



TO: Mayor and Councilmembers

FROM: Peter Imhof, Planning and Environmental Review Director

CONTACT: Anne Wells, Advance Planning Manager
Winnie Cai, Assistant City Attorney

SUBJECT: Amendments to Cannabis Land Use Ordinance and Rules for the Management of the Retail Cannabis Business License Priority List

RECOMMENDATION:

- A. Conduct second reading (by title only, waiving further reading) and adopt Ordinance No. 19- , entitled “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” (Attachment 1).
- B. Adopt Resolution No. 19-_, entitled “A Resolution of the City Council of the City of Goleta Establishing Rules for the Management of the Retail Cannabis Priority List” (Attachment 2).

BACKGROUND:

In July 2018, the City adopted land use regulations to regulate commercial cannabis uses. These regulations were adopted as Ordinance No. 18-03 as the Cannabis Land Use Ordinance (CLUO). The CLUO went into effect on August 17, 2018 and allows for licensing of indoor cultivation, nursery, manufacturing, distribution, testing, and retail (storefront and non-storefront) in the City. After implementation, the City determined that amendments were necessary to the existing regulations to address overconcentration and procedural concerns.

DISCUSSION:

Cannabis Land Use Ordinance 2nd Reading

On June 4, 2019, the City Council conducted the first reading of an ordinance that repeals Ordinance No. 18-03 and replaces it with updated standards. The proposed ordinance includes the following changes to Ordinance No. 18-03:

1. Eliminated the requirements for Land Use Permits, Coastal Development Permits, and Conditional Use Permits for various cannabis uses;
2. Established prohibitive buffers for storefront retailers from the Goleta Valley Community Center (600 ft.), schools providing K-12 education (600 ft.), and residential land uses (100 ft.) and increased the separation requirement for storefront retailers (300 ft. to 600 ft.);
3. Allowed Non-storefront retail in Regional Commercial and Community Commercial;
4. Reduced the storefront retail cap from 15 to 6 only one of which can be in the Old Town Heritage District;
5. Revised various standards to match General Plan Amendments that were adopted by City Council on April 16, 2019 (Resolution No. 19-21); and
6. Removed standards that are now included in the Cannabis Business License Ordinance (as adopted as Ordinance No. 19-07 and codified in Goleta Municipal Code Section 5.09).

The Ordinance with these revisions is provided as Attachment 1.

The introduced ordinance is required to have a second reading before its adoption by the City Council. Council has the opportunity to adopt this ordinance, which would then be effective on the thirty-first day after adoption.

Cannabis Storefront Retail Business License Priority List

On June 18, 2019, Council directed staff to return with a resolution establishing the procedures for the issuance of retail cannabis business licenses. The proposed procedures include:

1. A requirement to utilize the original priority list (Attachment 2, Exhibit A) for the issuance of retail cannabis business licenses. This list will be utilized except that only one application will be accepted in the Old Town Heritage District (District) (Attachment 2, Exhibit B). Once a business license is issued for an applicant whose retail establishment is located within the District, no additional licenses will be issued for locations within the District.
2. No business operator will be issued more than one business license for operation of a retail cannabis establishment.
3. No more than six storefront retail business licenses will be issued citywide.
4. The three existing retail cannabis establishments deemed to be legal nonconforming uses will be given priority for issuance of retail cannabis business licenses.
5. Applicants will be issued a business license only for a retail location that complies with the requirements of the Business License Ordinance but is not within 600 feet of any applicant in the top six positions (Attachment 2, Exhibit B).

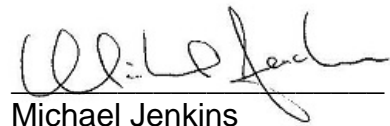
6. Establish prioritization and allows for relocation under certain circumstances, such as a buffer conflict. The relocation timeframe is restricted to a six month period. Licenses are not transferable.
7. The procedures established in the Resolution will be null and void and of no further effect upon the issuance of six retail storefront business licenses.

The Resolution including these procedures is provided as Attachment 2.

