N/A
<b><i>Recommended Standards for Building Intensity</i></b>					
Structure Height (Inland Area)	25 feet	35 feet	35 feet	35 feet	25 feet
Structure Height (Coastal Zone)	25 feet	25 feet	25 feet	25 feet	25 feet
Maximum Lot Coverage Ratio	N/A	0.30	0.30	0.40	N/A
<p>Notes:</p> <ol style="list-style-type: none"> <li>1. Use Categories: R-SF– Single-Family Residential; R-P – Planned Residential; R-MD – Medium-Density Residential; R-HD – High-Density Residential; R-MHP – Mobile Home Park.</li> <li>2. X indicates use is allowed in the use category; - indicates use not allowed.</li> <li>3. General Note: Some uses requiring approval of a conditional use permit are set forth in text policies, and others are specified in the zoning code.</li> <li>4. The standards for building intensity recommended by this General Plan pursuant to Government Code Section 65302(a) may be revised by a Resolution of the decision-making body of the City for specific projects based upon a finding of good cause.</li> <li>5. Central Hollister Housing Opportunity Sites in the R-MD land use designation (as identified in Housing Element Subpolicy HE11.6) shall provide for development of residential units at densities ranging from a minimum of 20 to a maximum of 25 units per acre.</li> <li>6. N/A = Not applicable.</li> <li>7. <a href="#">Accessory uses to the allowed uses in this table are regulated through zoning.</a></li> </ol> <p>(Amended by Reso. 08-30, 6/17/08, Reso. 09-32, 5/19/09, <a href="#">and Reso. 09-44, 8/18/10, and Reso. 19-XX, X/X/19</a>)</p>					

**TABLE 2-2**  
**ALLOWABLE USES AND STANDARDS FOR COMMERCIAL USE CATEGORIES**

Allowed Uses and Standards	Commercial Use Categories					
	C-R	C-C	C-OT	C-VS	C-I	C-G
<b>Retail Trade</b>						
Large-Scale Retail Establishments	X	X	–	–	–	–
General Merchandise	X	X	X	–	–	X
Food and Drug Stores	X	X	X	–	X	X
Apparel and Specialty Stores	X	X	X	–	–	X
Building/Landscape Materials and Equipment	X	X	X	–	–	X
Eating and Drinking Establishments	X	X	X	X	X	X
Other Retail Trade Establishments	X	X	X	X	–	X
Coastal-Related Commercial	X	X	X	X	–	–
<a href="#">Cannabis Storefront Retail</a>	<a href="#">X</a>	<a href="#">X</a>	<a href="#">X</a>	<a href="#">–</a>	<a href="#">–</a>	<a href="#">X</a>
<b>Services (Including Offices)</b>						
Finance, Insurance, and Real Estate	X	X	X	–	–	X
Personal Services	X	X	X	–	–	X
Business Services	–	X	X	–	–	X
Information Technology Services	–	–	–	–	–	X
Professional Services	–	X	X	–	–	X
Medical and Health-Related Services	X	X	X	–	–	–
Educational Services	–	–	X	–	–	X
Entertainment and Recreation Services	X	X	X	X	–	–
Building and Construction Services	–	–	–	–	–	X
Other Services	X	X	X	X	X	X
<b>Transient Lodging and Services</b>						
Resorts	–	–	–	X	–	–
Hotels, Motels, Bed and Breakfast Inns	X	X	X	X	–	–
RV Parks	–	–	X	X	–	X
Other Visitor Services and Attractions	–	–	–	X	–	X
<b>Auto-Related Uses</b>						
Retail – Automotive Sales and Rentals	–	–	X	–	–	X
Auto Repair and Painting	–	–	–	–	–	X
Auto Wrecking Yard/Junk Yard	–	–	–	–	–	X
Auto Service (Gas) Station	X	–	X	–	X	X
Car Wash	–	X	X	–	X	X
<b>Wholesale Trade and Storage</b>						
General Wholesale Trade	–	–	–	–	–	X
Warehousing – General	–	–	–	–	–	X
Warehousing – Self-Storage	–	–	–	–	–	X
Outdoor Storage	–	–	–	–	–	X
<b>Residential Uses</b>						
Residential Units	–	X	X	–	–	–
One Caretaker Unit	X	X	X	X	–	X
Assisted-Living Residential Units	–	–	–	–	–	X
<b>Other Uses</b>						
Religious Institutions	–	X	X	–	–	X
Public and Quasi-public Uses	X	X	X	–	X	X
Wireless Communications/Telecommunications	X	X	X	X	X	X
<b>Standards for Density and Building Intensity</b>						
<b><i>Recommended Standards for Density</i></b>						
Maximum Residential Density	N/A	12/acre	20/acre	N/A	N/A	20/acre
<b><i>Recommended Standards for Building Intensity</i></b>						
Structure Height	35 feet	35 feet	30 feet	35 feet	25 feet	35 feet
Maximum Lot Coverage Ratio	N/A	N/A	N/A	N/A	N/A	N/A
<b>Notes:</b> 1. Use Categories: C-R – Regional Commercial; C-C – Community Commercial; C-OT – Old Town Commercial; C-VS – Visitor Commercial; C-I – Intersection; Commercial; C-G – General Commercial. 2. X indicates use is allowed in the use category; – indicates use not allowed. 3. General Note: Some uses requiring approval of a conditional use permit are as set forth in text policies, and others are specified in the zoning code. 4. Wholesale trade is permitted within the C-R use category, provided that it is an integral part of a retail trade use. 5. The standards for building intensity recommended by this General Plan pursuant to Government Code Section 65302(a) may be revised by a Resolution of the decision-making body of the City for specific projects based upon a finding of good cause. 6. N/A = Not applicable. 7. <a href="#">Accessory uses to the allowed uses in this table are regulated through zoning.</a> (Amended by Reso. 08-30, 6/17/08, <del>and</del> Reso. 09-32, 5/19/09, <del>and</del> Reso. 19-XX, X/X/19)						



**TABLE 2-3  
ALLOWABLE USES AND STANDARDS FOR OFFICE AND INDUSTRIAL USE  
CATEGORIES**

Allowed Uses and Standards	Office and Industrial Use Categories			
	I-BP	I-OI	I-S	I-G
<b>Industrial (Manufacturing)</b>				
General Manufacturing – No Noxious Impacts	X	–	X	X
General Manufacturing – Potential Noxious Impacts	–	–	–	X
Research and Development	X	X	–	X
Scientific and Similar Instruments	X	X	–	X
Bio-Medical Technology	X	X	–	X
Other Advanced Technology	X	X	–	X
<b>Transportation and Utilities</b>				
Transportation (other than right-of-way)	–	–	X	X
Wireless Communications/Telecommunications	X	X	X	X
Utilities	X	X	–	–
<b>Retail Trade</b>				
Building/Landscape Materials and Equipment	–	X	–	X
Eating and Drinking Establishments	X	X	–	–
Other Retail Trade Establishments	X	X	–	–
<u>Cannabis Storefront Retail</u>	–	–	–	<u>X**</u>
<b>Services (Including Offices)</b>				
Finance, Insurance, and Real Estate	X	X	–	–
Personal Services	X	X	–	–
Business Services	X	X	–	–
Information Technology Services	X	X	–	–
Professional Services	–	X	–	–
Medical and Health-Related Services	–	X	–	–
Educational Services	–	X	–	–
Entertainment and Recreation Services	–	X	–	–
Building and Construction Services	–	–	X	X
Other Services	–	–	X	X
<b>Auto-Related Uses</b>				
Automotive Sales and Rentals	–	–	X	X
Auto Repair and Painting	–	–	X	X
Auto Wrecking Yard/Junk Yard	–	–	X	X
Auto Service (Gas) Station	–	–	–	X
<b>Wholesale Trade and Storage</b>				
General Wholesale Trade	<u>X***</u>	–	X	X
Warehousing – General	X*	–	X	X
Warehousing – Self-Storage	–	–	X	X
Outdoor Storage	–	–	X	X
<b>Residential Uses</b>				
Residential Units	–	X	–	–
One Caretaker Unit Per Parcel	X	X	X	X
Assisted-Living Residential Units	–	X	–	–
<b>Other Uses</b>				
Public and Quasi-public Uses	X	X	X	X
Religious Institutions	–	X	–	–
<b>Standards for Density and Building Intensity</b>				
<b>Recommended Standards for Density</b>				
Maximum Residential Density	N/A	20units/acre	N/A	N/A
<b>Recommended Standards for Building Intensity</b>				
Structure Heights	35 feet	35 feet	35 feet	35 feet
Maximum Lot Coverage Ratio	0.35	0.40	N/A	N/A
Notes: 1. Use Categories: I-BP – Business Park; I-OI – Office and Institutional; I-S – Service Industrial; I-G – General Industrial. 2. X indicates use is allowed in the use category; - indicates use not allowed. 3. General Note: Some uses requiring approval of a conditional use permit are set forth in text policies, and others are specified in the zoning code. 4. The standards for building intensity recommended by this General Plan pursuant to Government Code Section 65302(a) may be revised by a Resolution of the decision-making body of the City for specific projects based upon a finding of good cause. 5. N/A = Not applicable. 6. <u>Accessory uses to the allowed uses in this table are regulated through zoning.</u> * Warehousing is allowed on parcels designated Business Park (I-BP) if it is in association with a permitted use. ** <u>Cannabis Storefront Retail is allowed on parcels designated General Industrial (I-G) where a medical marijuana dispensary existed prior to June 16, 2009.</u> *** <u>General Wholesale Trade in Business Park (I-BP) is limited to Cannabis Distribution.</u> (Amended by Reso. 08-30, 6/17/08, <del>and</del> Reso. 09-32, 5/19/09, and Reso. 19-XX, X/X/19)				

**TABLE 2-4**  
**ALLOWABLE USES AND STANDARDS FOR OTHER LAND USE CATEGORIES**

Allowed Uses and Standards	Other Land Use Categories			
	AG	OS-PR	OS-AR	P-S
<b>Residential Uses</b>				
One Single-Family Detached Dwelling per Lot	X	-	-	-
Farmworker Residential Units	X	-	-	-
Second Residential Dwelling Unit	X	-	-	-
Caretaker Residential Unit	-	-	X	X
<b>Agricultural Uses</b>				
Orchards and Vineyards	X	-	-	-
Row Crop Production	X	-	-	-
Specialty Agriculture and Floriculture	X	-	-	-
Livestock Grazing	X	-	-	-
Small-Scale Confined Animal Operations	X	-	-	-
Small-Scale Agricultural Processing	X	-	-	-
Small-Scale Greenhouses	X	-	-	-
Sale of On-Site Agricultural Products	X	-	-	-
Other	X	-	-	-
<b>Open Space and Outdoor Recreation</b>				
Active Recreation	-	-	X	X
Open Space and Passive Recreation	-	X	X	X
Golf Course, including customary ancillary uses and structures	-	-	X	X
Nature Preserve	-	X	X	X
<b>Public and Quasi-public Uses</b>				
General Government Administration	-	-	-	X
Fire Stations	X	-	-	X
Schools (Public and Private)	-	-	-	X
Other Government Facilities	-	-	-	X
<b>Other Uses</b>				
Religious Institutions	-	-	-	X
Small-Scale Residential Care Facility	X	-	-	-
Small-Scale Day Care Center	-	-	-	X
Wireless Communications/Telecommunications	X	-	-	X
<b>Recommended Standards for Building Intensity</b>				
Structure Height	N/A	N/A	N/A	N/A
Maximum Lot Coverage Ratio	N/A	N/A	N/A	N/A
Notes: 1. Use Categories: AG: Agriculture; OS-PR: Open Space/Passive Recreation; OS-AR: Open Space/Active Recreation; P-S: Public and Quasi-public Uses. 2. X indicates use is allowed in the use category; - indicates use not allowed. 3. General Note: Some uses requiring approval of a conditional use permit are set forth in text policies, and others are specified in the zoning code. 4. The standards for building intensity recommended by this General Plan pursuant to Government Code Section 65302(a) may be revised by a Resolution of the decision-making body of the City for specific projects based upon a finding of good cause. 5. N/A = Not Applicable. 6. <a href="#">Accessory uses to the allowed uses in this table are regulated through zoning.</a> (Amended by Reso. 08-30, 6/17/08, <del>and</del> Reso. 09-32, 5/19/09, <del>and</del> Reso. 19-XX, X/X/19.)				

