

AGENDA ITEM A.1 CANNABIS REGULATIONS PUBLIC WORKSHOP

City Council

January 23, 2019

Presentation by:

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Matt Eaton, Cannabis Compliance Manager, HdL



Purpose of Workshop

- Provide background on Cannabis regulatory process (state and local)
- Provide update on storefront retail application submittals
- Provide feedback on the proposed amendments intended to refine the local regulatory process:
 1. Storefront Retail - Cap
 2. Storefront Retail - Sensitive Receptor Buffers
 3. Storefront Retail - Separation Requirement
 4. Microbusinesses
 5. Storefront Retail - General Industrial (I-G) Land Uses
 6. Distribution – Business Park (I-BP) Land Uses
 7. Accessory Cannabis Uses
 8. Permitting Procedures

Workshop Agenda

- Presentation by staff and review of recommended amendments
- City Council follow-up questions
- Public comment on proposed amendments
- Council's feedback on recommended amendments

Background – State and Local Regulation

- Prop. 64 - 2016
- Medicinal and Adult-Use Cannabis Regulation and Safety Act - 2017
- City Currently:
 - Requires land use permits or CUPs (retail only) (Ordinance No. 18-03)
 - Requires cannabis business licenses (Ordinance No. 18-02)
 - Recognizes 3 cannabis uses in operation prior to the dispensary ban dated 6-16-09 (Ordinance No. 09-08)



Background – City Regulation

- In 2017, City Council initiated drafting of ordinances
- New ordinances adopted in 2018 after a substantial public workshop process
- Business license and land use ordinances in effect since August 17, 2018

Land Use Ordinance No. 18-03

- Allows for commercial cannabis uses (cultivation, distribution, manufacturing, testing, and retail, including delivery) by land use designation
- Prohibits outdoor cultivation and mixed-light cultivation (greenhouses)
- Allows for accessory commercial cannabis uses, if primary use is an allowed cannabis use
- All applications require noticing
- All cannabis uses except Storefront Retail require a Land Use Permit (LUP)

Land Use Ordinance No. 18-03

- Storefront Retail
 - 300-foot separation between uses
 - Minor Conditional Use Permit (CUP) required
(Major CUP required within 100 feet of residential and 600 feet of schools)
 - Cap of 15 (existing 3 dispensaries reduce available permits to 12)

