



Planning Commission
AGENDA

Wednesday, April 9, 2025, 6:00 p.m.

Council Chambers, 990 Palm Street, San Luis Obispo

Planning Commission meetings can be viewed remotely on Channel 20, the City's [YouTube Channel](#), and on the City's website under the [Public Meeting Agendas](#) web page. Attendees of City Council or Advisory Body meetings are eligible to receive one hour of complimentary parking; restrictions apply, visit [Parking for Public Meetings](#) for more details.

INSTRUCTIONS FOR PUBLIC COMMENT:

Public Comment prior to the meeting (must be received 3 hours in advance of the meeting):

Mail - Delivered by the U.S. Postal Service. Address letters to the City Clerk's Office at 990 Palm Street, San Luis Obispo, California, 93401.

Email - Submit Public Comments via email to advisorybodies@slocity.org. In the body of your email, please include the date of the meeting and the item number (if applicable). Emails *will not* be read aloud during the meeting.

Voicemail - Call (805) 781-7164 and leave a voicemail. Please state and spell your name, the agenda item number you are calling about, and leave your comment. Verbal comments must be limited to 3 minutes. Voicemails *will not* be played during the meeting.

**All correspondence will be archived and distributed to members, however, submissions received after the deadline may not be processed until the following day.*

Public Comment during the meeting:

Meetings are held in-person. To provide public comment during the meeting, you must be present at the meeting location.

Electronic Visual Aid Presentation. To conform with the City's Network Access and Use Policy, Chapter 1.3.8 of the [Council Policies & Procedures Manual](#), members of the public who desire to utilize electronic visual aids to supplement their oral presentation must provide display-ready material to the City Clerk by 12:00 p.m. on the day of the meeting. Contact the City Clerk's Office at cityclerk@slocity.org or (805) 781-7114.

1. CALL TO ORDER

Chair Cooley will call the Regular Meeting of the Planning Commission to order.

2. ELECTION OF CHAIR AND VICE CHAIR

Recommendation:

As required by the Planning Commission Bylaws, hold the annual election of Chair and Vice Chair to a one-year term.

3. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

At this time, people may address the Commission about items not on the agenda. Comments are limited to three minutes per person. Items raised at this time are generally referred to staff and, if action by the Commission is necessary, may be scheduled for a future meeting.

4. CONSENT

Matters appearing on the Consent Calendar are expected to be non-controversial and will be acted upon at one time. A member of the public may request the Planning Commission to pull an item for discussion. The public may comment on any and all items on the Consent Agenda within the three-minute time limit.

4.a CONSIDERATION OF MINUTES - MARCH 12, 2025 PLANNING COMMISSION MINUTES 5

Recommendation:

To approve the Planning Commission Minutes of March 12, 2025.

4.b REQUEST TO ABANDON A 10-FOOT-WIDE PUBLIC RIGHT-OF-WAY BETWEEN 1998 AND 2006 SAN LUIS DRIVE IN THE R-1 ZONE (STAB-0759-2024) 9

Recommendation:

Adopt a Draft Resolution which finds that the abandonment of a 10-foot-wide public right of way between 1998 and 2006 San Luis Drive is in conformity with the General Plan and recommend that the City Council approve the abandonment by adopting a Resolution of Vacation.

5. PUBLIC HEARING

Note: Any court challenge to the action taken on public hearing items on this agenda may be limited to considering only those issues raised at the public hearing or in written correspondence delivered to the City of San Luis Obispo at, or prior to, the public hearing. If you wish to speak, please give your name and address for the record. Please limit your comments to three minutes; consultant and project presentations limited to six minutes.

5.a REVIEW OF TEXT AMENDMENTS TO MUNICIPAL CODE SECTION 17.86.080 (CANNABIS) OF TITLE 17 (ZONING REGULATIONS) (CODE-0051-2025)

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Recommendation:

Adopt a Resolution recommending the City Council introduce and approve an Ordinance to amend Section 17.86.080 (“Cannabis”) of Title 17 (“Zoning Regulations”) of the Municipal Code to clarify specific land use and operational requirements for commercial cannabis activity.