## Attachment 3

### Proposed Cannabis Land Use Ordinance Amendments



ORDINANCE NO. \_\_\_\_

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GOLETA, CALIFORNIA, REPEALING ORDINANCE NO. 18-03, REPEALING DEFINITIONS AND REGULATIONS FROM THE INLAND AND COASTAL ZONING ORDINANCES, AND ESTABLISHING REGULATIONS FOR VARIOUS CANNABIS USES WITHIN THE CITY**

**WHEREAS** The voters of California passed Proposition 64 entitled The Control, Regulate and Tax Adult Use of Marijuana Act (commonly known as the Adult Use of Marijuana Act or AUMA) in November 2016; and

**WHEREAS** AUMA legalized recreational marijuana use and personal cultivation; and

**WHEREAS** AUMA also allowed for the operation of recreational marijuana businesses, if a state license is obtained; and

**WHEREAS** AUMA allows local governments to regulate commercial cannabis activities, consistent with the state licensing scheme, or completely prohibit commercial cannabis-related businesses; and

**WHEREAS**, after the approval of AUMA, the state legislature passed the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) in June 2017; and

**WHEREAS** MAUCRSA established a regulatory and licensing scheme at the state level for all recreational and medicinal cannabis uses; and

**WHEREAS** the City desires to allow cannabis businesses to operate within the City and regulate them; and

**WHEREAS**, on \_\_\_\_\_, the City adopted Ordinance No. 18-03 to establish land use regulations for cannabis uses within the City; and

**WHEREAS**, the City desires to modify its land use regulations of cannabis uses by repealing Ordinance No. 18-03 and adopting this Ordinance in its place; and

**WHEREAS**, on June 11, 2018, the Planning Commission adopted Resolution No. 18-06 by a majority vote, recommending to the City Council approval of the Cannabis Land Use Ordinance California Environmental Quality Act (CEQA) Addendum to the Goleta General Plan/Coastal Land Use Plan Final Environmental Impact Report (SCH#2005031151); and

**WHEREAS**, on June 19, 2018, the City Council adopted Resolution No. 18 30 by a majority vote, approving the Cannabis Land Use Ordinance California Environmental

Quality Act (CEQA) Addendum to the Goleta General Plan/Coastal Land Use Plan Final Environmental Impact Report (SCH#2005031151); and

**WHEREAS** a public hearing was held on \_\_\_\_\_, in the City Council Chambers located at 130 Cremona Drive, Goleta, California, where evidence, both written and oral, was presented to the Planning Commission, who adopted Resolution No. \_\_\_\_ by a majority vote, recommending adoption of this Ordinance (Case No. \_\_\_\_\_) to the City Council.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GOLETA DOES HEREBY ORDAIN AS FOLLOWS:

### **SECTION 1. Recitals**

The City Council hereby finds and determines that the foregoing recitals, which are incorporated herein by reference, are true and correct.

### **SECTION 2. Required Findings for an Ordinance Amendment**

Pursuant to Zoning Ordinance sections 35-180.6 and 35-325.5, the City Council makes the following findings:

- A. This Ordinance is in the interest of the general community welfare since it provides a land use regulatory system for the permitting and operation of cannabis uses within the City; and
- B. This Ordinance is consistent with the Goleta General Plan/Coastal Land Use Plan and, specifically, the allowable uses identified for each land use designation in the Land Use Element. The General Plan/Coastal Land Use Plan identifies various land use designations and what types of uses are allowed in those land use designations. These land use designations and allowed uses are provided for in Tables 2-1 through 2-4 of the City's General Plan/Coastal Land Use Plan Land Use Element. Where a comparable use to each cannabis use is allowed in these tables, the cannabis use is allowed in the Ordinance, thus illustrating consistency with the General Plan/Coastal Land Use Plan; and
- C. The Ordinance is consistent with good zoning and planning practices since the Ordinance provides a comprehensive land use regulatory system for review and permitting various cannabis uses that addresses potential compatibility issues while also provide clear standards to apply to potential applicants.

### **SECTION 3. Environmental Assessment**

- A. The California Environmental Quality Act (CEQA) requires that the environmental impacts of the action be assessed. This Ordinance was assessed in accordance with the authority and criteria contained in the CEQA, the State CEQA Guidelines (the Guidelines), and the environmental regulations of the City.

B.

#### **SECTION 4. Repeals**

A. Ordinance No. 18-03 is hereby repealed.

B. The following provisions were repealed by Ordinance No. 18-03, and are hereby again repealed:

1. Section 35-209 of Division 2 of Article III of the Inland Zoning Ordinance is amended to delete the definitions for “Cannabis, or Marijuana,” “Cannabis Accessories,” “Cannabis Product,” “Commercial Cannabis Activity,” “Concentrated Cannabis,” “Cannabis Cultivation, or ‘cultivate cannabis,” “Delivery” (as used in Section 35-292i), “Dispensary,” “Distribution” (as used in Section 35-292i), “Manufacture” (as used in Section 35-292i), “MAUCRSA,” “Medical Marijuana Dispensary,” “Mobile Marijuana Dispensary,” “Primary Caregiver,” and “Qualified Patient.”
2. Repeal Section 35-292i, entitled “Commercial Cannabis Activities,” of Division 7 of Article III of the Inland Zoning Ordinance in its entirety.
3. Section 35-58 of Division 2 of Article II of the Coastal Zoning Ordinance is amended to delete the definitions for “Cannabis, or Marijuana,” “Cannabis Accessories,” “Cannabis Product,” “Commercial Cannabis Activity,” “Concentrated Cannabis,” “Cannabis Cultivation, or ‘cultivate cannabis,” “Delivery” (as used in Section 35-144G), “Dispensary,” “Distribution” (as used in Section 35-144G), “Manufacture” (as used in Section 35-144G), “MAUCRSA,” “Medical Marijuana Dispensary,” “Mobile Marijuana Dispensary,” “Primary Caregiver,” and “Qualified Patient.”
4. Repeal Section 35-144G, entitled “Commercial Cannabis Activities,” of Division 7 of Article II of the Coastal Zoning Ordinance in its entirety.
5. Repeal Chapter 8.16, entitled “Marijuana Cultivation Regulations,” of the Goleta Municipal Code in its entirety.

#### **SECTION 5. Cannabis Land Use Regulations.**

A. *Purpose.* This Ordinance establishes standards to protect the public health, safety, and welfare, enact strong and effective regulatory and enforcement controls in compliance with State law, protect neighborhood character, and minimize potential for negative impacts on people, communities, and the environment by establishing minimum land use requirements for all cannabis activities including the cultivation, distribution, transportation, storage, manufacturing, processing, and sales.

B. *Applicability.* The standards of this Section apply to all cannabis activities as defined in Section D - Cannabis-Related Use Classifications. Additionally,

1. All cannabis activities shall comply with the provisions of this Section, as well as all applicable State laws, regardless of whether the use existed or occurred prior to the effective date of this Ordinance.
2. Nothing in this Section is intended, nor shall it be construed, to allow persons to engage in conduct that endangers others or causes a public nuisance, or allows any use relating to personal or commercial cannabis activity that is illegal under State law.
3. Nothing in this Section is intended, nor shall it be construed, to exempt cannabis uses from compliance with all other applicable City regulations, including development standards, as well as other applicable provisions of the Goleta Municipal Code, State and local cannabis licensing requirements, or compliance with any applicable State laws.
4. All persons operating facilities and conducting cannabis activities, as defined in this Section, are subject to possible federal prosecution, regardless of the protections provided by State or local law.

C. *Cannabis-Related Definitions.* When used in this Ordinance, the following words are defined as follows. If a word is not defined in this Section or in other provisions of the Goleta Municipal Code, the definition shall be as in State Cannabis Laws or, in cases where a definition is not provided in State Cannabis Laws, as determined by the Director.

1. "Accessory Use." A use that is customarily associated with, and is incidental and subordinate to, a permitted use and located on the same premises as the permitted use.
2. "Building." Any structure having a roof supported by columns or walls and intended for the shelter, housing or enclosure of any individual, animal, process, equipment, goods or materials.
3. "Cannabis." All parts of the *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this division, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the California Health and Safety Code.



4. "Cannabis Concentrate." Cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product's potency. Resin from granular trichomes from a cannabis plant is a concentrate for purposes of this division. A cannabis concentrate is not considered food, as defined by Section 109935 of the Health and Safety Code, or drug, as defined by Section 109925 of the Health and Safety Code.
5. "Cannabis Products." Cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including but not limited to concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.
6. "Canopy." The designated area(s) at a cannabis business, except nurseries and processors, that will contain mature plants at any point in time, as follows.
  - a. For indoor cultivation, canopy is calculated in square feet and measured using the room boundaries, walls, or ceiling-to-floor partitions of each enclosed area that will contain mature plants at any point in time. If mature plants are being cultivated using a shelving system, the surface area of each level is included in the total canopy calculation.
7. "Commercial Cannabis Activity." Activities that include the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery, dispensing, or retail sale of cannabis and cannabis products.
8. "Cultivation." Any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.
9. "Cultivation Site." A location where cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or a location where any combination of those activities occurs.
10. "Day Care Center." Day care center has the same meaning as in Section 1596.76 of the Health and Safety Code.
11. "Delivery." The commercial transfer of cannabis or cannabis products to a customer. Delivery also includes the use by a retailer of any technology platform.
12. "Director." The Planning and Environmental Review Department Director of the City of Goleta or his/her designee.
13. "Dispensing." Any activity involving the retail sale of cannabis or cannabis products from a retailer.
14. "Distribution." The procurement, sale, and transport of cannabis and cannabis products between licensees.