Map of Land Uses Allowing Storefront Retail

Cannabis Workshop Mapping

Existing 3 Cannabis Retail Businesses

300 foot separation

City of Goleta

Land Use Allowing Storefront Retail

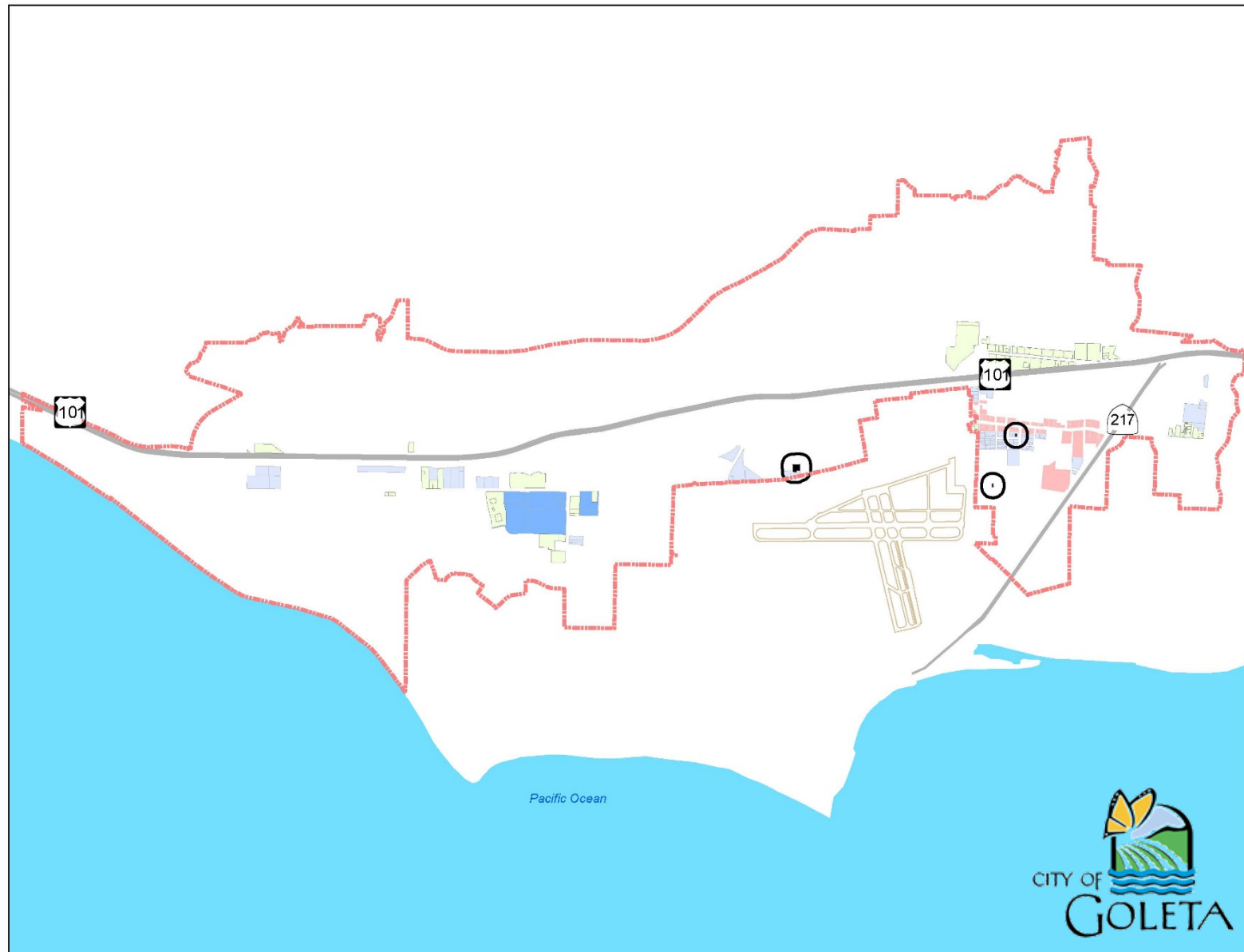
Old Town Commercial

General Commercial

Community Commercial

Regional Commercial

