

E.1

AMENDMENTS TO CANNABIS ORDINANCES AND GENERAL PLAN

City Council
April 16, 2019

*Presentation by:
Anne Wells, Advance Planning Manager
Winnie Cai, Assistant City Attorney*



Agenda

- Presentation by staff
- City Council follow-up questions (Key Issues Table)
- Public comment
- City Council action on project adoption (three resolutions and two ordinances)

Background – State Regulation

- 2016 - Prop. 64
- 2017 - Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA)



Background – City Regulation

July 2018 – City adopts two ordinances:

- Ordinance Number 18-02 Cannabis Business License
Ordinance: *Establishes operating standards that ensure businesses are in compliance with local and state law*
- Ordinance Number 18-03 Cannabis Land Use
Ordinance: *Permits and regulates medicinal and recreational cannabis uses, allows for deliveries in Goleta, and allows for indoor personal cultivation*

Ordinance Implementation

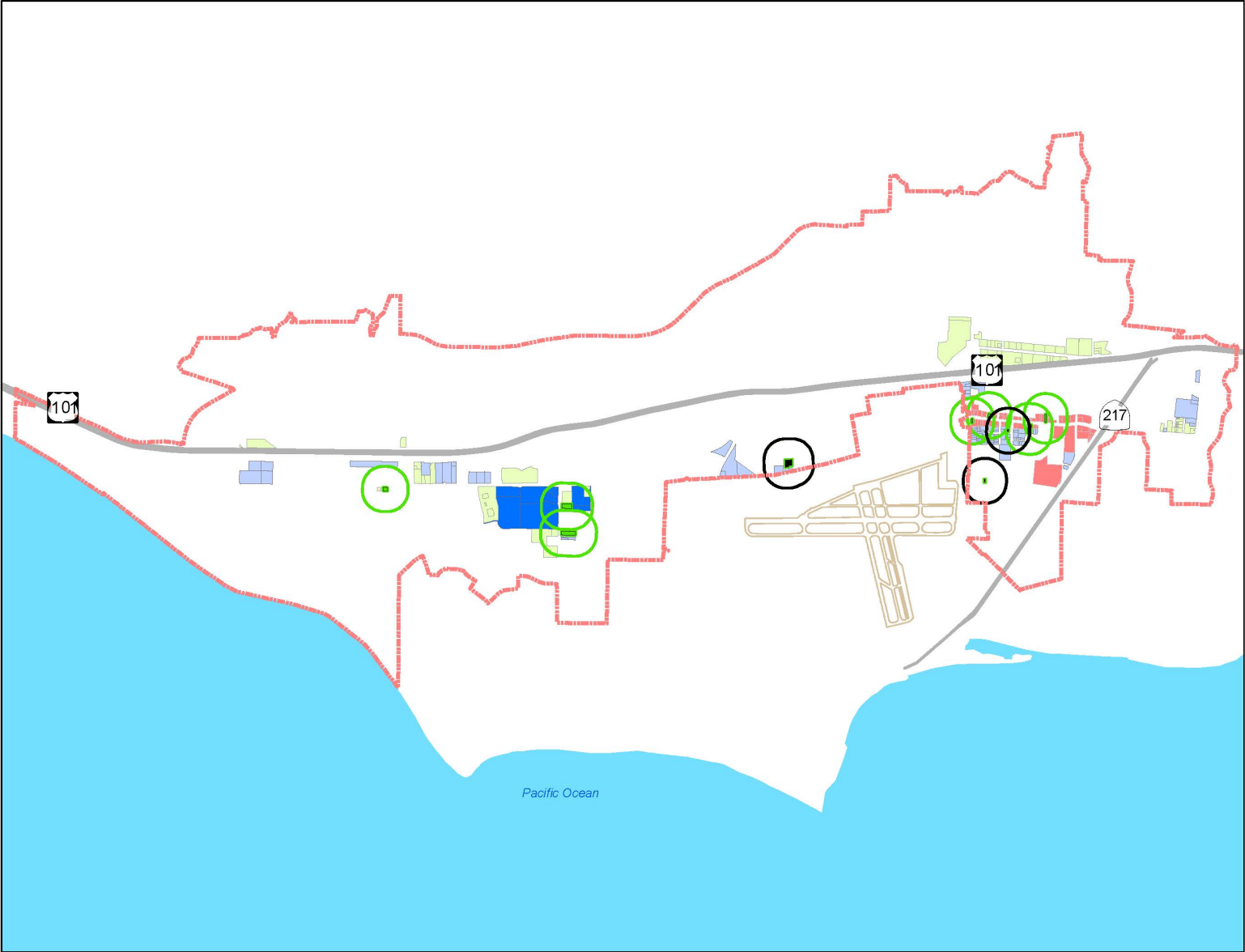
- City has received 15 applications for storefront retail (4 active applications on Hollister Avenue in Old Town)
- 7 applications for other cannabis uses including 5 for non-storefront retail (delivery)
- City approved 1 LUP for manufacturing (non-volatile)