15. "Edible Cannabis Product." Cannabis product that is intended to be used, in whole or in part, for human consumption, and is not considered food.
16. "Extraction." A process by which cannabinoids are separated from cannabis plant material through chemical, physical, or any other means.
17. "License or State License." A permit or license issued by the State of California, or one of its departments or divisions, under MAUCRSA and any subsequent State of California legislation regarding the same, to engage in commercial cannabis activity.
18. "Manufacture." To compound, blend, extract, infuse, or otherwise make or prepare a cannabis product. Manufacture includes the following processes: Extraction processes; Infusion processes; Packaging or repackaging of cannabis products; and Labeling or relabeling the packages of cannabis products.
19. "Owner." Any of the following:
- a. A person with an aggregate ownership interest of 20 percent or more in the use applying for a license or a licensee, unless the interest is solely a security, lien, or encumbrance.
  - b. The chief executive officer of a nonprofit or other entity.
  - c. A member of the board of directors of a nonprofit.
  - d. An individual who will be participating in the direction, control, or management of the person applying for a license.
20. "Premises." A legal parcel, or leasehold interest in land, or a leased or owned space in a building where the commercial cannabis use or activity is or will be conducted.
21. "State Cannabis Laws." Laws of the State of California, which include California Health and Safety Code Sections 11362.1 through 11362.45; California Health and Safety Code Section 11362.5 (Compassionate Use Act of 1996); California Health and Safety Code Sections 11362.7 to 11362.83 (Medical Marijuana Program); California Health and Safety Code Sections 26000 through 26211 (Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA," Senate Bill 94 (2017))); California Health and Safety Code Sections 26220 through 26231.2; the California Attorney General's Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use issued in August, 2008, as such guidelines may be revised from time to time by action of the Attorney General; California Labor Code Section 147.5; California Revenue and Taxation Code Sections 31020 and 34010 through 34021.5; California Fish and Game Code Section 12029; California

Water Code Section 13276; all state regulations adopted pursuant to MAUCRSA; and all other applicable laws of the State of California.

22. "Topical Cannabis." A product intended for external application and/or absorption through the skin. A topical cannabis product is not considered a drug as defined by Section 109925 of the California Health and Safety Code.
23. "Volatile solvent." A solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.
24. "Youth Center." The same meaning as in Section 11353.1 of the Health and Safety Code.

**D. Cannabis-Related Use Classifications.**

1. "Cannabis Cultivation." Any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.
  - a. "Outdoor Cultivation." The cultivation of cannabis without the use of light deprivation and/or artificial lighting in the canopy area. Supplemental low intensity lighting is permissible only to maintain immature plants as a source for propagation.
  - b. "Mixed-Light Cultivation." The cultivation of mature cannabis in a greenhouse, hoop-house, glasshouse, conservatory, hothouse, or other similar structure using light deprivation and/or artificial lighting.
  - c. "Indoor Cultivation." The cultivation of cannabis within a permanently affixed, fully enclosed structure using exclusively artificial light or within any type of structure using artificial light at a rate above twenty-five watts per square foot.
  - d. "Nursery." Operation that produces only cannabis clones, immature plants, seeds, and other agricultural products used in cannabis cultivation.
  - e. "Processor." A cultivation site that conducts only trimming, drying, curing, grading, packaging, or labeling of cannabis and non-manufactured cannabis products. Cultivation of cannabis plants is prohibited.
2. "Cannabis Distribution." Facility for the distribution of cannabis and cannabis products.
3. "Cannabis Events." Cannabis Manufacturing." A building, or portion thereof, used for a business involving the manufacture for off-site sale of cannabis products.

- a. "Non-Volatile Solvent Manufacturing." Manufacture, including extractions, of cannabis products using nonvolatile solvents, or no solvents. May also conduct packaging and labeling of cannabis products.
  - b. "Volatile Solvent Manufacturing." Manufacture, including extractions, of cannabis products using volatile solvents. May also conduct infusion operations and packaging and labeling of cannabis products.
  - c. "Infusions." Production of edible products or topical products using infusion processes, or other types of cannabis products other than extracts or concentrates, and that do not conduct extractions.
  - d. "Packaging and Labeling." Establishments engaged only in the packaging or repackaging of cannabis products or labeling or relabeling of cannabis product containers in preparation of retail sale.
- 4. "Cannabis Microbusiness." A business involving any combination of the cultivation of cannabis on an area less than 10,000 square feet, cannabis distribution, manufacturing with non-volatile solvents, and cannabis retail. In order to be considered a Cannabis Microbusiness, three of four of the activities described must be conducted on the same premises.
  - 5. "Cannabis Testing." Establishments involving the materials testing, investigation, scientific research, or experimentation of medicinal or nonmedicinal cannabis or cannabis products.
  - 6. "Cannabis Retailer." Establishment where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale and includes delivery.
    - a. "Storefront." Cannabis retailer with premises, meaning a "brick and mortar" facility, with direct physical access for the public.
    - b. "Non-Storefront." Cannabis retailer with premises, meaning a "brick and mortar" facility, that does not have a storefront with direct physical access for, nor is open to the public.
  - 7. "Personal Use Cultivation." The cultivation, harvest, drying, or processing of plants with the intent to possess, smoke, or ingest cannabis or cannabis products for one's own individual use pursuant to Health and Safety Code section 11362.1(a), as amended, and for medicinal use pursuant to Health and Safety Code section 11362.77, as amended.

*E. Personal Use Cultivation.* This Subsection E applies only to Personal Use Cultivation.

1. Zoning. Personal Use Cultivation, consistent with the requirements of this Subsection E, is allowed in all Inland Zoning Districts and all Coastal Zoning Districts, and a land use permit is not required.
2. Standards.
  - a. Cultivation is limited to six plants per private residence for adult use pursuant to Health and Safety Code section 11362.2, as amended. Cultivation is limited to the number of plants allowable under State Cannabis Laws for one qualified patient per private residence.
  - b. Personal use cultivation is limited to indoor cultivation in a permanently affixed, fully enclosed structure.
  - c. No cannabis odors may be detectable from any place outside the residence. An odor absorbing ventilation and exhaust system must be installed if the odor generated inside the residence is detected outside the property or premises, or anywhere on adjacent property or public rights-of-way, or within another unit located within the same building as the cultivation.
  - d. No exterior evidence of cultivation occurring at the property can be visible from the public right-of-way.
  - e. Cultivation is limited to parcels with a residence and a full-time resident on the premises where the cultivation is occurring.
  - f. Grow lights must not exceed 1,200 watts per light and are prohibited from producing a glare that interferes with other residents' reasonable enjoyment of life or property.
  - g. Cannabis plants cultivated must remain at least 12 inches below the ceiling.
  - h. Cultivation may not occur on required on-site parking areas unless that required parking is replaced in compliance with the City's Inland and Coastal Zoning Ordinances.
  - i. Cultivation may not interfere with the primary occupancy of the building or structure, including regular use of the kitchen(s) or bathroom(s).
  - j. The living plants and any cannabis produced by the plants in excess of 28.5 grams must be kept within the person's private residence in a locked space.
  - k. Generators. The use of generators for cultivation is prohibited, except for temporary use in the event of a power outage or for emergency use.

- i. For purposes of this subsection, emergency use is defined in accordance with 17 California Code of Regulations § 93115, as may be amended.
- ii. For purposes of this subsection, the limit on use of a generator in an emergency is 90 days. The use of CO2 or any volatile solvents to manufacture cannabis products is prohibited.
- l. Nothing in the section is intended, nor shall it be construed, to preclude any landlord from limiting or prohibiting personal cultivation by tenants.
- m. Nuisance abatement. Any violation of this Section is declared to be a public nuisance and may be abated by the City pursuant to Title I of the Goleta Municipal Code.

**F. Commercial Cannabis Uses.** This Subsection F applies to all cannabis uses other than Personal Use Cultivation.

- 1. **Zoning.** Cannabis Uses, consistent with the requirements of this Subsection F, are allowed only locations based on the commercial and industrial General Plan land use designations as prescribed in Table 1. Outdoor Cultivation and Mixed-Light Cultivation are prohibited.

<b>Table 1. Cannabis Uses by Land Use Designation</b>										
Cannabis Uses	Land Use Designations <sup>1</sup>									
	Commercial						Office and Industrial			
	C-R	C-C	C-OT	C-I	C-V	G-C	I-BP	I-OI	I-S	I-G
Cannabis Cultivation	See Subclassifications below.									
<i>Indoor Cultivation</i>							P		P	P
<i>Nursery</i>							P		P	P
<i>Processor</i>							P		P	P
Cannabis Distribution						P	P		P	P
Cannabis Manufacturing	See Subclassifications below.									
<i>Non-Volatile Solvent</i>							P		P	P
<i>Volatile Solvent Manufacturing</i>							P		P	P
<i>Infusions</i>							P		P	P
<i>Packaging and Labeling</i>							P		P	P
Cannabis Microbusiness <sup>2</sup>										
Cannabis Retailer	See Subclassifications below.									
<i>Storefront</i>	P	P	P			P				P
<i>Non-Storefront</i>						P			P	P
Cannabis Testing							P	P		P
Key: P: Land use permitted. Blank: Land use prohibited.										
For this draft: Highlighted permitted uses addressed in companion general plan amendment.										

Notes:

1. For the purposes of this Ordinance, the land use designations set forth in Table 1 shall be deemed zoning classifications. The zoning classifications shall correspond to the land use designations in the General Plan, which shall is hereby adopted as the City's official zoning map solely for purposes of this Ordinance.

2. For Cannabis Microbusinesses, all accessory uses must be consistent with accessory use standards of Subsection F.2.b.

## 2. Standards.

### a. All Cannabis Uses.

#### i. Licenses.

- 1) State License. The permittee of a cannabis use that requires one or more of the State cannabis license types set forth in California Business and Professions Code must:
  - a) Obtain the requisite State cannabis license for the cannabis use prior to the commencement of the use, and
  - b) Conduct the cannabis use in compliance with the State cannabis license at all times.
- 2) City Cannabis Business License (CBL). The permittee of a cannabis use must:
  - a) Obtain a CBL (Goleta Municipal Code, Ch. 5.09) from the City of Goleta prior to the commencement of the use, and
  - b) Conduct the cannabis use in compliance with the CBL at all times.

#### ii. Location.

- 1) Measurements. Any distance requirements specified in this Section F must be the horizontal distance measured in a straight line between the closest property line of the first lot to the closest property line of the second lot without regard to intervening structures.
- 2) Distance. Cannabis uses shall not be subject to distance requirements based on the following:
  - a) School providing K-12 education;
  - b) Day Care Centers; and
  - c) Youth Centers.

b. Accessory Uses.

- i. A cannabis use is allowed as an accessory uses only where the same cannabis use is also primarily permitted.
- ii. For all cannabis accessory uses, the primary permitted use must also be a cannabis use.
- iii. Cannabis uses may not have non-cannabis related accessory uses.
- iv. Volatile Manufacturing as an accessory use is only allowed in IG, IS, and BP.
- v. All accessory cannabis uses must adhere to the standards for such uses as identified in this Subsection F.2.

c. Storefront Cannabis Retailer.