Note: Existing 3 businesses are treated as grandfathered uses because they were in operation prior to the cannabis dispensary ban dated June 16, 2009.



1 inch = 2,600 feet



Land Use Ordinance Implementation

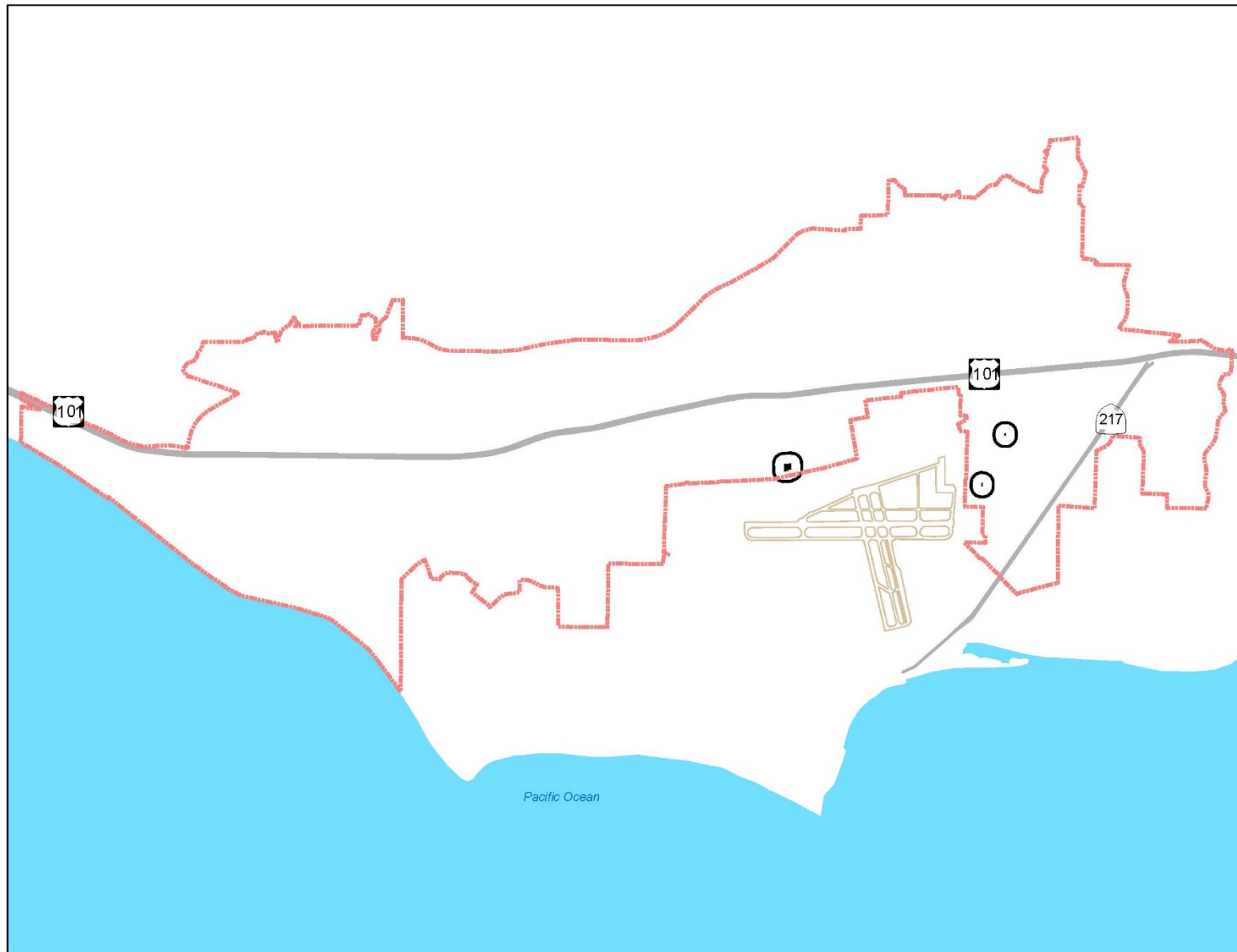
- 3 existing retail locations
- 7 new storefront retail applications
- Note that 4 additional applications are on-hold due to separation requirement conflict