Map of Existing Retailers & Active Applications

Cannabis Workshop Mapping

- Existing 3 Cannabis Retail Businesses
- 600 foot separation
- Storefront Retail Applications (as of 1-11-19)
- 600 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.



1 inch = 2,600 feet

Concerns with Ordinances

- Potential overconcentration of storefront cannabis retailers in Old Town
- Lack of a streamlined approach when considering City and State licensing requirements
- Ensuring existing cannabis retail businesses remain conforming uses

Amendments

- October 2, 2018: City Council initiated process to amend the General Plan and Ordinances
- January 23, 2019: City Council workshop to review the proposed amendments, receive public input, and provide feedback to staff
- March 11, 2019: Planning Commission Hearing

Staff Recommendations

1. Adopt CEQA Addendum
2. Adopt General Plan Amendments
3. Adopt Revised Cannabis Land Use Ordinance
4. Adopt Revised Cannabis Business License Ordinance
5. Adopt Updated User Fees and Charges

Planning Commission Actions

- Recommended approval of CEQA Addendum
- Did not recommend adoption of proposed Cannabis Land Use Ordinance and General Plan amendments
- GPA Comments:
 - Add footnote for Accessory Uses to Land Use Element Tables 2-1 – 2-4 (unanimous support)
 - Allow existing storefronts in IG (unanimous support)
 - Allow distribution in BP (3 in support, 2 opposed)
 - Allow microbusinesses in IG and IS, and existing microbusinesses only in CG (unanimous support)

Planning Commission Actions

- Land Use Ordinance Comments:
 - Retain existing LUP/CUP requirements
 - Increase GVCC buffer to 600 feet, prohibit storefronts
 - Increase school buffer to 600 feet, prohibit storefronts
 - Require Major CUP and 6-foot-tall barrier between residential parcels and storefront retailers
 - Increase separation requirement between storefront retailers to 600 feet
 - Max. of 4 storefronts in Old Town (C-OT Commercial)
 - Require a Major CUP for non-storefront retail (delivery) in CC and CR

RECOMMENDATION 2

General Plan Amendments

Proposed General Plan Amendments

Overview of Amendments

GPA-1. Accessory Uses

GPA-2. Storefront Cannabis Retailers in General Industrial (I-G)

GPA-3. Cannabis Distribution in Business-Park (I-BP)

GPA-4. Microbusiness in General Industrial (I-G) and Service Industrial (I-S) and for Existing Dispensary in General Commercial (C-G)

GPA-1. Accessory Uses

Proposed Amendment 1:

The Land Use Element Tables 2-1 through 2-4 do not clarify uses as primary or accessory

- Add footnote to tables specifying that *accessory uses to the allowed uses in the table are regulated through zoning*

GPA-2.Storefront Cannabis Retailers in General Industrial (I-G)

Proposed Amendment 2:

Allow storefront retailers in I-G only in locations where a cannabis dispensary was located prior to June 16, 2009.