- i. Location. A Storefront Cannabis Retailer shall not be located within:
  - 1) 600 feet from another Storefront Cannabis Retailer that was legally established before or after the adoption of this Ordinance;
  - 2) 300 feet from the Goleta Valley Community Center;
- ii. Establishment. A limit of 15 Storefront Cannabis Retailer uses is established.
- iii. On-Site Consumption Prohibited. On-site consumption is prohibited. The premises of each Storefront Cannabis Retailer shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis on the premises or in the areas adjacent to the retailer is prohibited.

d. Non-Storefront Cannabis Retailer. On-Site consumption is prohibited. The premises of each Non-Storefront Cannabis Retailer shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis on the premises or in the areas adjacent to the retailer is prohibited

e. Cannabis Events. Temporary events where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are displayed, manufactured, offered, either individually or in any combination, for retail sale and includes delivery are prohibited.

*G. Inspection.* All permitted cannabis use sites are subject to review and inspection from Law Enforcement, Fire Department, and the Building Department or any



agents of the State or City charged with enforcement of this Ordinance and any other State or local license.

**SECTION 6. Effect of Repeals.**

To the extent any provision of this Ordinance repeals or supersedes any previous approvals, such repeal or replacement will not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before, this Ordinance's effective date. Any such repealed or superseded part of previous approvals will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

**SECTION 7. Severability.**

If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

**SECTION 8. Certification of City Clerk.**

The City Clerk shall certify to the adoption of this ordinance and, within 15 days after its adoption, shall cause it to be published in accord with California Law.

**SECTION 9. Effective Date.**

This ordinance shall take effect on the 31st day following adoption by the City Council.



## Attachment 4

### Proposed Cannabis Business License Ordinance Amendments



**ORDINANCE NO.19-\_\_**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF  
GOLETA, CA REPEALING AND REPLACING CHAPTER  
5.09 OF TITLE 5 OF THE GOLETA MUNICIPAL CODE TO  
ESTABLISH STANDARDS AND REGULATIONS FOR  
COMMERCIAL CANNABIS BUSINESSES**

**THE CITY COUNCIL OF THE CITY OF GOLETA DOES HEREBY  
ORDAIN AS FOLLOWS:**

**SECTION 1: Findings**

- A. In 1996, the California electorate approved Proposition 215, the Compassionate Use Act which allows a patient, with a doctor's recommendation, to use cannabis for medicinal purposes without the fear of prosecution or arrest; and
- B. In 2003, the California legislature passed Senate Bill 420 (Medical Marijuana Program Act) which amended the Health and Safety Code to permit the establishment of medicinal cannabis dispensaries for the distribution of cannabis for medicinal purposes; and
- C. In 2005, the California Board of Equalization began issuing seller's permits for sales consisting of medicinal cannabis; and
- D. In 2008, the California Attorney General issued guidelines for the security and non-diversion of cannabis grown for medical use; and
- E. In 2015, the Governor signed into law Senate Bill 643, Assembly Bill 266, and Assembly Bill 243, collectively referred to as the Medical Marijuana Regulation and Safety Act ("MMRSA") further amended by Senate Bill 837 in 2016 as the Medicinal Cannabis Regulation and Safety Act ("MCRSA"), which established regulations and a state licensing system for medical cannabis cultivation, manufacturing, delivery, and dispensing; and
- F. In 2016, the voters of the State of California approved and passed Proposition 64 also known as the Adult Use of Marijuana Act ("AUMA"); and
- G. In 2017, the Governor signed into law Senate Bill 94 also known as Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA); and
- H. Pursuant their police power and land use authority under Article 11, Section 7 of the California Constitution, cities are free to adopt and enforce local ordinances that regulate the location, operation, or establishment of medicinal cannabis; and
- I. After studying various alternatives for the regulation of commercial cannabis considering input from stakeholders and a public hearing, and reviewing the legal status of cannabis under applicable law, the City Council finds that the regulation of commercial cannabis activities is necessary to

protect the public health, safety, and welfare by mitigating the adverse secondary effects from the operations of these uses; and

- J. The City of Goleta ("City") has a compelling interest in ensuring that cannabis is not distributed in an illicit manner, in protecting the public health, safety and welfare of its residents and businesses, in preserving the peace and quiet of the neighborhoods in which these uses may operate, and in providing access of cannabis to residents; and
- K. Whereas, Chapter 5.09 of Title 5 of the Goleta Municipal Code regulates and requires licensure of cannabis delivery within the City.
- L. Whereas, the City desires to regulate the licensure of all cannabis businesses with this Ordinance and subject cannabis delivery businesses to this Ordinance.
- M. The proposed Ordinance has been reviewed by City staff in accordance with the Environmental Checklist Form (Appendix G of the CEQA Guidelines) to determine if there would be any possibility that the proposed ordinance would create any significant environmental impacts, and the City has determined that the establishment of regulations for commercial cannabis businesses do not meet any of the thresholds contained in the Checklist that would trigger a significant environmental impact, and thus according to the "general rule exemption" (Section 15061 (b)(3) of the CEQA Guidelines, projects which have no potential for causing a significant effect on the environment are not subject to CEQA, no further environmental analysis is required.

## **SECTION 2: Land Use Reference**

This Chapter corresponds with City Ordinance 18-03 and will be taken together with the provisions of the City Ordinance 18-03 to determine whether a cannabis business is permitted and the approval process. Any commercial cannabis business in the City must also operate in compliance with the City's zoning ordinance.

## **SECTION 3: Authority**

This Ordinance is adopted pursuant to the authority granted by State law, including but not limited to, Article IX, Section 7 of the California Constitution, the Compassionate Use Act of 1996, as amended, (Health and Safety Code Section 11362.5), the Medical Marijuana Program, as amended, (Health and Safety Code Section 11362.7 et seq.), the Medical Marijuana Regulation and Safety Act, as amended, (Business and Professions Code Section 144, 2525, 2220.05, 2241 .5, 2242.1, 19302.1, 19319-19325, 19331, 19335, 19337, 19348 et seq.; AB 266, AB 243, and SB 643; hereafter "MMRSA"), the Adult Use of Marijuana Act (Business and Professions Code Section 14235.5, 11362.775, 26001, 26053, 26070, 26100, 26110, 26130; Proposition 64), and the Medicinal and Adult Use Cannabis Regulation and Safety Act (Fish and Game Code Section 1602 and 1617 et seq.; Business and Professions Code Section 26000-26220 et seq.; Food and Agricultural Code Section 37104, 54036, and 81010 et seq.; Health and Safety Code section 11006.5-11553

and 109925 et seq.; Revenue and Taxation Code Section 34010-34021.5 et seq.; Vehicle Code Section 2429.7 et seq.; SB 94; hereafter "MAUCRSA"); and any other state statutes regulating cannabis (hereinafter collectively referred to as "State Law").

#### **SECTION 4: Purpose and Intent**

The purpose and intent of this section is to regulate commercial cannabis business activities in order to ensure the health, safety and welfare of the residents of the City by establishing regulations necessary for a commercial cannabis business to obtain and maintain a Cannabis Business License (CBL). Any commercial cannabis businesses operating in the City shall at all times be in compliance with State Law, this chapter, and all zoning regulations.

#### **SECTION 5: Definitions**

The definitions in City Ordinance 18-03 are incorporated herein as fully set forth and are applicable to this Chapter.

1. Cannabis-Related Definitions. When used in this Chapter, the following words are defined as follows. If a word is not defined in this Section or in other provisions of the Goleta Municipal Code, the definition shall be as in the State Laws or, in cases where a definition is not provided in State Laws, as determined by the Director of Neighborhood Services.
2. "Cannabis business" means a person operating any or all of the activities requiring a license under this Chapter.
3. "Cannabis Business License" means a license issued by the City under this Chapter.
4. "Day care center" means a child day care facility other than a family day care home, and includes infant centers, preschools, extended day care facilities, and school age child care centers, and includes child care centers licensed pursuant to Section 1596.951.
5. "Person" means any natural person, partnership, cooperative, association, corporation, personal representative, receiver, trustee, assignee, or any other legal entity.
6. "Responsible Party" means the individual who controls, manages, or directs the entity and the disposition of the entity's funds and assets, the person who has a level of control over, or entitlement to, the funds or assets in the entity that, as a practical matter, enables the individual, directly or indirectly, to control, manage or direct the entity and the disposition of its funds and assets.
7. "Seller's Permit" means a state business license that allows a business to make sales of tangible person property in California.
8. "State Law" means the codified sections promulgated by the California State Legislature as referenced above in Section 3 of this Chapter.

9. "Youth Center" means any public or private facility that is primarily used to host recreation or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or amusement parks. It shall also include a park, playground or recreational area specifically designed to be used by children which has play equipment installed, including public grounds designed for athletic activities such as baseball, softball, soccer, or basketball or any similar facility located on a public or private school grounds, or on city, county or state parks. This definition shall not include any private martial arts, yoga, ballet, music or similar studio of this nature nor shall it include any private athletic training facility, restaurant, dentist office or doctor's office primarily serving children.

#### **SECTION 6: Amendment of Chapter 5.09**

The City hereby repeals Section 5.09 ("Marijuana Delivery Regulations") of the Goleta Municipal Code in its entirety and replaces it with the amended Section 5.09 as set forth below and to be numbered in accordance with the Goleta Municipal Code.

#### **SECTION 7: Compliance with State and Local Licensing Requirements**

Commercial cannabis activity as defined by the State of California or the City shall operate in conformance with all regulations and standards set forth in this section of the Municipal Code to assure that the operations of the retailer, cultivation facility, manufacturing facility, distribution facility, testing facility or any other commercial cannabis activity as defined by the State of California or allowed by the City are in compliance with local and State law and are established to mitigate any adverse secondary effects from its operations. Cannabis operators shall be required to obtain a State license and shall comply with any applicable State licensing requirements, such as operational standards and locational criteria. Multiple cannabis uses and licenses proposed on any one site shall occur only if authorized by the State and the City and only if all uses proposed are allowed under the City's zoning regulations.

#### **SECTION 8: General Provisions for Commercial Cannabis Activities in the City**

A. Prohibitions. All commercial cannabis activity within the City of Goleta is prohibited unless specifically authorized by this Chapter.