Map of Three Existing Retail Businesses

Cannabis Workshop Mapping

- Existing 3 Cannabis Retail Businesses
- 300 foot separation
- City of Goleta

Note: Existing 3 businesses are treated as grandfathered uses because they were in operation prior to the cannabis dispensary ban dated June 16, 2009.

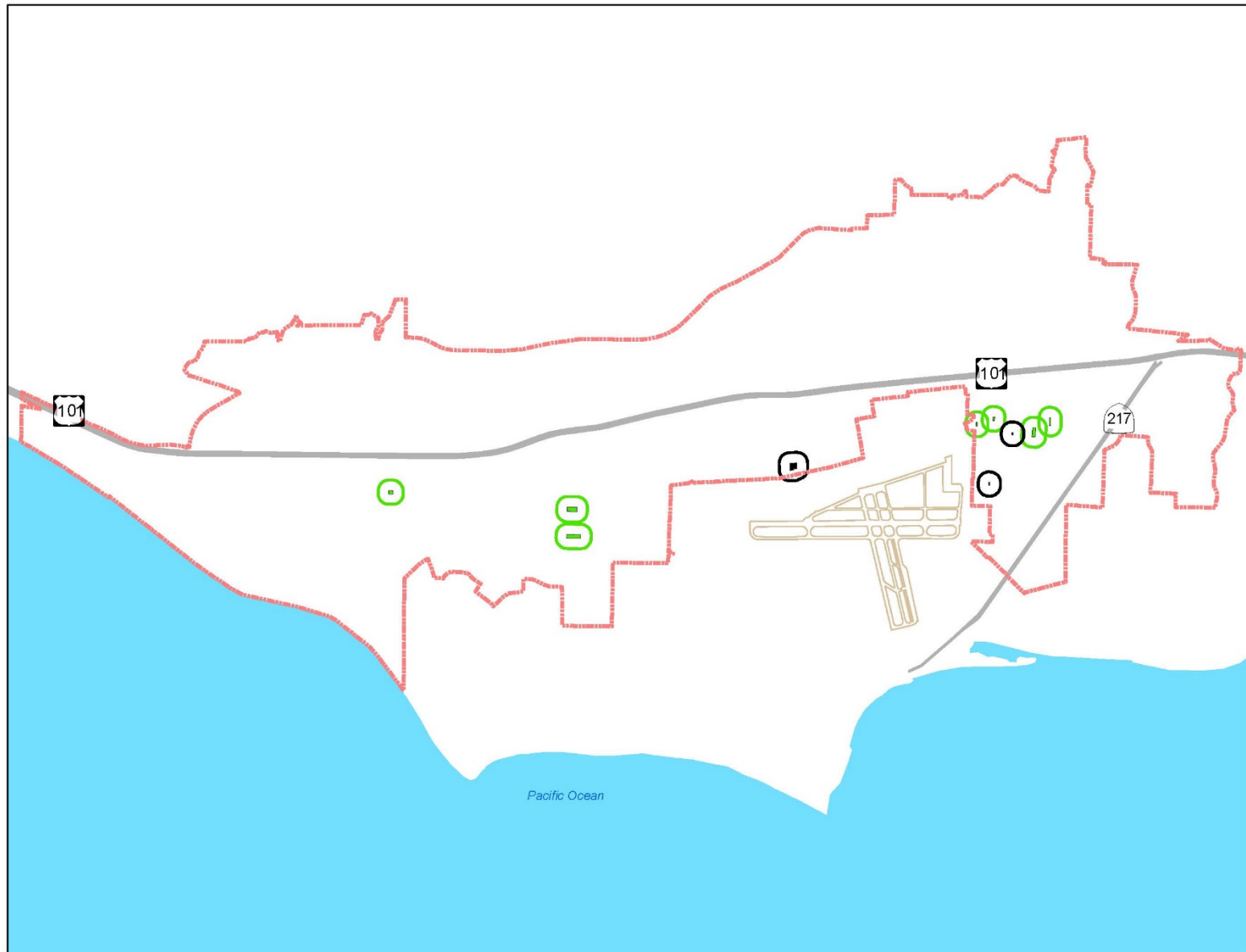


Map of Storefront Retail Applications

Cannabis Workshop Mapping

- Existing 3 Cannabis Retail Businesses
- 300 foot separation
- Storefront Retail Applications (as of 1-11-19)
- 300 foot separation
- City of Goleta

Note: Existing 3 businesses are treated as grandfathered uses because they were in operation prior to the cannabis dispensary ban dated June 16, 2009.



Workshop Issue #1

Consideration of Retail Cap:

- The existing Cannabis Land Use Ordinance limits the number of storefront retail uses to 15 businesses
 - There are 3 existing storefront retailers and 7 new applicants (note that 4 additional applicants are on hold)
- ... 14 of the 15 available uses are currently under processing

1. Is Council satisfied with the cap of 15?

If not, provide direction to staff.

Workshop Issue #2

Proposed Cannabis Land Use Ordinance Amendments: ***Storefront Retail Sensitive Receptor Buffers***

2. Recommend including a buffer (e.g., 300 feet) around the Goleta Valley Community Center.

Note: Land use ordinance would no longer include a buffer of 600' from schools and 100' from residences triggering a major CUP for storefront retail. Consider buffer prohibiting storefront retail proximate to these uses.