- Add a new use to Table 2-3 for “Cannabis Storefront Retail” in I-G
- Add a footnote to Table 2-3 clarifying that the new use applies to existing dispensaries

Note: Similar amendments are proposed to the LU Ord.

GPA-3. Cannabis Distribution in Business-Park (I-BP)

Proposed Amendment 3:

Allow cannabis distribution in I-BP.

- Add a new allowance in Table 2-3 for “General Wholesale Trade” in I-BP
- Add a footnote to Table 2-3 limiting General Wholesale Trade in I-BP to Cannabis Distribution

Note: Similar amendments are proposed to the LU Ord. with a restriction on floor area to 30,000 square feet for each licensed distributor.

GPA-4. Microbusinesses

Proposed Amendment 4:

- Add a new use to Table 2-2 for “Cannabis Microbusiness” in C-G and include a footnote restricting use to cannabis uses as of 2009
- Add a new use to Table 2-3 for “Cannabis Microbusiness” in I-S and I-G

Note: Similar amendments are proposed to the LU Ord with an added clarification that accessory uses to microbusinesses are prohibited.

RECOMMENDATION 3

Cannabis Land Use Ordinance Amendments

Land Use Ordinance Amendments

Overview of Amendments

LUO-1. Permitting and Licensing Procedures

LUO-2. Storefront Cannabis Retailer - Sensitive Receptor Buffers and Regulations

LUO-3. Storefront Cannabis Retailer - Separation Requirements

LUO-4. Non-Storefront Cannabis Retailer (Delivery) in Regional Commercial (C-R) and Community Commercial (C-C)

Note: additional amendments contingent upon GPAs



LUO-1. Permitting & Licensing Procedures

- Currently Land Use Permit/ Coastal Development Permit (LUP/CDP) or Conditional Use Permit (CUP) are required
- Adds an additional layer to an already multi-layered business license scheme
- Requirements of existing Land Use Ordinance can be addressed through amended Business License Ordinance, thus reducing the layers of processing

Proposed Amendment 1:

Eliminate LUP/CDP and CUP requirements.

LUO-2. Storefront Cannabis Retailer - Sensitive Receptor Buffers & Regulations

Two types of retail buffers:

- Prohibitive - cannabis retailers are prohibited within this buffer
- Restrictive - cannabis retailers are allowed with restrictions

Staff recommends Land Use Ordinance include buffers from the following sensitive receptors:

- A. Goleta Valley Community Center (GVCC)
- B. Schools
- C. Residential Land Uses