FISCAL IMPACTS:

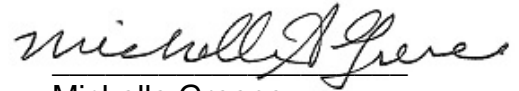
There are no fiscal impacts associated with this report.

Legal Review By:



Michael Jenkins
City Attorney

Approved By:



Michelle Greene
City Manager

ATTACHMENTS

1. City Council Ordinance 19- : "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".
2. City Council Resolution 19- : "A Resolution of the City Council of the City of Goleta Establishing Rules for the Management of the Retail Cannabis Priority List"

ATTACHMENT 1

City Council Ordinance 19- : “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”

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 October 2, 2018, the City Council adopted Resolution 18-53 initiating amendments to the Cannabis Land Use Ordinance; and

WHEREAS the Planning Commission conducted a duly noticed public hearing on March 11, 2019, at which time all interested persons were given an opportunity to be heard; and

WHEREAS, in accordance with the California Environmental Quality Act (CEQA), an Addendum to the Certified Final EIR for the General Plan/Coastal Land Use Plan (GP/CLUP) (SCH #2005031151) was prepared to address the changes in environmental effects associated with the proposed Cannabis-related Land Use Ordinance amendments; and

WHEREAS the Planning Commission considered the entire administrative record, including staff reports, the General Plan, the Cannabis Land Use Ordinance, and oral and written testimony from interested persons; and

WHEREAS the Planning Commission recommended the City Council approve the CEQA Addendum to the GP/CLUP EIR through Resolution 19-02 on March 11, 2019; and

WHEREAS the City Council conducted a duly noticed public hearing on April 16, 2019, at which time all interested persons were given an opportunity to be heard; and

WHEREAS the City Council approved the CEQA Addendum to the GP/CLUP through Resolution 19-03 on April 16, 2019 and directed staff to return with a more restrictive Cannabis Land Use Ordinance at a future date.

WHEREAS the City Council considered the entire administrative record, including the staff report, the GP/CLUP EIR and Addendum, and oral and written testimony from interested persons.

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

Pursuant to California Environmental Quality Act (CEQA) Guidelines § 15061 (b)(3) and § 15378(b)(5), this proposed, amended Ordinance is exempt from CEQA because there is no potential for causing a significant effect on the environment. In addition, pursuant to

CEQA Guidelines § 15060(c), the proposed amended Ordinance is not subject to CEQA because the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment (see § 15060(c)(2)) and because the project does not qualify as a "project" for the purposes of environment because the Ordinance does not result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment (see § 15060(c)(3) and § 15378). The regulations and definitions provided in this Ordinance do not, by themselves, have the potential to cause a significant effect on the environment. Any subsequent physical development project will be separately examined in accordance with CEQA.

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. "State Cannabis 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 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. Location. 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 California 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 shall 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 shall 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 shall 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.

Table 1. Allowed Cannabis Uses by General Plan Land Use Designation										
<i>Cannabis Uses</i>	<i>Land Use Designations¹</i>									
	<i>Commercial</i>						<i>Office and Industrial</i>			
	<i>CR</i>	<i>CC</i>	<i>OT</i>	<i>CI</i>	<i>CV</i>	<i>GC</i>	<i>BP</i>	<i>OI</i>	<i>IS</i>	<i>IG</i>
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 ³		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 ²						P ⁵			P	P
Cannabis Retailer	See Subclassifications below.									
<i>Storefront</i>	P	P	P			P				P ⁴
<i>Non-Storefront</i>	P	P				P			P	P
Cannabis Testing							P	P		P
Key: P: Land use permitted. Blank: Land use prohibited.										
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 is hereby adopted as the City's official zoning map solely for purposes of this Ordinance. 2. For Cannabis Microbusinesses, no storefront retail is allowed except where a cannabis dispensary was legally located prior to June 16, 2009. 3. Floor area of each licensed distributor shall not exceed 30,000 square feet per parcel. 4. Storefront cannabis retailers allowed within I-G only in locations where a cannabis dispensary was legally located prior to June 16, 2009, the date of the City's former ban on cannabis businesses. 5. Microbusinesses in G-C are only allowed for cannabis businesses legally located prior to June 16, 2009.										

