

Cannabis Regulatory Program  
Recommendation Matrix

Recommendation based on goals to:

- Align program with best practices
- Implement recommendations from equity assessment and address equity program gaps
- Clean-up and align Code language to allow for consistent application
- Establish balance between geography, resident quality of life, desired business types, and economic development.

Current Program	Recommendation
<b>LOCATION REQUIREMENTS</b>	
<p>300 foot separation from residential zone</p> <p>600 foot separation from:</p> <ul style="list-style-type: none"> <li>• Park</li> <li>• School providing instruction in kindergarten or any grades 1 – 12</li> <li>• Day care center</li> <li>• Youth center</li> <li>• Childcare center</li> <li>• Child care</li> <li>• <i>In-home (family day care home)</i></li> <li>• <i>Religious facilities</i></li> <li>• <i>Drug abuse or alcohol recovery/treatment facility</i></li> </ul> <p>Location Waiver – Waivers can be considered for unique situation where the literal application of the distance requirement to not reasonable.</p> <p>Reference pgs. 38, 41, 44, 46, 48, 50, 53, 55</p>	<p><b><i>Option 1 – Current location requirements</i></b></p> <ul style="list-style-type: none"> <li>• 1,366 parcels</li> <li>• Eliminate location waiver</li> </ul> <p><b><i>Option 2 – Staff recommendation</i></b></p> <ul style="list-style-type: none"> <li>• 1,287 parcels</li> <li>• Eliminate location waiver</li> <li>• Align with Code language for alcohol business location restrictions</li> <li>• 300 foot separation from residential zone or use</li> <li>• 600 foot separation from: <ul style="list-style-type: none"> <li>○ Public or private academic school for students in kindergarten through 12<sup>th</sup> grade</li> <li>○ Nursery school, Preschool, Day-care facility</li> <li>○ Public park, playground, recreational area, or youth facility</li> </ul> </li> <li>• 1,000 foot separation from: an existing cannabis facility or cannabis business</li> </ul> <p><b><i>Option 3 – State requirements + business separation</i></b></p> <ul style="list-style-type: none"> <li>• 3,307 parcels</li> <li>• Eliminates location waiver</li> <li>• Aligns with State requirement and existing cannabis facility/business separation</li> <li>• 600 foot separation from: <ul style="list-style-type: none"> <li>○ Park</li> <li>○ School providing instruction in kindergarten or any grades 1 – 12</li> </ul> </li> <li>• 1,000 foot separation from: an existing cannabis facility or cannabis business</li> </ul>

LOTTERY EQUITY PROGRAM	
<p>Participating Land-uses:</p> <ul style="list-style-type: none"> <li>• Cultivation</li> <li>• Microbusiness</li> <li>• Retail Storefront</li> <li>• Volatile Manufacturing</li> </ul> <p>Equity applicant eligibility</p> <ul style="list-style-type: none"> <li>• Resident of Stockton; and</li> <li>• 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</li> </ul> <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>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>Reference pgs. 57-59</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"> <li>• Microbusiness</li> <li>• Retail Storefront</li> </ul> <p>Update Equity applicant eligibility to:</p> <ul style="list-style-type: none"> <li>• Resident of Stockton for 5 years, AND</li> <li>• Either live in the SB535 disadvantaged area of Kelly Drive neighborhood, or demonstrate low-income status.</li> </ul> <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> <p>Require equity applicant to report annual metrics to the City of 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>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>

<b>IMPROVE CUSTOMER EXPERIENCE</b>	
<p>Current by-right allowances for pre-existing businesses located throughout Code. Reference pgs. 40 and 43.</p> <p><b>Relocation of Existing Cannabis Businesses –</b> 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. Reference pg. 40, 42, 45, 48, 50, 52, and 57.</p> <p><b>Customer Experience Assistance –</b> 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><b>Relocation of Existing Cannabis Businesses –</b> 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>
<b>ZONING</b>	
<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 Reference pgs. 29 and 55.</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:

- Reference pages provided to cross reference recommendations with the Proposed Ordinance – redlines document.
- Green Font – Indicates recommendations made as a result of the Equity Assessment Report.