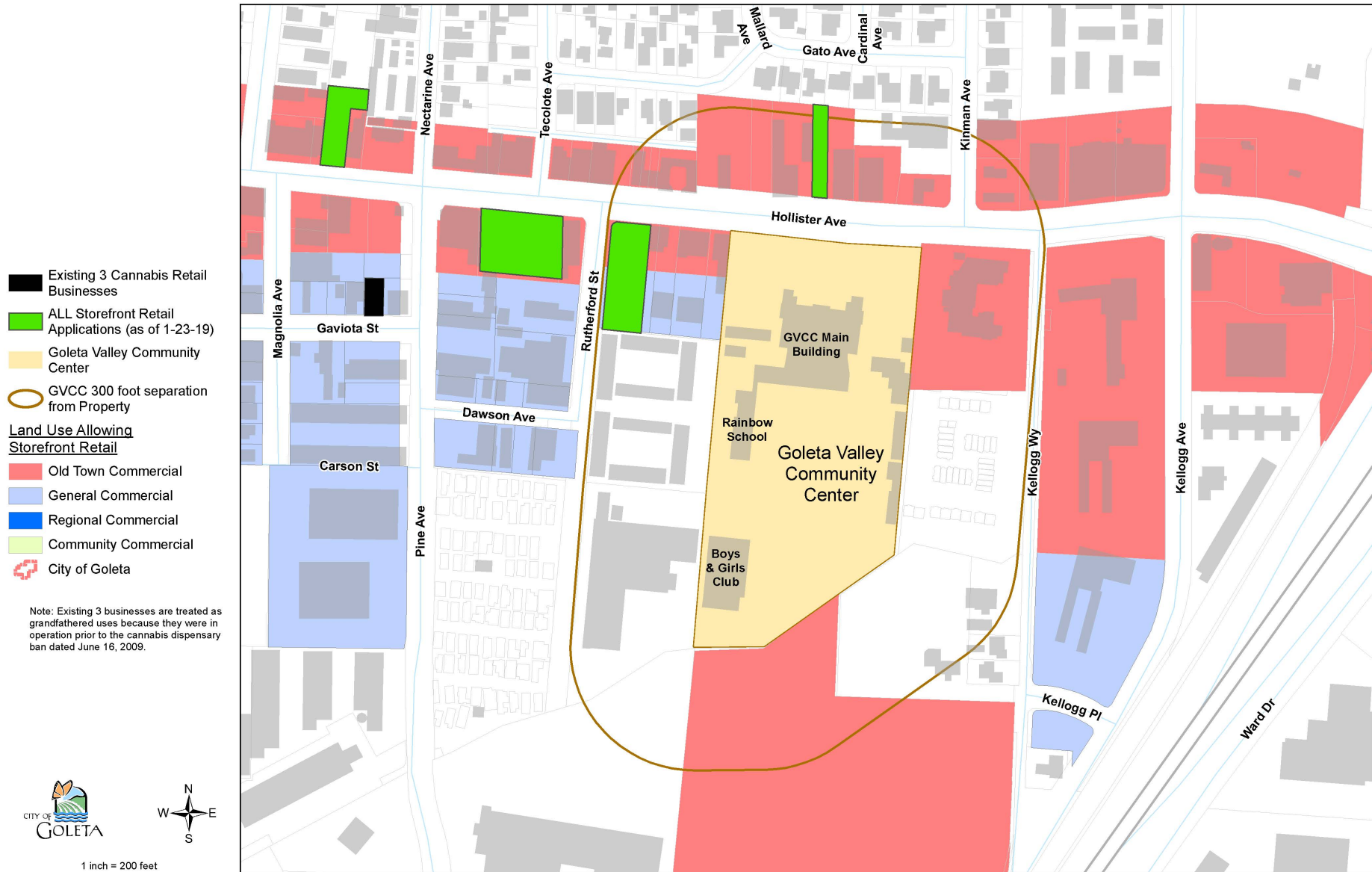
Buffer: Goleta Valley Community Center

Proposed Amendment LUO-2A:

A new restrictive buffer to prohibit storefront cannabis retailers on parcels located within 300 feet of the GVCC property unless the following applies:

1. Neither the entrance nor the signage face Hollister Avenue; and
2. Off-street parking is available.

Map of GVCC Buffer



Buffer: Schools

Proposed Amendment LUO-2B:

Increase the buffer prohibiting storefront retail near schools from zero feet to 300 feet.

- Ellwood Elementary school is the only school within 300 feet of a location where storefront retail would otherwise be allowed