Workshop Issue #2

Cannabis Workshop Mapping

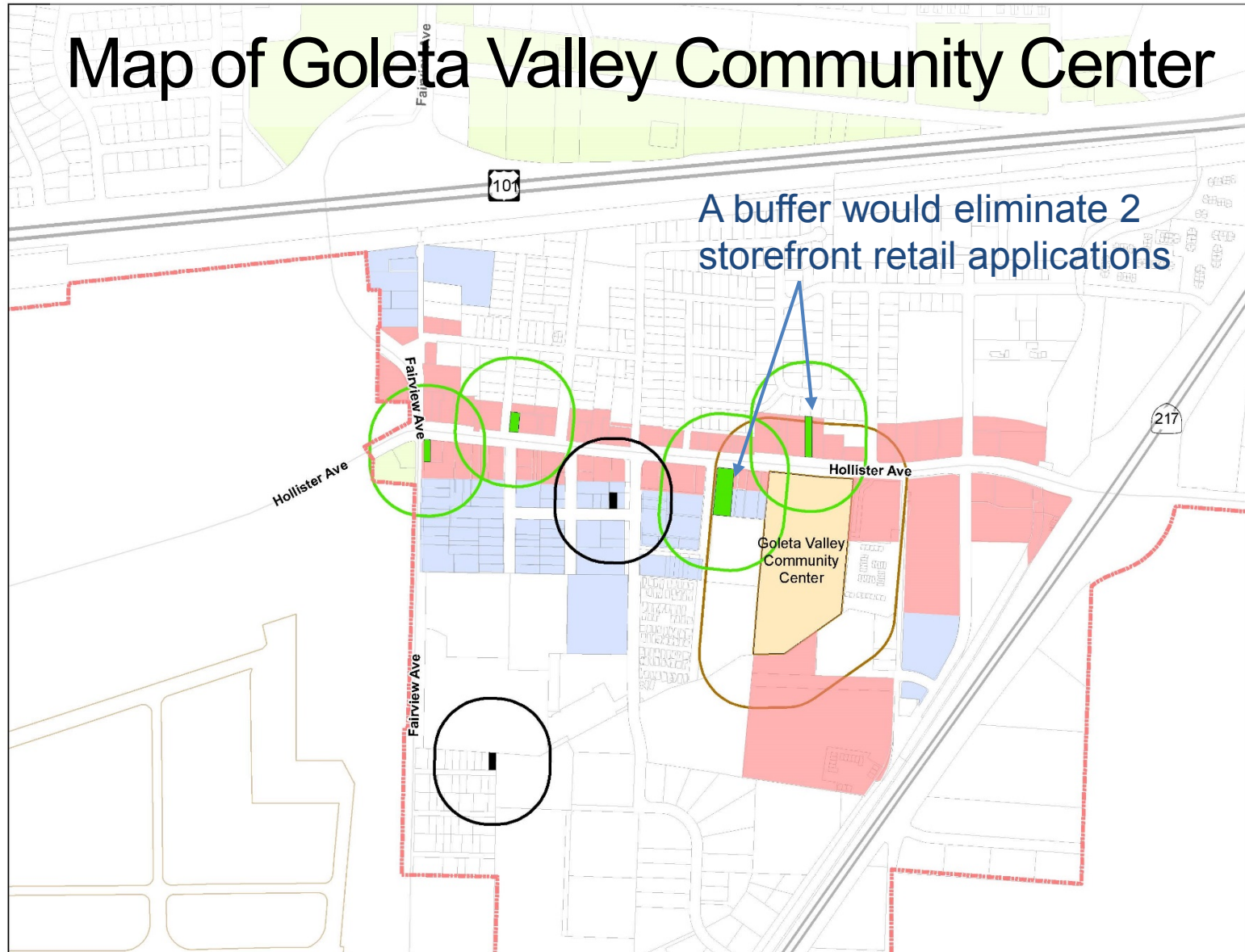
- Existing 3 Cannabis Retail Businesses
- 300 foot separation
- Storefront Retail Applications (as of 1-11-19)
- 300 foot separation
- Goleta Valley Community Center
- GVCC 300 foot separation

Land Use Allowing Storefront Retail

- Old Town Commercial
- General Commercial
- Regional Commercial
- Community Commercial
- City of Goleta

Note: Existing 3 businesses are treated as grandfathered uses because they were in operation prior to the cannabis dispensary ban dated June 16, 2009.

Map of Goleta Valley Community Center



1 inch = 500 feet

Workshop Issue #2

Cannabis Workshop
Mapping

Goleta Valley Community
Center
Storefront Retail Applications
of 1-11-19)
Allowing
Retail