6. COMMENT AND DISCUSSION

6.a STAFF UPDATES AND AGENDA FORECAST

Receive a brief update from Deputy Community Development Director Tyler Corey.

7. ADJOURNMENT

The next Regular Meeting of the Planning Commission is scheduled for April 23, 2025 at 6:00 p.m. in the Council Chambers at City Hall, 990 Palm Street, San Luis Obispo.

LISTENING ASSISTIVE DEVICES for the hearing impaired--see the Clerk

The City of San Luis Obispo wishes to make all of its public meetings accessible to the public. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the City Clerk's Office at (805) 781-7114 at least 48 hours before the meeting, if possible. Telecommunications Device for the Deaf (805) 781-7410.

Planning Commission meetings are televised live on Charter Channel 20 and on the City's YouTube Channel: www.youtube.com/CityofSanLuisObispo. Agenda related writings or documents provided to the Planning Commission are available for public inspection on the City's website:

<https://www.slocity.org/government/mayor-and-city-council/agendas-and-minutes>.



Planning Commission Minutes

March 12, 2025, 6:00 p.m.

Council Chambers, 990 Palm Street, San Luis Obispo

Planning
Commissioners
Present:

Commissioner Bob Jorgensen, Commissioner Steve Kahn,
Commissioner Eric Tolle, Vice Chair Dave Houghton, Chair
Justin Cooley

Planning
Commissioners
Absent:

Commissioner Sheryl Flores, Commissioner Juan Munoz-Morris

City Staff Present:

Deputy Community Development Director Tyler Corey, Deputy
City Attorney Sadie Symens, Megan Wilbanks, Deputy City Clerk

1. CALL TO ORDER

A Regular Meeting of the San Luis Obispo Planning Commission was called to order on March 12, 2025 at 6:00 p.m. in the Council Chambers at City Hall, 990 Palm Street, San Luis Obispo, by Chair Cooley.

2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Public Comment:

David West

--End of Public Comment--

3. CONSENT

3.a CONSIDERATION OF MINUTES - FEBRUARY 26, 2025 PLANNING COMMISSION MINUTES

Motion By Commissioner Kahn

Second By Commissioner Jorgensen

To approve the Planning Commission Minutes of February 26, 2025.

Ayes (4): Commissioner Jorgensen, Commissioner Kahn, Vice Chair Houghton, and Chair Cooley

Abstained* (1): Commissioner Tolle (**Per the Bylaws, abstentions without a conflict of interest are counted as a "Yes" vote*)

Absent (2): Commissioner Flores, and Commissioner Munoz-Morris

CARRIED (5 to 0)

4. PUBLIC HEARING

4.a CONSIDERATION OF THE 2024 GENERAL PLAN ANNUAL REPORT

Assistant Planner Ethan Estrada presented the staff report and responded to Commission inquiries. Additionally, Homeless Services Manager Daisy Wiberg, Utilities Special Projects Manager Shawna Scott, Fire Chief Todd Tuggle, and Transportation Manager Luke Schwartz responded to Commission inquiries.

Chair Cooley opened the Public Hearing

Public Comment:

None

--End of Public Comment--

Chair Cooley closed the Public Hearing

Motion By Commissioner Kahn

Second By Vice Chair Houghton

Receive and file the 2024 General Plan Annual Report for final review and acceptance by the City Council.

Ayes (5): Commissioner Jorgensen, Commissioner Kahn, Commissioner Tolle, Vice Chair Houghton, and Chair Cooley

Absent (2): Commissioner Flores, and Commissioner Munoz-Morris

CARRIED (5 to 0)

5. COMMENT AND DISCUSSION

5.a STAFF UPDATES AND AGENDA FORECAST

Deputy Community Development Director Tyler Corey provided the following update of upcoming projects:

- The March 26, 2025 meeting will be cancelled due to lack of items. A Notice of Cancellation will be published one week prior to the meeting date.
- Tentatively scheduled for the April 9, 2025 meeting, is review of proposed amendments to the City's Cannabis Regulations and a proposed abandonment of a 10 foot public right-of-way between 1998 and 2006 San Luis Drive.