B. Cannabis Business License Required.

1. Each business shall have a Cannabis Business License specific to the business activity defined by State Law pertaining to that activity and whether the activity is medicinal or non-medicinal or any other commercial cannabis activity the State may define and as they may be amended. The following is a list of current license types:



- a) Cultivation
  - b) Retail
  - c) Distribution
  - d) Manufacturing
  - e) Nurseries
  - f) Testing
  - g) Microbusiness
2. The following are the commercial cannabis activities currently authorized by the City of Goleta:
- a) Storefront Retail
  - b) Non-Storefront Retail
  - c) Cultivation
  - d) Manufacturing
  - e) Testing
  - f) Distribution
3. It shall be unlawful for any person to engage in, conduct or carry on, in or upon any premises within the City any commercial cannabis business without a Cannabis Business License. A cannabis business shall register and obtain a Cannabis Business License from the City prior to operation.
4. A copy of the Cannabis Business License shall be displayed at all times in a place visible to the public.
5. A Cannabis Business License shall be for a period of one year from January 1 through December 31 of each year, unless sooner revoked. No permit granted herein shall confer any vested right to any person or business for more than the above-referenced period.
6. A Cannabis Business License shall not be issued to a person with felony convictions as reported by a Department of Justice "Live Scan", as specified in subdivision (c) of Section 667.5 of the Penal Code and subdivision (c) of Section 1192.7 of the Penal Code; with criminal convictions that substantially relate to the qualifications, functions, or duties of a business or profession, including a felony conviction involving fraud, deceit, or embezzlement, or with a criminal conviction for the sale or provision of controlled substances without specific written permission from the City.
7. A Cannabis Business License shall not employ any individuals with felony convictions as reported by a Department of Justice "Live Scan", as specified in subdivision (c) of Section 667.5 of the Penal Code and subdivision (c) of Section 1192.7 of the Penal Code; with criminal convictions that substantially relate to the qualifications, functions, or duties of a business or profession, including a felony conviction involving fraud, deceit, or embezzlement, or with a criminal conviction for the sale or provision of controlled substances without specific written permission from the City.

8. The Cannabis Business License shall be issued only to the specific person or persons listed on the Cannabis Business License Application.
9. A Cannabis Business License may not be transferred from one person to another person. A Cannabis Business License does not run with the land. Except as provided in Goleta Municipal Code Sections 5.01.300 and 5.01.310A, any change to the organizational structure or ownership of the cannabis business will require a new Cannabis Business License.

## **SECTION 9: Cannabis Business License Application Procedures and Requirements**

### **A. Initial Application Procedure.**

- (1) The City Council will, by resolution, adopt procedures by which all applications will be reviewed, qualified, and annually renewed, including procedures by which permits will be suspended, revoked and appealed. All applications shall demonstrate full compliance with any applicable State licensing application requirements. The Director of Neighborhood Services shall implement the procedures to govern the application process, and the manner in which the decision will ultimately be made regarding the issuance of any commercial cannabis business permit(s), which shall include or require the Director of Neighborhood Services to provide detailed objective review criteria to be evaluated on a point system or equivalent quantitative evaluation scale tied to each set of review criteria ("Review Criteria"). The Director of Neighborhood Services or his/her designee(s) shall be authorized to prepare the necessary forms, adopt any necessary rules to the application, regulations and processes, solicit applications, conduct initial evaluations of the applicants.
- (2) At the time of filing, each applicant shall pay an application fee established by resolution of the City Council, to cover all costs incurred by the City in the application process.
- (3) After the review under the Review Criteria, the Director of Neighborhood Services or his/her designee(s) will make a final determination in accordance with this section.
- (4) The City's Reservation of Rights.  
The City reserves the right to reject any or all applications. Prior to permit issuance, the City may also modify, postpone, or cancel any request for applications, or the entire program under this

Chapter, at any time without liability, obligation, or commitment to any party, firm, or organization, to the extent permitted under California state law. Persons submitting applications assume the risk that all or any part of the program, or any particular category of permit potentially authorized under this Chapter, may be cancelled at any time prior to permit issuance. The City further reserves the right to request and obtain additional information from any candidate submitting an application. In addition to any other justification provided a failure to comply with other requirements in this Chapter, an application RISKS BEING REJECTED for any of the following reasons:

- (a) Proposal received after designated time and date.
- (b) Proposal not containing the required elements, exhibits, nor organized in the required format.
- (c) Proposal considered not fully responsive to this request for permit application.

B. Preliminary Application Information.

1. Initial Application Period. The Director of Neighborhood Services will designate an initial Phase One application period and post notice of the Initial Application Period dates on the City's website no less than 14 days prior to the start of that period. The Initial Application Period for all cannabis business permits shall run for thirty (30) consecutive business days.
2. Subsequent Application Periods. After the Initial Application Period, and from time to time thereafter, the Director of Neighborhood Services may at his/her discretion issue additional notices of Application Periods for specified license types. The terms for each and any subsequent Application Period will be set forth in the corresponding Application Notice.
3. Late Applications. Cannabis business license applications will only be accepted by the City during the Initial Application Period and/or subsequent Application Periods, if any. Applications received by the City after the posted deadline will be disqualified from consideration.

C. Application Process Detail and Phases.

Prior to submitting a Commercial Cannabis Business Application, applicants must obtain an approved Zoning Verification Letter (ZVL) or equivalent from the Goleta Planning Department to ensure that the proposed location meets the city zoning requirements. The ZVL must be included in the Commercial Cannabis Business application. Issuance of a ZVL does not constitute documented evidence of permission by the City to operate a commercial cannabis business.

Applicants may submit one or multiple applications for the various cannabis permit types, however, applicants may apply for no more than one permit per category of commercial cannabis business. To be considered, each applicant must submit a standardized City of Goleta Commercial Cannabis Business application form containing the required general information and supporting documentation unique to the type of cannabis activity for which a permit is being sought. A separate application must be filed for each location or premise for which an applicant proposes to operate a Commercial Cannabis Business. The City's Commercial Cannabis Business application form will be available on the City's website and updated periodically as needed.

1. Phase One: Preliminary Determination of Eligibility.

- (a) Applicants must submit application form and related materials, and pay the requisite fee for the mandatory criminal background check, as required by Section 11. U.
- (b) The related materials must include information sufficient to establish the applicant's identity, as via government-issued identification, proof of current address, as well as a recent photograph of the applicant.
- (c) The Zoning Verification Letter for the proposed location must be included.

2. Phase Two: Application Evaluation

Applications will be evaluated, at the discretion of the Director of Neighborhood Services, , or designee, based on criteria critical to the success of the cannabis business, including but not limited to the location, business plan, security plan, green business practices, and safety plan.

3. Phase Three: Conclusion of Application Review Process.

After all phases have been completed, application materials have been submitted, the Director of Neighborhood Services will make a determination regarding the awarding of a permit or permits. A Cannabis Business Permit will only be issued by the Department of Neighborhood Services once the applicant has obtained the appropriate land use authorization and all building modifications have been completed and finalized. Nothing in this Chapter shall prevent a potential applicant from applying for a land use permit prior to applying for a Cannabis Business License.

**SECTION 10: Appeal of Denial, Suspension or Revocation**

- A. The City must give notice of intention to deny, suspend or revoke to a licensee or applicant in writing. Within five days thereafter, the licensee or

- applicant may request in writing a hearing before the Director of Neighborhood Services, or designee.
- B. The Director of Neighborhood Services, or designee, shall hold a hearing in accordance with Chapter 5.01 of this Title.
  - C. After a hearing, the Director of Neighborhood Services, or designee, shall affirm or reverse the denial, suspension or revocation in writing. If the licensee does not timely request a hearing, the notice of intention to deny, suspend or revoke shall be final.

#### **SECTION 11: Maintenance of Records and Reporting**

- A. All records for the commercial cannabis business of the following activities shall be maintained and available to the City for at least 5 years. Records shall be produced within 24 hours of a request by an authorized City representative:
- B. The business shall obtain and maintain a valid Seller's Permit from the State Board of Equalization or its successor agency.
- C. Financial records include, but are not limited to: bank statements, sales invoices, receipts, tax records, and all records required by the California State Board of Equalization under Title 18 California Code of Regulations Section 1968.
- D. The printed full name, date of birth, and present address and telephone number of the licensed individual, as well as for all persons with any financial interest in the commercial cannabis business.
- E. Personnel records, including each employee's full name, address, phone number, date of beginning employment, and date of termination of employment if applicable.
- F. Training records, including but not limited to the content of the training provided and the names of the employees that received the training.
- G. Contracts with other licensees regarding commercial cannabis activity.
- H. Permits, licenses, and other local authorizations to conduct the licensee's commercial cannabis activity, including a valid California Seller's Permit.
- I. Security records. Records shall be kept in a manner that allows the records to be produced for the City in either hard copy or electronic form, whichever the City requests.
- J. Proof of building ownership or written permission from landlord permitting the cannabis business type to be operated on the leased premises.
- K. Proof of insurance.

#### **SECTION 12: Operating Requirements for All Commercial Cannabis Businesses**

- A. Commercial cannabis businesses may operate only during the hours specified in the commercial cannabis business permit issued by the City.

- B. Restriction on Consumption. Cannabis shall not be consumed by any employee or any other person on the premises of any commercial cannabis business.
- C. Interior and exterior locations of the business property shall be monitored at all times by closed circuit cameras for security purposes. The cameras and recording system shall be of adequate quality, color rendition and resolution to allow the sufficient identification of any individual committing a crime on the location premises. Cameras shall record 24 hours a day at a minimum of 20 frames per second. Video recordings shall be maintained by the business and kept available to local police for a minimum period of 90 days.
- D. The surveillance system storage device or cameras shall be transmission control protocol/TCP capable of being accessed through the internet by the City or their designee on request.
- E. All controlled access areas, security rooms and all points of ingress/egress to limited access areas and all point of sale (POS) areas shall have fixed camera coverage capable of identifying activity occurring within a minimum of twenty (20) feet. Camera video recordings shall be maintained unaltered in a secure location for a period of not less than ninety (90) calendar days and be available for inspection at any time. The City or law enforcement may request the recordings in connection with an investigation. If the recordings are not voluntarily provided, the City or law enforcement may seek a warrant or court order for the recordings.
- F. Reporting and Tracking of Product and of Gross Sales. Each commercial cannabis business shall have in place a point-of-sale or management inventory tracking system to track and report on all aspects of the commercial cannabis business including, but not limited to, such matters as cannabis tracking, inventory data, gross sales (by weight and by sale) and other information which may be deemed necessary by the City. The commercial cannabis business shall ensure that such information is compatible with the City's record-keeping systems and with the state's METRC track-and-trace software. In addition, the system must have the capability to produce historical transactional data for review. Furthermore, any system selected must be approved and authorized by the Director of Neighborhood Services or his/her designee(s) prior to being used by the permittee. In the event of system failure, the business shall keep a hard copy record and transfer the information to the track and trace system, "or an equivalent" within 24 hours of the system being available.
- G. An updated floor plan consistent with State regulations must be submitted to the City.
- H. No physical modification of the permitted premises is allowed without written prior permission by the City and payment of any additional fees required by the City.
- I. The cannabis business shall comply with all State regulations regarding testing, labeling and storage of all cannabis products.
- J. The cannabis business shall meet all State and local regulations for the disposal of all cannabis materials and materials used in conjunction with

processing, distributing and cultivating of cannabis as well as any unsold cannabis or cannabis products.