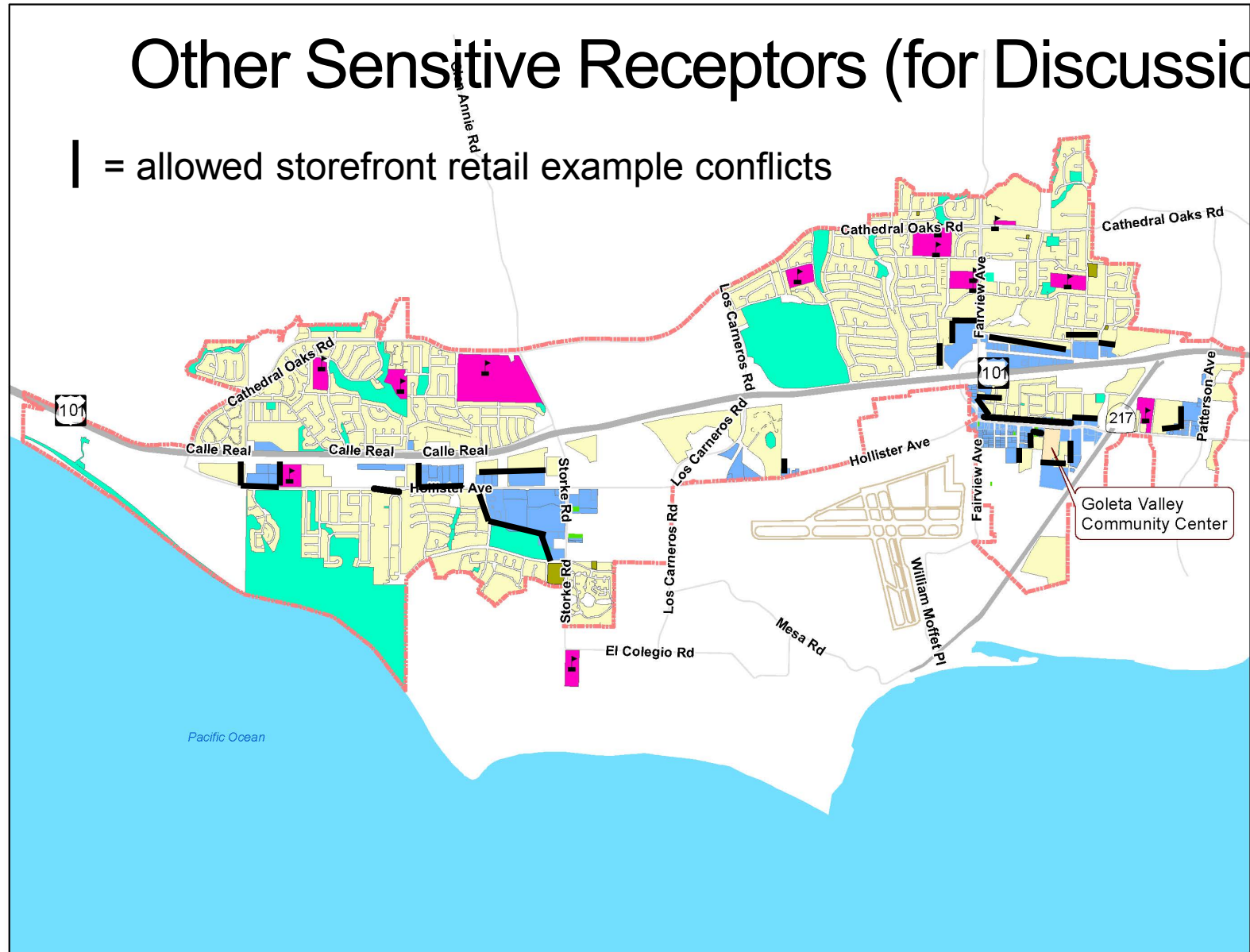
Sensitive
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1 inch = 2,600 feet

Other Sensitive Receptors (for Discussion)

| = allowed storefront retail example conflicts



A

Workshop Issue #3

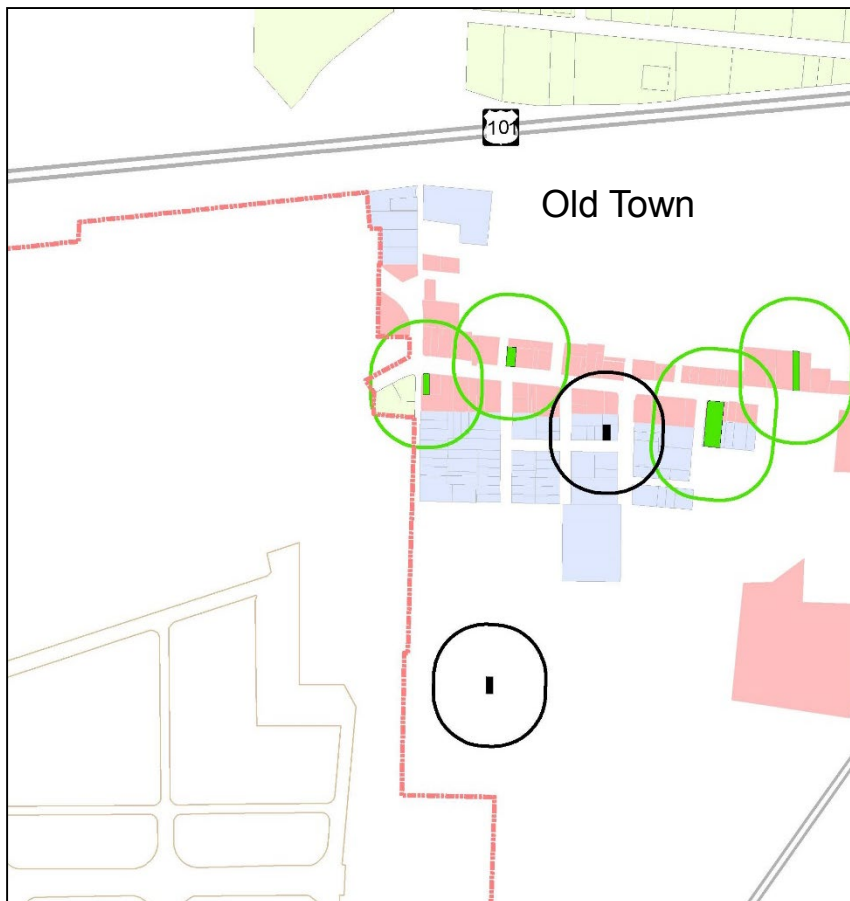
Proposed Cannabis Land Use Ordinance Amendments: ***Storefront Retail Separation Requirements***