Potential Sensitive Receptors

 Schools

 Schools 300 foot separation


Land Use Allowing Storefront Retail

 Old Town Commercial

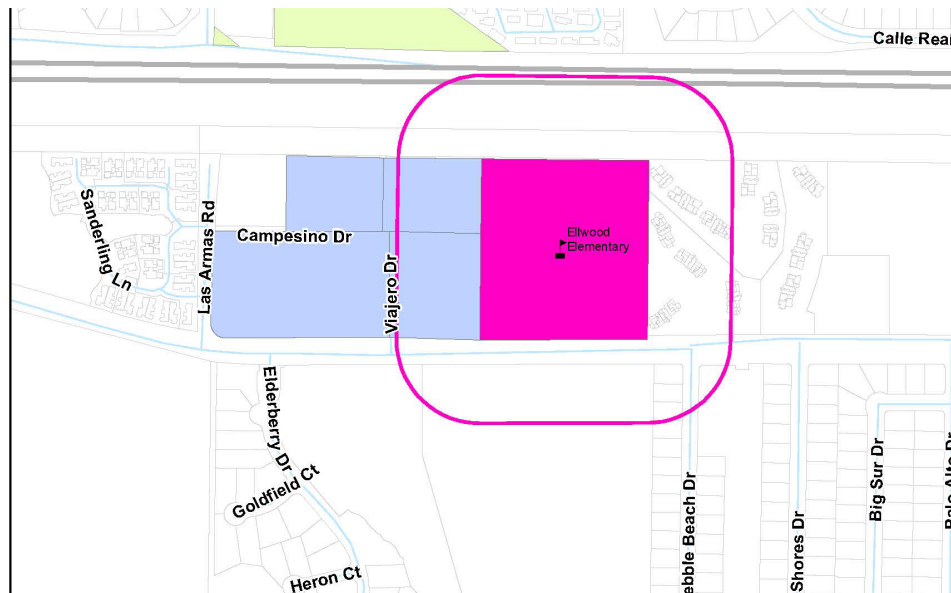
 General Commercial

 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.