2. Standards.

a. All Cannabis Uses.

i. Licenses.

- 1) State Cannabis 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. Distance requirements (buffers) between parcels 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, except for storefront cannabis retailers, 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. For all cannabis accessory uses, the Principal Use must also be a cannabis use.
- ii. Cannabis uses shall not have non-cannabis related accessory uses.
- iii. Volatile Manufacturing as an accessory use is only allowed in IG, IS, and BP.
- iv. A Cannabis Microbusiness shall not have an accessory use and shall not be an accessory use.
- 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.

- 1) Separation. A Storefront Cannabis Retailer shall not be located within 600 feet from another Storefront Cannabis Retailer that was legally established before or after the adoption of this Ordinance.
- 2) Goleta Valley Community Center. A Storefront Cannabis Retailer shall not be located within 600 feet from the Goleta Valley Community Center property.
- 3) Schools. A Storefront Cannabis Retailer shall not be located within 600 feet from a School providing K-12 education.

- 4) Residential. A Storefront Cannabis Retailer shall not be located within 100 feet of a parcel with a residential land use designation.
- ii. No prohibitive buffers are required from Day Care Centers or Youth Centers.
- iii. Limit of Businesses. A limit of 6 Storefront Cannabis Retailer uses is established no more than one of which may be located in the Old Town Heritage District.
- iv. 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.

INTRODUCED ON the ____ day of _____, 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 _____, and adopted at a regular meeting of the City Council of the City of Goleta, California, held on the _____, by the following roll-call vote, to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

(SEAL)

DEBORAH S. LOPEZ
CITY CLERK

ATTACHMENT 2

City Council Resolution 19- : “A Resolution of the City Council of the City of Goleta Establishing Rules for the Management of the Retail Cannabis Priority List”

RESOLUTION NO. 19-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GOLETA, CALIFORNIA, ESTABLISHING RULES FOR THE MANAGEMENT OF THE RETAIL CANNABIS PRIORITY LIST

The City Council of the City of Goleta does hereby resolve and order as follows:

SECTION 1. This Resolution establishes rules governing the management of the cannabis retail priority list attached hereto as Exhibit A and incorporated herein by reference.

SECTION 2. On July 17, 2018, the City Council adopted Ordinance No. 18-03 establishing a conditional use permit requirement for operating a retail cannabis business. Applications for conditional use permits were accepted on a first come/first serve basis as reflected in Exhibit A. On May 7, 2019, the City Council adopted Ordinance No. 19-07, amending Chapter 5.09 to require a business license for the establishment of retail cannabis businesses in the City. On June 18, 2019, the City Council adopted Ordinance No. 19-11, repealing Ordinance 18-03 and establishing new regulations regarding cannabis land uses. By this Resolution, the Council determines to utilize the original priority list (Exhibit A) for issuance of retail cannabis business licenses as provided herein.

SECTION 3. Applicants will be considered for issuance of cannabis retail business licenses in the order set forth in Exhibit A, except that only one application will be accepted in the Old Town Heritage District (as shown in the map attached hereto as Exhibit B). Once a business license is issued for an applicant whose retail establishment is located within the District, no additional licenses will be issued for locations within the District.

SECTION 4. No business operator will be issued more than one business license for operation of a retail cannabis establishment. No more than six licenses will be issued citywide.

SECTION 5. The retail cannabis establishments located at the following three addresses are deemed to be legal nonconforming uses for purposes of this Resolution, subject to the rules governing cessation of operations set forth in section 35-306 of the Inland Zoning Ordinance and section 35-161 of the Coastal Zoning Ordinance, as amended:

- A. 5814 Gaviota Street
- B. 5902 Daley Street
- C. 164 Aero Camino

Accordingly, the businesses operating at these three locations as of June 1, 2019, will be given first priority for issuance of retail cannabis business licenses.