- K. The cannabis business shall conform to all State regulations regarding the use of appropriate weighing devices.
- L. The cannabis business shall conform to all State and local regulations regarding water usage. No liquids of any kind shall be discharged into a public or private sewage or drainage system, watercourse, body of water or into the ground, except in compliance with applicable regulations of the California Regional Water Quality Control Board (California Administrative Code, Title 23, Chapter 27).
- M. The cannabis businesses' electrical and plumbing shall comply with State and local regulations, including the Building Code.
- N. The cannabis business shall maintain a comprehensive general liability combined single occurrence insurance policy issued by an "A" rated insurance carrier in an amount no less than two million dollars and naming the City as additional insured.
- O. No free samples of any cannabis or cannabis product may be distributed at any time.
- P. All agents, private security officers or other persons acting for or employed by a licensee shall display a laminated identification badge at least 2" X 2" in size, issued by the licensee. The badge, at a minimum, shall include the licensee's "doing business as" name and license number, the employees first and last name, and a color photo of the employee that shows the full front of the employee's face.
- Q. The commercial cannabis business shall have separate and independent centrally-monitored fire and burglar alarm systems, which shall include all perimeter entry points and perimeter windows.
- R. A licensee shall ensure a licensed alarm company operator or one or more of its registered alarm agents installs and maintains the alarm system. The alarm company shall obtain a City business license.
- S. A licensee must meet all State deadlines for applying for and receiving a State license.
- T. All persons hiring employees to engage in commercial cannabis activities shall document compliance with the following employee safety practices:
  - 1 Emergency action response planning as necessary
  - 2 Employee accident reporting and investigation policies
  - 3 Fire prevention
  - 4 Hazard communication policies, including maintenance of material safety data sheets.
  - 5 Materials storage and handling policies
  - 6 Personal protective equipment policies
  - 7 Operation manager contacts
  - 8 Emergency responder contacts
  - 9 Poison control contacts

10 Department of Justice "Live Scan" for all employees

- U. All persons with ownership interest, and all employees, agents, officers and other persons acting on behalf of a licensee must be at least 21 years of age.
- V. An emergency contact that is either and on-site employee, manager, or owner with 24/7 availability shall be made available to the City, Fire Chief, and Police Chief, and shall be updated with the agencies when such contact changes. Both a land line and a mobile or cell number shall be designated, if available.
- W. Background Check. Pursuant to California Penal Code Sections 11105(b)(11) and 13300(b)(11), which authorizes City authorities to access state and local summary criminal history information for employment, licensing, or certification purposes; and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every person listed as an owner, manager, supervisor, employee, contract employee or who otherwise works in a commercial cannabis business must submit fingerprints and other information deemed necessary by the Chief of Police or his/her designee(s) for a background check by the City of Goleta's Police Department. Pursuant to California Penal Sections 11105(b)(11) and 13300(b)(11), which requires that there be a requirement or exclusion from employment, licensing or certification based on specific criminal conduct on the part of the subject of the record. No person shall be issued a permit to operate a commercial cannabis business or a related work permit unless they have first cleared the background check, as determined by the Chief of Police or his/her designee(s), as required by this section. A fee for the cost of the background investigation, which shall be the actual cost to the City of Goleta to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a commercial cannabis business permit is submitted.

X. Minors.

- (1) Persons under the age of twenty-one (21) years shall not be allowed on the premises of a commercial cannabis business and shall not be allowed to serve as a driver for a mobile delivery service. It shall be unlawful and a violation of this Chapter for any person to employ any person at a commercial cannabis business who is not at least twenty-one (21) years of age.
- (2) Notwithstanding V(1), persons aged 18-20 who are in possession of a doctor's recommendation shall be allowed on the premises of a cannabis business, solely for the purpose of addressing the medical need cited in the physician's recommendation.



- (3) The entrance to the commercial cannabis business shall be clearly and legibly posted with a notice that no person under the age of twenty-one (21) years of age is permitted to enter upon the premises of the commercial cannabis business.

Y. Requirement for Cannabis Employee Permit.

(1) Any person who is an employee or who otherwise works within a commercial cannabis business must be legally authorized to do so under applicable state law.

(2) Any person who is an employee or who otherwise works within a commercial cannabis business must obtain a commercial cannabis employee work permit from the City prior to performing any work at any commercial cannabis business.

(3) Applications for a commercial cannabis employee work permit shall be developed, made available, and processed by the Director of Neighborhood Services or his/her designee(s), and shall include, but not be limited to, the following information:

- (a) Name, address, and phone number of the applicant;
- (b) Age and verification of applicant. A copy of a birth certificate, driver's license, government issued identification card, passport or other proof that the applicant is at least twenty-one (21) years of age must be submitted with the application;
- (c) Name, address of the commercial cannabis business where the person will be employed, and the name of the primary manager of that business;
- (d) A list of any crimes enumerated in California Business and Professions Code Section 26057(b)(4) for which the applicant or employee has been convicted;
- (e) Name, address, and contact person for any previous employers from which the applicant was fired, resigned, or asked to leave and the reasons for such dismissal or firing;
- (f) The application shall be accompanied by fingerprints and a recent photograph of the applicant in a form and manner as required by the Director of Neighborhood Services or his/her designee(s).
- (g) A signed statement under penalty of perjury that the information provided is true and correct.

- (h) If applicable, verification that the applicant is a qualified patient or primary caregiver.
- (i) A fee paid in an amount set by resolution of the City Council in an amount necessary to cover the costs of administering the employee work permit programs. The fee is non-refundable and shall not be returned in the event the work permit is denied or revoked.

(4) The Director of Neighborhood Services or his/her designee(s) shall review the application for completeness, shall conduct a background check to determine whether the applicant was convicted of a crime or left a previous employer for reasons that show the applicant:

- (a) Has been convicted of a crime involving dishonesty, fraud or deceit, including but not limited to fraud, forgery, theft, or embezzlement as those offenses are defined in California Penal Code sections 186.11, 470, 484, and 504a, respectively; or
- (b) Has committed a felony or misdemeanor involving fraud, deceit, embezzlement; or
- (c) Was convicted of a violent felony, a crime of moral turpitude; or
- (d) The illegal use, possession, transportation, distribution or similar activities related to controlled substances, as defined in the Federal Controlled Substances Act, except for cannabis related offenses for which the conviction occurred after the passage of the Compassionate Use Act of 1996.

Discovery of facts showing that the applicant has been convicted of a crime involving dishonesty is grounds for denial of the permit. Where the applicant's sentence (including any term of probation, incarceration, or supervised release) for possession of, possession for sale, sale, manufacture, transportation, or cultivation of a controlled substance is completed, such underlying conviction shall not be the sole ground for denial of a commercial cannabis work permit. Furthermore, an applicant shall not be denied a permit if the denial is based solely on any of the following: (i) a conviction for any crime listed in subsection (4) (d) above for which the applicant has obtained a certificate of rehabilitation pursuant to Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part 3 of the California Penal Code or (ii) a conviction that was subsequently dismissed pursuant to Sections 1203.4, 1203.4a, or 1203.41 of the California Penal Code or any other provision of state law allowing for dismissal of a conviction.

(5) The Director of Neighborhood Services or his/her designee(s) shall issue the commercial cannabis work permit or a written denial to the

applicant within thirty (30) days of the date the application was deemed complete. In the event the cannabis work permit cannot be issued within this time period, then the Director of Neighborhood Services or his/her designee(s) may issue a temporary work permit for an employee upon completing a preliminary background check and if the business can demonstrate to the Director of Neighborhood Services or his/her designee(s) that the employee is necessary for the operation of the business. The temporary permit may be immediately revoked by the Director of Neighborhood Services or his/her designee(s) upon determination that the applicant has failed the background check or upon the issuance of the permanent work permit.

(6) A work permit shall be valid for a twelve (12) month period and must be renewed on an annual basis. Renewal applications shall contain all the information required in subsection (3) above including the payment of a renewal application fee in an amount to be set by resolution of the City Council.

(7) In the event a person changes employment from one commercial cannabis business in the City to another, the work permit holder shall notify the Director of Neighborhood Services or his/her designee(s) in writing of the change within ten (10) days, or the work permit shall be suspended or revoked, and such person shall not be permitted to work at any commercial cannabis business in the City.

(8) The City may immediately revoke the commercial cannabis work permit should the permit holder be convicted of a crime listed in subsection (4) above or if facts become known to the Director of Neighborhood Services or his/her designee(s) that the permit holder has engaged in activities indicating that he or she is dishonest.

(i) The Director of Neighborhood Services or his/her designee(s) is hereby authorized to promulgate all regulations necessary to implement the work permit process and requirements.

(j) The applicant may appeal the denial or revocation of a commercial cannabis work permit by filing a notice of appeal with the City Clerk within ten (10) days of the date the applicant received the notice of denial; which appeal shall be conducted as set forth in Section 00-150 of this Chapter.

(k) The Director of Neighborhood Services or his/her designee(s) shall issue a permit in the form of a personal identification card that can be worn in a prominent and visible location. The identification card shall be maintained in good and readable condition at all times.

### **SECTION 13: Operating Requirements for Storefront Cannabis Retailers**

- A. Buffer Zones. Mandatory buffer zones will be required as follows:
  - 1. Between cannabis businesses
  - 2. Cannabis businesses within 600 feet of sensitive uses shall be subject to the Conditional Use Permit process, as specified in this section.
  - 3. In relation to Goleta Valley Community Center.
- B. Method of measurement. Buffer zones will be measured in a straight line from the closest property line of the lot on which the cannabis activity is to be located without regard to intervening structures, to the property line of other land use.
- C. Buffer zone between cannabis businesses. A Storefront Cannabis Retailer must be located a minimum of 600 feet from the closest property line of a parcel on which another Storefront Cannabis Retailer is legally permitted by the City.
- D. There shall be no Buffer zone between individual cannabis businesses and residential zones.
- E. There shall be a mandatory buffer zone of 300 feet from Goleta Valley Community Center.
- F. Buffer zone between individual cannabis businesses and sensitive uses. If a cannabis business is proposed to be located within 600 feet of a school, day care center or youth center, it shall require a Major Conditional Use Permit pursuant to the City's Inland and Coastal Zoning Ordinances.
- F. Display of cannabis products shall be limited to only an amount necessary to provide a visual sample for customers.
- G. All cannabis products available for sale shall be securely locked and stored.
- H. At all times the cannabis retailer is open, the retailer shall provide at least one security guard who is registered with the Bureau of Security and Investigative Services and possesses a valid and current security guard registration card on their person while on-duty.
- I. The licensee shall monitor the site and the immediate vicinity of the site to ensure that patrons immediately leave the site and do not consume cannabis in the vicinity of the retailer or on the property or in the parking lot.
- J. The licensee shall comply with all State and City regulations regarding testing, labeling and storage of all cannabis products.
- K. The licensee shall maintain the full name, address and telephone number(s) of all patient members to whom the business provides medicinal cannabis, and a copy of a physician-issued recommendation card or State-issued card for all patient members.
- L. Licensees shall also record on the video surveillance system point-of-sale areas and areas where cannabis goods are displayed for sale.
- M. Hours of operation shall be established by the land use permit required by the City's zoning regulations.