Vice Chair Houghton, who also serves on the Diablo Canyon Decommissioning Engagement Panel, expressed a desire to work with staff to brainstorm ways to engage with San Luis Obispo community members and provide accurate information about the decommissioning process.

6. ADJOURNMENT

The meeting was adjourned at 7:00 p.m. The next Regular Meeting of the Planning Commission is scheduled for March 26, 2025 at 6:00 p.m. in the Council Chambers at City Hall, 990 Palm Street, San Luis Obispo.

APPROVED BY PLANNING COMMISSION: XX/XX/2025



Meeting Date: 4/9/2025 Item Number: 4b Time Estimate: N/A
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PLANNING COMMISSION AGENDA REPORT

SUBJECT: REQUEST TO ABANDON A 10-FOOT-WIDE PUBLIC RIGHT-OF-WAY BETWEEN 1998 AND 2006 SAN LUIS DRIVE IN THE R-1 ZONE (STAB-0759-2024)

BY: Ivana Gomez, Cannabis Business Coordinator
 Phone Number: (805) 781-7147
 Email: igomez@slocity.org

FROM: Tyler Corey, Deputy Director
 Phone Number: (805) 781-7169
 Email: tcorey@slocity.org

APPLICANT: Ben Kulick

REPRESENTATIVE: MBS Land Surveys

RECOMMENDATION

Adopt a Draft Resolution which finds that the abandonment of a 10-foot-wide public right of way between 1998 and 2006 San Luis Drive is in conformity with the General Plan and recommend that the City Council approve the abandonment by adopting a Resolution of Vacation.

1.0 COMMISSION'S PURVIEW

California Streets and Highway Code (CSHC) § [8313](#) requires the local planning agency to review and determine whether the location, purpose, and extent of a proposed street vacation or abandonment, conforms to the adopted General Plan and to make a recommendation to the City Council. The City Council will consider whether to adopt a Resolution of Vacation abandoning the right of way, recorded with the County Recorder.

2.0 SITE DATA

Adjacent Property Owners	Ben Kulick (Applicant), Michael Copeland
Property Owner	City of San Luis Obispo
Representative	MBS Land Surveys
Adjacent Zoning	Right-of-way adjacent to R-1 (Low-Density Residential) and C/OS (Conservation/Open Space) Zones
Adjacent General Plan Land Use	Right-of-way adjacent to Low Density Residential (LDR) Zone
Site Area	Right-of-way abandonment area is 1,667 sq. ft.
Adjacent Parcels	APN 001-251-009 (R-1) and APN 001-251-010 (R-1)
Environmental Status	Categorically exempt under Class 1, Existing Facilities (Section 15301(c) of the CEQA Guidelines)