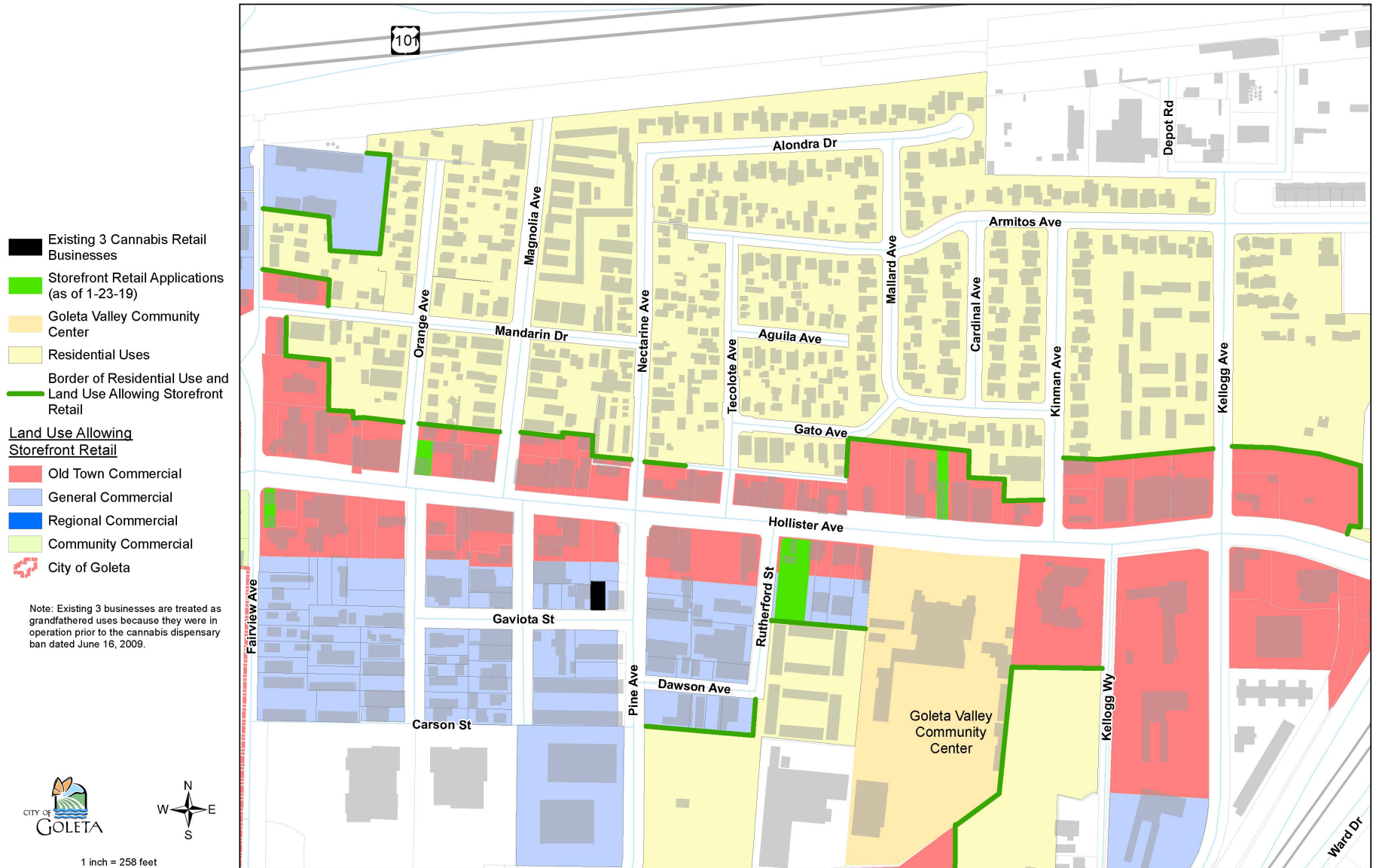
Residential Land Uses

Proposed Amendment LUO-2C

A new restrictive buffer to require storefront retailers on parcels adjacent to parcels designated for residential land uses meet the following requirements:

1. No front door or signage of the cannabis business may face the residential parcel; and
2. The retail parcel and the residential parcel are separated by a fence, wall, or hedge at least 4 feet high

Map of Residential – Retail Interface



LUO-3. Storefront Cannabis Retailer - Separation Requirements

Proposed Amendment 3:

A storefront retailer shall only be located between 300-600 feet of another legally established storefront cannabis retailer if the following applies:

1. Neither the entrance nor the signage face Hollister Avenue in Old Town; and
2. Off-street parking is available.

The 300 feet of separation between storefront cannabis retail uses remains unchanged

Separation Requirements Map



Combined Buffers & Restrictions



LUO-4. Non-Storefront Cannabis Retailer (Delivery) in Regional Commercial (C-R) and Community Commercial (C-C)

Proposed Amendment 4:

Allow non-storefront cannabis retail in C-R and C-C:

- General Plan currently allows “Other Services” in C-R, C-C, Old Town Commercial (C-OT), Commercial Visitor (C-VS), and Intersection Commercial (C-I)
- Cannabis delivery is only consistent with General Plan policies for C-R and C-C designations

RECOMMENDATION 1

CEQA Addendum

CEQA Addendum

- Proposed amendments would not result in new significant impacts or a substantial increase in the severity of previously identified impacts
- No additional mitigation required as a result of the proposed amendments
- An Addendum to the City's General Plan 2006 FEIR, 2009 Supplemental EIR, and subsequent addenda has been drafted
 - Appropriate under CEQA Guidelines Section 15164 because only minor changes and additions to the FEIR are necessary

RECOMMENDATION 4

Cannabis Business License Ordinance Amendments

Business License Ordinance

Rigorous Standards and Process

- Include separate licenses by use type with submittal requirements
 - Owner qualifications – background check
 - Site plan, business plan, green business plan, odor abatement plan, safety plan, and security plan

Business License Ordinance

- Include requirement for noticing – Storefront Retail
 - 500 feet – property owners and tenants
 - Comment before Preliminary Approval
- Appeal to City Council to a public hearing
- Includes two site inspections
- Financial and tax business and business entity formation documents