- N. On-site consumption of cannabis or cannabis products is specifically prohibited on the premises at all times. The following information shall be provided on a sign posted in a conspicuous location inside the cannabis retailer: "Smoking, ingesting or consuming cannabis on this property or within 100 feet of the business is prohibited."
- O. No recommendations from a doctor for medicinal cannabis shall be issued onsite.
- P. Shipments of cannabis goods may only be accepted during regular business hours from 10:00 am to 8:00 pm.
- Q. There shall be no on-site sales of alcohol or tobacco products, and no on-site consumption of alcohol or tobacco by patrons.
- R. Inventory that is not required for a single day's sales shall be secured and locked in a room, safe, or vault, and in a manner reasonably designed to prevent diversion, theft, and loss during nonbusiness hours. Additional product needed for daily sales may be stored in a secured, locked area to which customers, vendors and visitors shall not have access.
- S. No cannabis product shall be visible from the exterior of the business.
- T. All required labelling shall be maintained on all products, as required by State regulations, at all times.
- U. Edibles. Only commercially prepackaged, shelf-stable edible cannabis products may be sold.
- V. The use of vending machines (i.e. a machine that dispenses articles when a coin, bill, or token is inserted) to dispense cannabis is prohibited.

#### **Section 14. Operating Requirements for Non-Store Front Retailers.**

- A. Non-Store Front Retailer (Delivery) License Owners and Operators are required to verify the age and the necessary documentation of each medical customer to ensure the customer is not under the age of eighteen (18) years, and to verify that the potential customer has a valid doctor's recommendation. Doctor recommendations are not to be obtained or provided at the retail location.
- B. All Store Front Retailers, Non-Store Front Retailers (delivery) and Microbusinesses which conduct deliveries into or within the City of Goleta shall be required to obtain a permit from the City of Goleta in order to conduct retail sales regardless of their location in the city or another local jurisdiction.
- C. Operating hours of the Non-Store Front Retailer Permit shall be limited to the hours of 9:00 a.m. through 9:00 p.m., seven days a week.
- D. The commercial Non-Store Front Retailer shall only sell cannabis or cannabis products to a natural person 21 years of age or older, or a

natural person 18 years of age or older who possesses a physician's recommendation for medical cannabis use only.

- E. The commercial cannabis Non-Store Front Retailer may only have on-site that quantity of cannabis and cannabis products reasonably anticipated to meet the weekly demand for which they may need to be readily available for sale.

### **Section 15. Non-Store Front Retailer Vehicle Requirements.**

Prior to commencing operations, a cannabis Non-Store Front Retailer shall provide the following information to the City.

- A. Proof of ownership of the vehicle or a valid lease for any and all vehicles that will be used to deliver cannabis or cannabis products.
- B. The year, make, model, license plate number, and numerical Vehicle Identification Number (VIN) for any and all vehicles that will be used to deliver cannabis goods.
- C. Proof of insurance as required in Section 5.28.260 (b) for any and all vehicles being used to deliver cannabis goods.
- D. The licensee shall provide the City with the information required by this section in writing for any new vehicle that will be used to deliver cannabis goods prior to using the vehicle to deliver cannabis goods.
- E. The licensee shall notify the City of any changes to the information required by this section in writing within thirty (30) calendar days.

### **SECTION 16: Operating Requirements for Commercial Cannabis Delivery Services**

- A. Any cannabis delivery service wishing to perform deliveries in the City of Goleta shall comply with the following requirements:
  - 1) Obtain from the City a permit authorizing the delivery of cannabis and cannabis products within the city limits. A copy of this permit shall be retained by all drivers.
  - 2) The retail business operating the delivery service shall provide the Director of Neighborhood Services with evidence of a valid state license for a commercial cannabis business on whose

authorization the delivery service is performing the delivery function.

- 3) The retail business operating the delivery service shall furnish to the Director of Neighborhood Services, directly or via the jurisdiction from which the business has received an operating permit, the names and driver's license numbers of all the business' delivery drivers, and evidence verifying that criminal background checks have been conducted for all the business' drivers. Any driver that has been convicted of driving under the influence or reckless driving within the past five (5) years shall be prohibited from delivering cannabis to any location within the City of Goleta.
- B. All employees who deliver cannabis shall have valid identification and a copy of the retailer's Cannabis Business License at all times while making deliveries.
  - C. The cannabis business shall comply with State Law and the City regulations regarding testing, labeling and storage of all cannabis products.
  - D. All commercial cannabis businesses shall provide proof of insurance in a minimum amount of \$1,000,000 for bodily injury liability for any and all vehicles being used to transport cannabis goods.
  - E. A cannabis business shall only deliver cannabis in aggregate amounts as ordered by the customer. A cannabis business shall ensure compliance with State delivery limits as regards the amount of cannabis and cannabis products.
  - F. The maximum limit of any cannabis goods carried by the delivery vehicle may not exceed the limit set by State Law.

#### **SECTION 17: Operating Requirements for Cannabis Manufacturing Businesses**

- A. Any manufacturing activity that will be conducted by the licensee shall be included on the application. No additional manufacturing activity can be conducted without applying for and receiving written permission from the City of Goleta for that additional activity.
- B. At all times, the cannabis manufacturing facility will be compliant with all State regulations for cannabis manufacturing including the Medical and Adult Use Cannabis Regulation and Safety Act, and as it may be amended.
- C. The cannabis business shall comply with all State and City regulations regarding testing, labeling and storage of all cannabis products.
- D. The licensee must allow inspections to be done by the City or Santa Barbara County Fire Chief or designee at any time during regular business hours from 10:00 am to 8:00 pm.
- E. All cannabis manufacturing activities shall occur indoors within a fully enclosed and secured structure.
- F. Outdoor manufacturing of cannabis is expressly prohibited.

- G. Any compressed gases used in the manufacturing process shall not be stored on any property within the City of Goleta in containers that exceeds the amount which is approved by the County of Santa Barbara Fire Department and authorized by the regulatory permit. Each site or parcel subject to a commercial cannabis business permit shall be limited to a total number of tanks as authorized by the County of Santa Barbara Fire Department on the property at any time.
- H. Cannabis manufacturing facilities may use heat, screens, presses, steam distillation, ice water, ethanol and other methods without employing solvents or gases to create keef, hashish, bubble hash, or infused dairy butter, or oils or fats derived from natural sources, and other extracts.
- I. If an extraction process uses a professional grade closed loop CO2 gas extraction process system, every vessel must be certified by the manufacturer for its safe use as referenced in Section 16 K. The CO2 must be of at least ninety-nine percent purity.
- J. Closed loop systems for compressed gas extraction systems must be manufactured and bear a permanently affixed and visible serial number.
- K. Certification from an engineer licensed by the State of California, or by a certified industrial hygienist, must be provided to the Community Development Department for a professional grade closed loop system used by any commercial cannabis manufacturing manufacturer to certify that the system was commercially manufactured, is safe for its intended use, and was built to codes of recognized and generally accepted good engineering practices, including but not limited to:
- 1) The American Society of Mechanical Engineers (ASME);
  - 2) American National Standards Institute (ANSI);
  - 3) Underwriters Laboratories (UL); or
  - 4) The American Society for Testing and Materials (ASTM)
- L. The certification document must contain the signature and stamp of the professional engineer or industrial hygienist and serial number of the extraction unit being certified.
- M. Professional closed loop systems, other equipment used, the extraction operation, and facilities must be approved for their use by the Fire Department and meet any required fire, safety, and building code requirements specified in the California Building Reference Codes.
- N. Cannabis Manufacturing Facilities may use food grade glycerin, ethanol, and propylene glycol solvents to create or refine extracts. Ethanol should



- be removed from the extract in a manner to recapture the solvent and ensure that it is not vented into the atmosphere.
- O. Cannabis Manufacturing Facilities creating cannabis extracts must develop standard operating procedures, good manufacturing practices, and a training plan prior to producing extracts for the marketplace.
  - P. Any person using solvents or gases in a closed looped system to create cannabis extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets and handle and store the solvents and gases safely.
  - Q. Parts per million for one gram of finished extract cannot exceed state standards for any residual solvent or gas when quality assurance tested.

## **SECTION 18: Operating Requirements for Cannabis Cultivation Businesses**

- A. Buffer Zones. Mandatory buffer zones will be required as follows:
  - 1. Between cannabis businesses
  - 2. Cannabis businesses within 600 feet of sensitive uses shall be subject to the Conditional Use Permit process, as specified in this section.
  - 3. In relation to Goleta Valley Community Center.
- B. Method of measurement. Buffer zones will be measured in a straight line from the closest property line of the lot on which the cannabis activity is to be located without regard to intervening structures, to the property line of other land use.
- C. Buffer zone between cannabis businesses. A Storefront Cannabis Retailer must be located a minimum of 600 feet from the closest property line of a parcel on which another Storefront Cannabis Retailer is legally permitted by the City.
- D. There shall be no Buffer zone between individual cannabis businesses and residential zones.
- E. There shall be a mandatory buffer zone of 300 feet from Goleta Valley Community Center.
- F. Buffer zone between individual cannabis businesses and sensitive uses. If a cannabis business is proposed to be located within 600 feet of a school, day care center or youth center, it shall require a Major Conditional Use Permit pursuant to the City's Inland and Coastal Zoning Ordinances.
- G. All outdoor commercial cultivation is expressly prohibited.
- H. From a public right-of-way, there shall be no exterior evidence of cannabis cultivation except for any signage authorized by City regulations.
- I. Energy Use.

- i. Any applicant for indoor cultivation under this Ordinance must provide proof of consultation with Southern California Edison (SCE) prior to application submittal including a copy of a completed and submitted SCE Customer/Project Information Sheet.
  - ii. Applicant must show proof of participation in energy use assessments as follows:
    - 1. If available, participation in the Resource Innovation Institute's Calculate Powerscore tool.
    - 2. If available, participation in SCE's Savings By Design program.
- J. Generators. The use of generators for cultivation is prohibited, except for temporary use in the event of a power outage or for emergency use.
  - i. For purposes of this subsection, emergency use is defined in accordance with 17 California Code of Regulations S 93115, as may be amended.
  - ii. For purposes of this subsection, the limit on use of a generator in an emergency is 90 days.
- K. Indoor cultivation activities, including materials and equipment storage, must occur solely in fully enclosed buildings.
- L. Indoor cultivation is limited to one use per building.
- M. The cannabis business shall register with the Department of Pesticide Regulation if using any pesticides.
- N. The Building Official may require additional specific standards to meet the California Building Code.
- O. The cannabis business shall comply with Section 13149 of Water Code as enforced by the State Water Resources Control Board.
- P. Cannabis plants shall not be visible from offsite or the public right-of-way. All cannabis cultivation activities shall occur within a fully enclosed and secured structure.
- Q. Canopy size is limited to 5,000 square feet.
- R. Edibles. Only pre-packaged, shelf-stable edible cannabis products shall be sold.
- S. The cannabis cultivation business shall comply with all State and City regulations regarding testing, labeling and storage of all cannabis products.

## **SECTION 19: Operating Requirements for Cannabis Testing Laboratories**

- A. Testing Labs shall be required to conduct all testing in a manner pursuant to Business and Professions Code Section 26100 and shall be subject to state and local law. Each Testing Lab shall be subject to additional regulations as determined from time to time as more regulations are developed under this Chapter and any subsequent State of California legislation regarding the same.