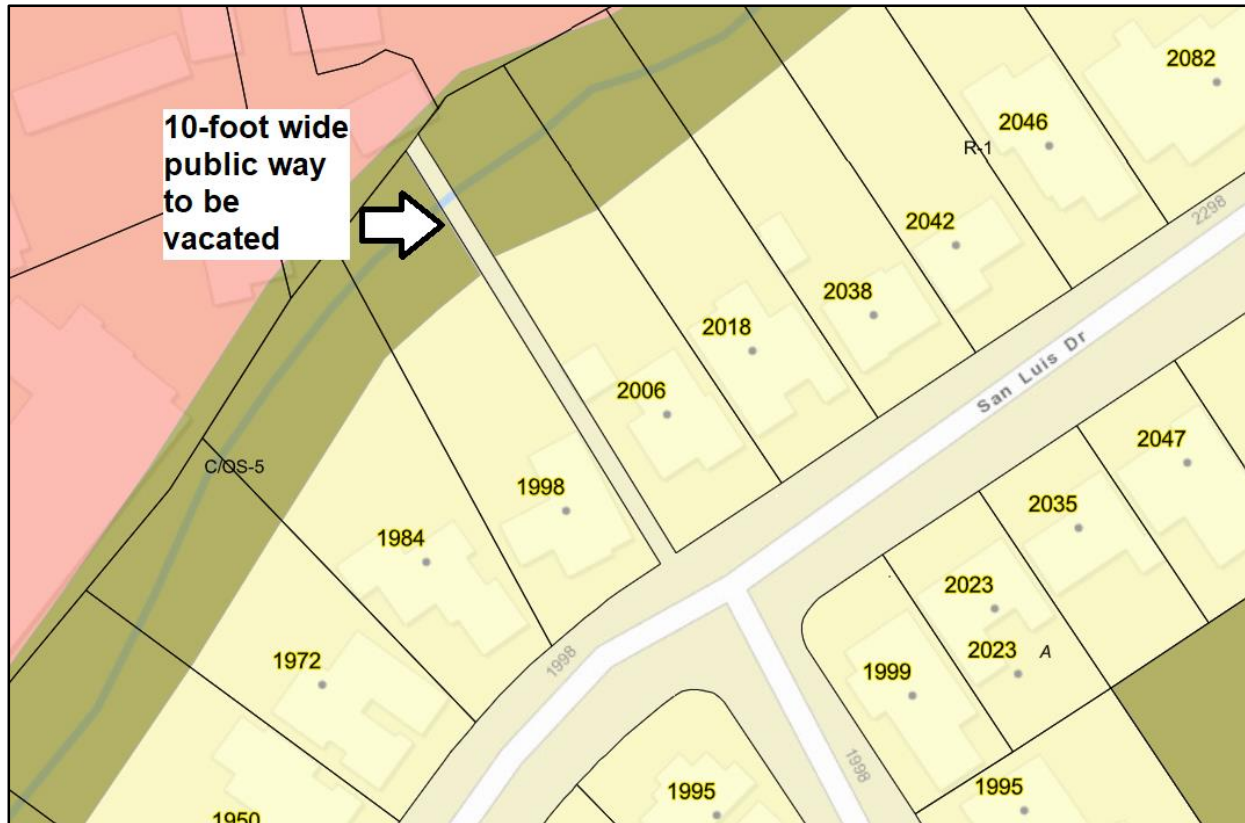


Figure 1: Zoning Map Image Showing Project Site and Neighboring Properties

3.0 PROJECT INFORMATION

3.1 Background

The City Planning Commission approved the acceptance of the 10-foot public way between 1998 and 2006 San Luis Drive on January 7, 1947, as shown in the Map of Tract No. 43 (**Attachment B**). The City Clerk recorded this acceptance on January 10, 1947, dedicating the land for public use. According to the Preliminary Title Report, the easement was originally intended to provide public access to San Luis Obispo Creek for recreational activities such as boating, fishing, swimming, and hunting.

However, the City has not utilized the public way for its intended purpose for at least five consecutive years, qualifying it for summary abandonment under California Streets and Highways Code (CSHC) § [8333](#). This means the easement may be abandoned by resolution of the Council without holding a public hearing on the abandonment. Additionally, in accordance with CSHC § [8334.5](#), there are no in-place public utility facilities in use that would be affected by the abandonment.

3.2 Project Description

The City of San Luis Obispo Public Works and Community Development Departments have received a request from adjacent property owners to abandon the public way to facilitate a lot line adjustment between their properties, subject to the City Council's approval of the abandonment. The new lot line, as proposed, would better align with existing site improvements, including a standing 6-foot-tall fence, as described in SLOMC § [16.18.040](#)(B).

The area proposed for abandonment is approximately 167 feet by 10 feet, comprising a 1,667 square foot area. Located within the R-1 Zone, the public way was dedicated over 70 years ago but has never been used by the public, nor has the City made any improvements to the site. Instead, the area has been utilized by the adjacent property owners, who have installed fencing, landscaping, and trees.

If approved, the abandonment would result in one-half (five feet) of the easement reverting to each adjacent property owner (1998 and 2006 San Luis Drive), enabling them to proceed with a lot line adjustment application. The proposed abandonment would not alter the visual or functional use of the area as seen from the street or surrounding properties.

