

**Cannabis Regulatory Program
Recommendation Matrix**

Current Program	Recommendation
LOCATION REQUIREMENTS	
<p>300 foot separation from residential zone</p> <p>600 foot separation from:</p> <ul style="list-style-type: none"> • Park • School providing instruction in kindergarten or any grades 1 – 12 • Day care center • Youth center • Childcare center • Child care • <i>In-home (family day care home)</i> • <i>Religious facilities</i> • <i>Drug abuse or alcohol recovery/treatment facility</i> <p>Location Waiver – Waivers can be considered for unique situation where the literal application of the distance requirement to not reasonable.</p>	<p><i>Option 1 – Current location requirements</i></p> <ul style="list-style-type: none"> • 1,366 parcels • Eliminate location waiver <p><i>Option 2 – Staff recommendation</i></p> <ul style="list-style-type: none"> • 1,287 parcels • Eliminate location waiver • Align with Code language for alcohol business location restrictions • 300 foot separation from residential zone or use • 600 foot separation from: <ul style="list-style-type: none"> ○ Public or private academic school for students in kindergarten through 12th grade ○ Nursery school, Preschool, Day-care facility ○ Public park, playground, recreational area, or youth facility ○ Places of Religious Worship <ul style="list-style-type: none"> ▪ Excluding religious facilities in IG/IL zones (for business types other than storefront retail and microbusinesses with a retail component) ○ Drug abuse or alcohol recovery/treatment facility • 1,000 foot separation between cannabis storefront retailers and/or microbusinesses <p><i>Option 3 – State requirements* + business separation</i></p> <ul style="list-style-type: none"> • 3,307 parcels • Eliminates location waiver • Aligns with former State requirement and existing cannabis facility/business separation • 600 foot separation from: <ul style="list-style-type: none"> ○ Park ○ School providing instruction in kindergarten or any grades 1 – 12 • 1,000 foot separation between cannabis storefront retailers and/or microbusinesses <p><i>*State requirements were amended on 9/27/21 and no longer require a 600-foot separation from K-12 schools and daycare/youth centers.</i></p>

Current Program	Recommendation
LOTTERY EQUITY PROGRAM	
<p>Participating Land-uses:</p> <ul style="list-style-type: none"> • Cultivation • Microbusiness • Retail Storefront • Volatile Manufacturing <p>Equity applicant eligibility</p> <ul style="list-style-type: none"> • Resident of Stockton; and • One of the following: be an MBE/WBE business, live in an opportunity zone, live in the SB 535 disadvantaged area of Kelly Drive neighborhood, or live in a HUD designated area <p>Currently there is no requirement for the equity applicant to remain at least 50% owner of the cannabis business after the operator permit is approved.</p> <p>Currently there is no requirement for the equity applicant to report annual metrics to the City of tracking purposes.</p> <p>Currently no financial incentives or technical assistance is provided to equity applicants.</p> <p>Currently, all applicants, equity and nonequity, shall annually submit an intent to apply with paperwork that proves that the applicant has identified property that meets all City locational criteria and zoning requirements.</p> <p>Language regarding lottery winners and subsequent use permit application process is unclear.</p> <p>Currently, if the City determines that the applicant is not progressing, the City notifies the applicant and the applicant has 30 days to meet the next steps.</p>	<p>Remove Cultivation and Volatile Manufacturing from participating land-uses of the lottery. Control roll-out of:</p> <ul style="list-style-type: none"> • Microbusiness • Retail Storefront <p>Update Equity applicant eligibility to:</p> <ul style="list-style-type: none"> • Resident of Stockton for 5 years, AND • Either live in the SB535 disadvantaged area of Kelly Drive neighborhood, or demonstrate low-income status. <p>Require the equity applicant to remain at least 50% owner of the cannabis business at least 5 years after the operator permit approval.</p> <ul style="list-style-type: none"> • Provide an “out” clause for financially struggling equity-owned businesses. <p>Require equity applicant to report annual metrics to the City for tracking purposes.</p> <p>Provide technical assistance (i.e. small business courses, entrepreneur seminars) and financial incentives (i.e. zero/low interest rate loans or fee waiver) to equity applicants, when resources (i.e. grant funding) are available. The assistance would be provided to anyone who qualifies as an equity applicant (not just the winners of the lottery).</p> <p>All applicants will be required to submit the address that the applicant intends to use for the commission use permit that meets all City locational criteria and zoning requirements. Recommendation includes a proposed Lottery Application Fee to process and verify lottery applications and proposed locations. Proposed fee would be approximately \$200.</p> <p>Lottery winners are entitled to submit one (1) Commission Use Permit application. Should the use permit be denied, the lottery winner status expires.</p> <p>All land-use applications are required to be submitted to the City within 90 days of the date of the notification of winning the cannabis commercial lottery.</p>

Current Program	Recommendation
IMPROVE CUSTOMER EXPERIENCE	
<p>Current by-right allowances for pre-existing businesses located throughout Code.</p> <p>Relocation of Existing Cannabis Businesses – Currently relocating a cannabis business requires a new application. The land-uses participating in the lottery would need to win through the lottery to be able to relocate cannabis business.</p> <p>Customer Experience Assistance – No specific technology to assist commercial cannabis applicants.</p>	<p>Align by-right allowances for pre-existing businesses under the same section per land-use and included a clear date establishing the allowance.</p> <p>Added cultivation as by-right use for pre-existing (pre 7-16-2019) storefront retailers in IL and IG zones only.</p> <p>Relocation of Existing Cannabis Businesses – Include allowance for relocation of existing cannabis business. Include a condition that the existing cannabis use should relinquish the approval of the existing location through the transaction.</p> <p>Recommendation includes procuring technology to provide resources and tools for commercial cannabis applicants.</p>
ZONING	
<p>Retail Storefront – Allowed in Industrial Zones and Commercial Zones (CO, CN, CG, CD, CL) Reference pgs. 35 and 38.</p> <p>Non-storefront Retail (delivery only) – Allowed in Industrial Zones and Commercial Zones (CO, CN, CG, CD, CL) Reference pgs. 36, 41.</p> <p>Microbusiness – Allowed in Industrial Zones</p>	<p>Remove Commercial, Neighborhood (CN) zone</p> <p>Remove Commercial, Neighborhood (CN) zone</p> <p>Allow Retail/Distributor/Manufacturer (RDM) designation in commercial zones (Commercial, Office (CO), Commercial, General (CG), Large-Scale (CL)), if the retail component of the business floor area is 50% or more and no cultivation activities will take place as a part of the business operations.</p>

Notes:

- Black Font – Indicates recommendations as a result of City Council direction/discussions, best practices, and stakeholder input.
- Green Font – Indicates recommendations made as a result of the Equity Assessment Report.
- Blue Font - Indicates recommendations from the Council Legislation/Environmental Committee.
- Purple Font - Indicates recommendations from the Planning Commission.