SECTION 6. Applicants will be issued a business license only for a retail location that complies with the requirements set forth in section F.2.c. of Ordinance No. 19-11, but is not within 600 feet of any applicant in the top six positions in Exhibit A. In the event that an applicant next on the priority list does not possess a legally cognizable interest in such a location within six months of when a license becomes available the applicant will be stricken from the list. The first such six month period shall commence on June 18, 2019.

SECTION 7. The first six business licenses will be issued to the business operators listed on Exhibit A in order of priority. A business operator cannot improve its priority position by acquiring an applicant higher on the priority list prior to the time that a business license is issued.

SECTION 8. Once a business license is issued, the City does not regulate the purchase or sale of a licensed business; provided, however, that the purchaser must apply for and obtain a business license from the City in order to operate the business. Licenses are not transferable. A new license will be issued to the purchaser of a licensed, existing retail establishment without regard to the priorities in Exhibit A, provided that the applicant satisfies all of the requirements for issuance of a license.

SECTION 9. Once six retail cannabis business licenses are issued, the priority list in Exhibit A will be null and void and of no further effect.

SECTION 10. The City Clerk shall certify to the adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 18th day of June, 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)
CITY OF GOLETA) ss.

I, DEBORAH S. LOPEZ, City Clerk of the City of Goleta, California, DO HEREBY CERTIFY that the foregoing Resolution No. 19-__ was duly adopted by the City Council of the City of Goleta at a regular meeting held on the 18th day of June, 2019 by the following vote of the Council:

AYES: NONE

NOES: NONE

ABSENT: NONE

ABSTENTIONS: NONE

(SEAL)

DEBORAH S. LOPEZ
CITY CLERK

CANNABIS STOREFRONT RETAIL APPLICATIONS

CUP Application Order	Application Order with Medicinal Dispensaries as first 3 Applications	File Number	Applicant Name, Location (Existing Business)	Impact of Proposed Ordinance Amendment
1	4	18-103-CUP	Michael Bitton, 5777 Hollister (A-OK)	Eliminated by separation requirement. Applicant to find new location.
2	5	18-104-CUP	Chris Hester, 5890 Hollister (Gimeals)	Eliminated by Residential Buffer. Applicant to find new location.
3	6	18-105 -CUP	Chris Hester, 5999 Hollister (Palm Reader)	Continue to Process subject to cap
4	7	18-106-CUP	Sid Dunmore 290 Storke Rd (Ming Dynasty)	Continue to Process subject to cap
5	8	18-107-CUP	Sid Dunmore, 5836 Hollister (Motor Sports)	Eliminated by separation requirement. Applicant to find new location.
6	9	18-108-CUP	Troy White, 370 Storke (Zizzos)	Continue to Process subject to cap
7	10	18-109-CUP	Troy White, 5755 Hollister (Fuel Depot)	Eliminated by GVCC Buffer. Applicant to find new location.
8	11	18-110-CUP	David MacFarlane, 5979 Hollister (Sam's to Go)	Eliminated by separation requirement. Applicant to find new location.
9	1	18-111-CUP	David MacFarlane, 5814 Gaviota (Existing Dispensary)	N/A
10	12	18-112-CUP	Luke Bruner, 6416 Hollister Avenue (Bus site)	Eliminated by separation requirement. Applicant to find new location.
11	13	18-115-CUP	Malante Hayworth, 5710 Hollister (Copy Center building across from GVCC)	Eliminated by GVCC Buffer. Applicant to find new location.
12	2	18-117 -CUP	Todd Falstrom, 5902 Daley St (Existing Dispensary)	N/A
13	14	18-156-CUP	Michael Bitton, 7433 Hollister (Yoga Studio)	Eliminated by Residential Buffer. Applicant to find new location.
14	15	19-010-CUP	Cameron Porter, 6760 Cortona	Continue to Process subject to cap
15	3		Mark Russell, 164 Aero Camino (Existing Dispensary)	N/A

Goleta Old Town
Heritage District Boundaries