Before the City finalizes the right-of-way abandonment, any easements necessary for access or drainage must be recorded to ensure continued functionality and legal access. This condition (**Attachment A**) ensures that critical infrastructure and property rights are preserved before the right-of-way is officially abandoned. City staff and utility providers have confirmed that no public utilities or infrastructure exist within the right-of-way, and there are no identified private access concerns. As a result, no easements are expected to be required in this case. However, it is considered best practice to include this condition in the resolution as a safeguard, in case any unforeseen issues arise before finalizing the abandonment.

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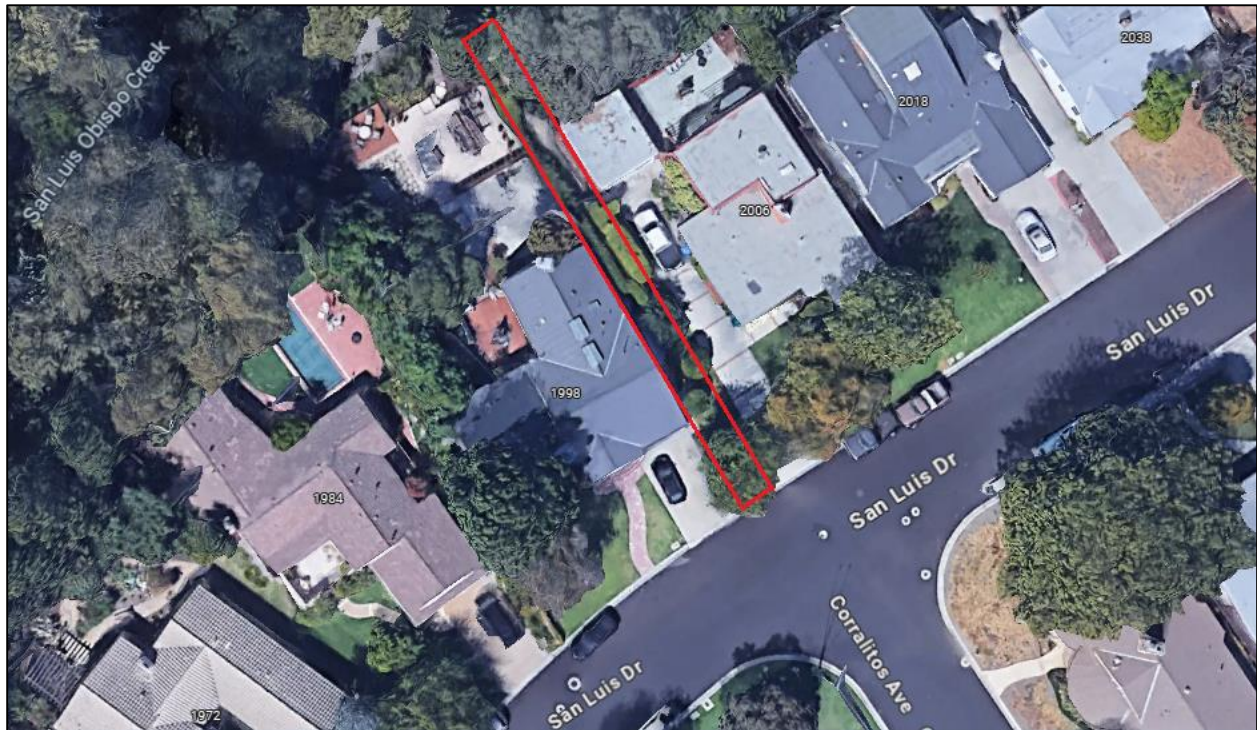


Figure 2: Google Map Image of 10-Foot Way to be Abandoned

4.0 PROJECT ANALYSIS

4.1 Consistency with the General Plan

San Luis Obispo Creek Protection (Land Use Element Policy 4.15)

The General Plan prioritizes the protection and restoration of San Luis Obispo Creek while minimizing human impact on creek life. While the General Plan encourages walking paths along the creek within the Downtown core, this segment is not within an area planned for such a connection. The subject public way was originally intended to provide access to the creek but has not been utilized for this purpose. Its abandonment will not introduce new disturbances to the creek and will allow for continued preservation of the riparian ecosystem, aligning with the City's goal to protect creek life.