- 3. Recommend enlarging the storefront retail separation requirement, e.g., to 600 feet.**

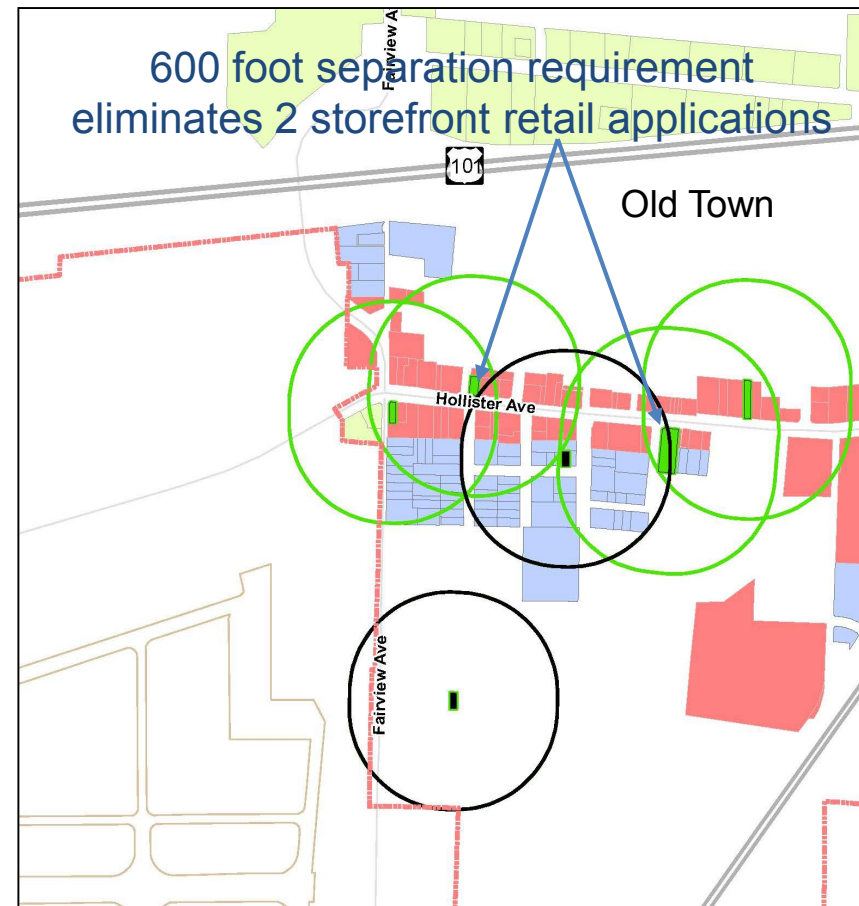
Workshop Issue #3

Maps of Separation Requirements

Existing 300' Separation



Recommended 600' Separation



Workshop Issue #4

State license for microbusiness requires 3 of 4 uses:

- Cultivation of less than 10,000 sf
- Distribution
- Manufacturer
- Retailer

Low impacts

Recommend to allow as single use in:

4. I-G, I-S without storefront retail (except for existing storefronts)

Workshop Issue #5

Proposed General Plan Amendments: *Consideration of Cannabis Retail in General Industrial (I-G)*