- B. Testing Labs shall conduct all testing in a manner consistent with general requirements for the competence of testing and calibrations activities, including sampling using verified methods.
- C. All cannabis testing laboratories performing testing shall obtain and maintain ISO/IEC 17025 accreditation as required by the Bureau of Cannabis Control.
- D. Testing labs shall destroy any harvest batch whose testing sample indicates noncompliance with health and safety standards required by the bureau unless remedial measures can bring the cannabis or cannabis products into compliance with quality standards as specified by law and implemented by the bureau.
- E. Each operator shall ensure that a testing laboratory employee takes the sample of cannabis or cannabis products from the distributor's premises for testing required by state law and that the testing laboratory employee transports the sample to the testing laboratory.
- F. Except as provided by state law, a testing laboratory shall not acquire or receive cannabis or cannabis products except from a licensee in accordance with state law, and shall not distribute, sell, or dispense cannabis, or cannabis products, from the licensed premises from which the cannabis or cannabis products were acquired or received. All transfer or transportation shall be performed pursuant to a specified chain of custody protocol.
- G. A testing laboratory may receive and test samples of cannabis or cannabis products from a qualified patient or primary caregiver only if the qualified patient or primary caregiver presents the qualified patient's valid physician's recommendation for cannabis for medicinal purpose. A testing lab shall not certify samples from a qualified patient or primary caregiver for resale or transfer to another party or licensee. All tests performed by a testing laboratory for a qualified patient or primary caregiver shall be recorded with the name of the qualified patient or primary caregiver and the amount of the cannabis or cannabis products received.
- H. Testing laboratories shall otherwise comply with all applicable State regulations.
- I. A licensed cannabis testing facility business, its owners and employees may not hold an interest in any other cannabis business except another testing business.

- J. The licensee must allow inspections to be done by the City or Santa Barbara County Fire Chief or designee at any time during regular business hours from 10:00 am to 8:00 pm.
- K. Inspections by the Fire Chief or designee may be conducted anytime during the business's regular business hours.

## **SECTION 20: Operating Requirements for Cannabis Distributors**

- A. A distributor shall not store non-cannabis goods or non-cannabis accessories that are to be sold to another party on any licensed premises. Additionally, a distributor shall not distribute non-cannabis goods or non-cannabis accessories at a licensed premise. For the purposes of this section, non-cannabis goods are any goods that do not meet the definition of cannabis goods as defined in Title 16 of the California Code of Regulations, Section 5000(c).
- B. After taking physical possession of a cannabis goods batch, the distributor shall contact a testing laboratory and arrange for a laboratory employee to come to the distributor's licensed premises to select a representative sample for laboratory testing.
- C. A distributor shall ensure that all cannabis goods batches are stored separately and distinctly from other cannabis goods batches on the distributor's premises.
- D. The distributor shall ensure that the batch size from which the sample is taken meets the requirements of state law, specifically the testing provisions within the California Code of Regulations.
- E. A distributor or an employee of the distributor shall be physically present to observe the laboratory employee obtain the sample of cannabis goods for testing and shall ensure that the increments are taken from throughout the batch. The sampling shall be video-recorded, and the recording kept available to state and local authorities for a minimum of 180 days, pursuant to Section 5305 of the California Code of Regulations.
- F. A distributor shall not transport cannabis or cannabis products to a licensed retail facility until and unless it has verified that the cannabis or cannabis products have been tested and certified by a testing lab as being in compliance with state health and safety requirements pursuant to Sections 5705, 5710 and 5714 of the California Code of Regulations.
- G. Any cannabis distribution facility shall provide proof of a bond of at least five thousand dollars (\$5,000) to cover the costs of destruction of cannabis or cannabis products if necessitated by a violation of licensing requirements or cannabis or cannabis products rejected by testing.
- H. The licensee must allow inspections to be done by the City or Santa Barbara County Fire Chief or designee at any time during regular business hours from 10:00 am to 8:00 pm.

- I. A licensee shall ensure that all cannabis goods batches are stored separately and distinctly from other cannabis goods batches on the distributor's premises.
- J. A licensee shall ensure a label with the following information is physically attached to each container of each batch:
  - i. The manufacturer or cultivator's name and license number;
  - ii. The date of entry into the distributor's storage area;
  - iii. The unique identifiers and batch number associated with the batch;
  - iv. A description of the cannabis goods with enough detail to easily identify the batch; and
  - v. The weight of or quantity of units in the batch.
- K. A distributor shall store cannabis goods in a building designed to permit control of temperature and humidity and shall prevent the entry of environmental contaminants such as smoke and dust. A distributor may not store cannabis goods outdoors.
- L. Employee breakrooms, eating areas, changing facilities, and bathrooms shall be completely separated from storage areas.
- M. All cannabis distribution activities shall occur within a fully enclosed and secured structure and shall conform to the requirements of applicable area, community, specific and design plans.
- N. All loading and unloading activities shall take place within a secured area.

## **SECTION 21: Cannabis Businesses License Revocation and Suspension**

Any Cannabis Business License may be suspended or revoked after notice and opportunity for to be heard have been provided: based on the following reasons:

- I. A licensee ceases to meet any of the qualifications listed in this ordinance or fails to comply with the requirements of this Chapter.
- II. A licensee's State license for commercial cannabis operations is revoked, terminated or not renewed.
- III. The licensee's commercial cannabis operation fails to become operative within twelve (12) months of obtaining its Cannabis Business License.
- IV. Once operational, the business ceases to be in regular and continuous operation for ninety (90) days.
- V. State law permitting the use for which the license was issued is amended or repealed resulting in the prohibition of such use, or the City receives credible information that the federal government will commence enforcement measures against such businesses and/or local governments that permit them.
- VI. Circumstances under which the license was granted have significantly changed and the public health, safety and welfare require the suspension, revocation, or modification.

- VII. The license was granted, in whole or part, on the basis of a misrepresentation or omission of a material statement in the permit application.
- VIII. The operator/licensee business is not current on City taxes or fees.
- IX. The licensee's State license for commercial cannabis operations is suspended. The City shall not reinstate the permit until documentation is received showing that the State license has been reinstated or reissued. It shall be up to the City's discretion whether the City reinstates any license.

## **SECTION 22: Limitations on the City's Liability**

To the fullest extent permitted by law, the City shall not assume any liability whatsoever, with respect to approving any Cannabis Business License pursuant to this Chapter or the operation of any cannabis facility approved pursuant to this Chapter. Before obtaining a license, a Cannabis Business License as provided in this Chapter, the applicant or its legal representative shall:

- A. Execute an agreement indemnifying the City from any claims, damages, injuries or liabilities of any kind associated with the registration or operation of the commercial cannabis facility or the prosecution of the applicant or permittee or its members for violation of federal or State laws;
- B. Maintain insurance in the amounts and types that are acceptable to the City Attorney or designee;
- C. Name the city as an additionally insured on all City required insurance policies;
- D. Agree to defend, at its sole expense, any action against the City, its agents, officers, and employees related to the approval of a Cannabis Business License; and
- E. Agree to reimburse the City for any court costs and attorney fees that the City may be required to pay as a result of any legal challenge related to the City's approval of a Cannabis Business License. The City may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the operator of its obligation hereunder.

## **SECTION 23: Enforcement**

- A. A violation of the regulations in this Chapter by an act, omission, or failure of an agent, owner, officer or other person acting with or employed by a licensee within the scope of their employment or office, shall be deemed the act, omission, or failure of the licensee.
- B. A licensed cannabis business shall notify the City or designee upon discovery of any of the following situations:
  - a. A discrepancy of more than \$1,000 in inventory over a period of 24 hours or \$3,000 over period of 7 days.
  - b. A reason to suspect diversion, loss, theft or any other criminal activity pertaining to the operation of the licensed cannabis business.

- c. The loss or alteration of records related to cannabis goods, registered medicinal cannabis patients, caregivers or retailer employees or agents.
  - d. Any other reason to suspect any other breach of security.
- C. Each and every violation of this Section shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the Goleta Municipal Code section 5.01.250. Additionally, as a nuisance per se, any violation of this Chapter shall be subject to injunctive relief, revocation of the business's Cannabis Business License, disgorgement and payment to the City of any and all monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or equity. The City may also pursue any and all remedies and actions available and applicable under local and state laws for any violations committed by the cannabis business and/or any owner, agent, officer, or any other person acting with or employed by the cannabis business.
- D. City Officials or their designees may enter and inspect the location of any commercial cannabis business during normal business hours to ensure compliance with this Section. In addition, law enforcement may enter and inspect the location of any cannabis business and the recordings and records maintained as required by this Section, except that the inspection and copying of private medical records shall be made available to law enforcement only pursuant to a properly executed search warrant, subpoena, or court order. A person engaging in commercial cannabis business without a permit and associated unique identifiers required by this Chapter shall be subject to civil penalties of up to twice the amount of the permit fee for each violation, and the department, state or local authority, or court may order the destruction of cannabis associated with that violation. A violator shall be responsible for the cost of the destruction of cannabis associated with the violation, in addition to any amount covered by a bond required as a condition of licensure. Each day of operation shall constitute a separate violation of this section.

#### **SECTION 24: Fees and Taxes**

All Cannabis Operations shall pay applicable fees and taxes, which may include one or more of the following:

- A. Cannabis Application Fees. The Business Applicant shall submit a nonrefundable fee to cover the cost of processing an application for the commercial cannabis business.
- B. Cannabis Business License Fees. The Business Owner shall submit a nonrefundable fee to cover the annual cost of regulating the commercial cannabis business.
- C. Application Renewal Fees. The Business Owner shall submit a nonrefundable fee to cover the cost of processing an application renewal annually.
- D. All required taxes including but not limited to sales and use taxes, business, and payroll.

- E. If any fee required by this section is not paid prior to the delinquency date, in addition to such fee the applicant shall pay a penalty equal to one-half of the fee; provided, however, that such penalty shall not attach in the case of renewals of annual licenses until 30 days after the delinquency date.
- F. Additional cannabis-specific gross receipts, excise, cultivation or any other tax approved by the voters of the City.

**SECTION 25: Effective Date.**

This ordinance shall take effect on the 31<sup>st</sup> day following adoption by the City Council.

**INTRODUCED ON the \_\_\_ day of January, 2019.**

**PASSED, APPROVED, AND ADOPTED** this \_\_\_ day of \_\_\_\_, 2019.

\_\_\_\_\_  
PAULA PEROTTE  
MAYOR

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
DEBORAH S. LOPEZ  
CITY CLERK

\_\_\_\_\_  
MICHAEL JENKINS  
CITY ATTORNEY



STATE OF CALIFORNIA  
COUNTY OF SANTA BARBARA ) SS. CITY  
OF GOLETA

I, DEBORAH S. LOPEZ, City Clerk of the City of Goleta, California, do hereby certify that the foregoing Ordinance No. 19-\_\_ was introduced on January \_\_, 2019, and adopted at a regular meeting of the City Council of the City of Goleta, California, held on the \_\_ day of \_\_\_\_\_, 2019 by the following roll-call:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

(SEAL)

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DEBORAH S. LOPEZ  
CITY CLERK