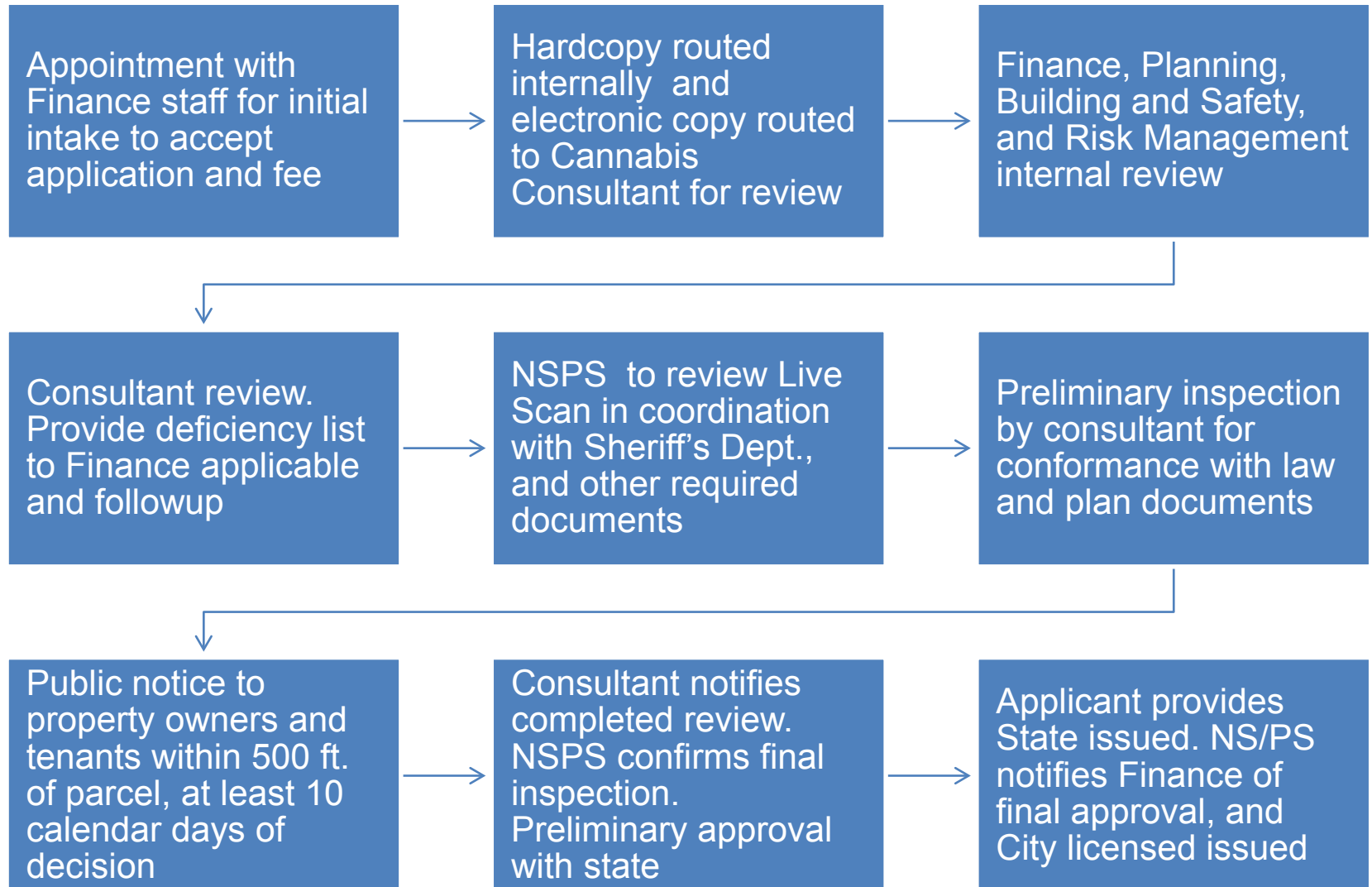
Business License Ordinance

- Require Planning Department General Plan and zoning verification
- Require Building and Safety fire clearance and applicable building permits
- Require Risk Management review of insurance and bonds
- Require Neighborhood Services review of all materials and LiveScan

Business License Ordinance

- Restrict opportunity for resubmittal to one time – 30 days unless extended by Director
- Require proof of state issued license and other City permits (building, land use permits, etc)
- Require annual renewal process
- Require monitoring and compliance
 - 1 site inspection
 - Compliance with local and state laws
- Require annual inspections and reporting