5. Recommend allowing Cannabis Storefront Retail in I-G but limited to locations where a Cannabis Dispensary was in operation prior to Cannabis Dispensary ban dated 6/16/09

GPA (Table Change and New Footnote):

Allowed Uses and Standards	Office and Industrial Use Categories			
	LRP	LOI	LS	LG
Retail Trade				
Building/Landscape Materials and Equipment	–	X	–	X
Eating and Drinking Establishments	X	X	–	–
Other Retail Trade Establishments	X	X	–	–
<u>Cannabis Storefront Retail</u>	–	–	–	X**
** Cannabis Storefront Retail is allowed on parcels designated General Industrial (I-G) where a medical marijuana dispensary existed prior to June 16, 2009.				

Workshop Issue #5

Cannabis Workshop Mapping

- Existing 3 Cannabis Retail Businesses
- 300 foot separation
- City of Goleta

Land Use Allowing Storefront Retail

- Old Town Commercial
- General Commercial
- Community Commercial
- Regional Commercial

Note: Existing 3 businesses are treated as grandfathered uses because they were in operation prior to the cannabis dispensary ban dated June 16, 2009.

The recommended General Plan Amendment would legitimize the two existing legal, non-conforming businesses.



1 inch = 2,600 feet

Workshop Issue #6

Proposed General Plan Amendments:

Consider Cannabis Distribution in Business-Park (I-BP)

6. Recommend amending the General Plan to allow General Wholesale Trade in I-BP, but limiting the use to only Cannabis Distribution.

GPA (Table Change and New Footnote):

Allowed Uses and Standards	Office and Industrial Use Categories			
	I-BP	I-OI	I-S	I-G
Wholesale Trade and Storage				
General Wholesale Trade	X***	–	X	X
*** General Wholesale Trade in Business Park (I-BP) is limited to Cannabis Distribution.				

Workshop Issue #6

Maps Comparing Existing and Proposed Distribution Land Uses



Workshop Issue #7

Proposed General Plan Amendments: ***Consideration of Accessory Uses***

- 7. Recommend 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 primary use as regulated through zoning. Accessory uses will only be allowed insofar as they are “customarily incidental and subordinate to” the allowed primary use.**

GPA Footnote:

Accessory uses to the allowed uses in this table are regulated through zoning.

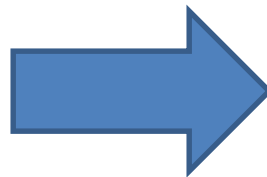
Workshop Issue #8

Proposed Cannabis Land Use Ordinance Amendments: ***Consideration of Permitting Procedures***

- 8. Recommend eliminating permit requirements for Cannabis uses and rely on the Cannabis Business License Ordinance for standards and requirements.**

From:
Land Use Permits &
Conditional Use Permits
in Land Use Ordinance

*(complicated when
previous use exists
resulting in slow process)*



To:
Standards & Requirements
in Business License
Ordinance

*(straightforward with fixed
controls, faster
processing)*

Effects of New Regs on Existing Applications

- Any pending applications are subject to new requirements
- Increased separation requirements might affect pending applications
- New prohibitive buffers might affect pending applications
- If there is no conflict with a new requirement, the applicants may not need a zoning permit, meaning a quicker turnaround of the pending applications
- Note: Applicants are informed about the ordinance amendment process

Proposed Cannabis Business License Ordinance Amendments

Problem: Failing businesses:

- greatest drain on local government resources
- Generate most quality of life complaints,
- Require more time and attention by enforcement staff,
- Greatest risk of illegally diverting cannabis to the black market.

Solution:

1. Application screening process
2. Operational Requirements (Monitoring & Compliance)

Application Screening Process

Application Screening Process

- Qualifications of Owners
- Site Plan
- Business Plan
- Green Business Practices
- Safety Plan
- Security Plan

Proposed Cannabis Business License Ordinance Amendments

Operational Standards – General

1. Display of cannabis products
2. Security of inventory
3. No consumption
4. Testing, labeling and storage of cannabis products in compliance with state law
5. Video surveillance
6. No alcohol and tobacco sales at same site

Specific types of businesses have additional operational standards

Next Steps

- Prepare amendments as directed
- Determine environmental review path
- Work with other City departments
- Public Hearing before Planning Commission to consider amendments and environmental document for adoption recommendation
- Public Hearings before City Council to consider adoption
- Implement new regulations