Application Process - Overview



RECOMMENDATION 5

Fee Update and Resolution

Fee Update and Resolution

- Current Fees vs Proposed Fees

Cannabis Business License Fee Summary	Current	Proposed
New Application Fee:	\$ 2,320	\$ 13,700
Additional for Accessory Use (per each)	\$ 185	\$ 100
Renewal Application Fee:	\$ 559	\$ 11,100
Outside City Limits - Delivery Application Fee:	-	\$ 400
Outside City Limits - Delivery Renewal Application Fee:	-	\$ 400
Appeal Fee:	TBD	\$ 4,400
Monitoring and Compliance Fee*:	TBD	\$ 8,600

Proposed fees updated to reflect proposed updated ordinance, process, monitoring and compliance, and appeals.

**The separate Cannabis Business License Monitoring & Compliance Fee is applicable to Cannabis Business Licenses approved prior to the effective date of Ordinance 19-__ approving amendments to Chapter 5.09.*



KEY ISSUES

Key Issues - Permitting and Licensing (Storefront Retail)

Currently LUP/CDP or CUP are required

Proposed Amendment:

Discretionary process adds additional layer to an already multi-layered business license scheme. Requirements of the Land Use Ordinance can be addressed through amended Business License Ordinance, thus reducing the layers of processing.

- Recommendation: Eliminate LUP/CDP and CUP requirements.

Key Issues – B-P(Distribution)

General Plan currently does not allow “General Wholesale Trade” in I-BP

Proposed Amendment:

Cannabis distribution is small and would be compatible with other I-BP uses, especially if the floor area dedicated to cannabis distribution is capped

- Recommendation: Allow cannabis distribution in I-BP

Key Issues – GVCC Buffer (Storefront Retail)

Currently, there is no GVCC buffer because the discretionary/CEQA process would address compatibility issues

Proposed Amendment:

The amendments eliminate the discretionary review process

- Recommendation: A new restrictive buffer to prohibit storefront cannabis retailers on parcels located within 300 feet of the GVCC property unless the following applies:
 - Neither the entrance nor the signage face Hollister Avenue and off-street parking is available

Key Issues – School Buffer (Storefront Retail)

Currently, 600 ft conditional buffer around K-12 schools require Major CUP

Proposed Amendment:

The amendments eliminate the discretionary review process

- Recommendation: Increase the buffer prohibiting storefront retail near K-12 schools from zero feet to 300 feet

Note: Ellwood Elementary school is the only school within 300 feet of a location where storefront retail would otherwise be allowed

Key Issues – Residential Buffer (Storefront Retail)

Currently, 100 ft conditional buffer from residential land use designations require Major CUP.

Proposed Amendment:

The amendments eliminate the discretionary review process

- Recommendation: New restrictions on parcels that are adjacent to parcels designated for residential land uses:
 - No entrance or signage of the cannabis business may face the residential parcel; and
 - The retail parcel and the residential parcel are separated by a fence, wall, or hedge at least 4 feet high.

Key Issues – Separation Requirements (Storefront Retail)

Currently, storefront retailer shall not be located within 300 feet of another storefront cannabis retailer

Proposed Amendment:

Recommendation: A storefront retailer shall only be located between 300-600 feet of another legally established storefront cannabis retailer if the following applies:

- Neither the entrance nor the signage face Hollister Ave in Old Town; and
- Off-street parking is available.

Note: The 300 feet of separation between storefront cannabis retail uses remains unchanged

Key Issues – Cap (Storefront Retail)

Current and proposed, the Land Use Ordinance includes a storefront retail cap of 15.

No Proposed Amendment:

- Revisit the cap on storefront retail?

COUNCIL ACTION

Staff Recommendations

1. Adopt CEQA Addendum
2. Adopt General Plan Amendments
3. Adopt Revised Cannabis Land Use Ordinance
4. Adopt Revised Cannabis Business License Ordinance
5. Adopt Updated User Fees and Charges