Creek and Wetlands Management (Land Use Element Policy 6.6.1 & 6.6.3)

The General Plan emphasizes maintaining and restoring natural conditions while balancing public access where feasible. Since this segment has never functioned as a formal access point, its abandonment and reversion to private property aligns with the City's objective to minimize human impact on sensitive creek areas.

Street Network Changes (Circulation Element Policy 9.1.5)

The Circulation Element requires the City to reserve rights-of-way to ensure future transportation improvements are preserved. The subject public way does not serve an essential transportation function, and its abandonment does not impede future street network expansion, making it consistent with this policy.

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Pedestrian Network and Public Access (Circulation Element Policy 5.1.2 and 5.1.4)

The City aims to maintain a continuous pedestrian network, prioritizing high-traffic areas for funding and infrastructure improvements. The public way in question has not been used for pedestrian access, and there is no planned connection to a larger trail system. Therefore, its abandonment does not conflict with pedestrian access goals.

Based on this analysis, the proposed abandonment of the 10-foot public way is in conformance with the City's General Plan as it:

- Does not negatively impact the San Luis Obispo Creek environment.
- Does not impede planned or feasible future public access.
- It does not impact planned rights-of-way or street network expansions.
- It does not remove a critical pedestrian connection.
- The area is not identified for future public transportation or access improvements.

4.2 Public Utilities

The Survey Map provided with the application (**Attachment C**) states that Spectrum, PG&E, AT&T, and Southern Cal Gas all have utilities within the abandonment area. The Engineering Division has reached out to these utility companies to confirm if they have in-place facilities that would be impacted by the abandonment.

Spectrum has arterial facilities that cross the public way; however, these facilities do not depend on the existence of the public way and will not be impacted by the abandonment. AT&T similarly has facilities that are at the rear of each property owners' home that will not be affected by the abandonment. PG&E and SoCal Gas do not have any facilities in the project area.

5.0 ENVIRONMENTAL REVIEW

The proposed abandonment of the 10-foot public way is exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to Class 1 (Existing Facilities) exemption (§15301), as it involves a minor right-of-way abandonment with no significant impact on land use or the environment. The site does not function as an active transportation corridor, and its abandonment will not affect public access, circulation, or creek restoration efforts. No physical changes or development are proposed, and the project is consistent with the General Plan.

6.0 OTHER DEPARTMENT COMMENTS

The proposed abandonment of the 10-foot-wide public right-of-way between 1998 and 2006 San Luis Drive has been reviewed by various City departments including Community Development, Public Works, Utilities and Fire. These departments have confirmed that there is no current or intended future use of the public way. Additionally, the City Biologist has confirmed that the easement has not been used in the last five consecutive years and that no future use is intended.

7.0 ALTERNATIVES

1. ***The Planning Commission may recommend that the abandonment be denied,*** based on findings that the abandonment is inconsistent with the General Plan. The abandonment has been found to be in conformance with the City’s General Plan and with the California Streets and Highway Code, and the abandonment area has not been utilized for its intended purpose for the entirety of its existence.
2. ***The Planning Commission may continue the request.*** If the Planning Commission continues action, then specific direction should be given to staff and the applicant regarding further information needed.

8.0 ATTACHMENTS

- A - **Draft PC Resolution** recommending the City Council abandon a 10-foot-wide public right of way between 1998 and 2006 San Luis Drive.
- B - **Map of Tract No. 43** showing acceptance of a 10-foot-wide public right of way between 1998 and 2006 San Luis Drive.
- C - **Survey Map** 1998 and 2006 San Luis Drive (STAB-0759-2024)

RESOLUTION NO. PC-XXXX-25

A RESOLUTION OF THE CITY OF SAN LUIS OBISPO PLANNING COMMISSION FINDING THE PROPOSED STREET ABANDONMENT IN CONFORMITY WITH THE GENERAL PLAN AND RECOMMENDING THE CITY COUNCIL ADOPT A RESOLUTION OF VACATION ABANDONING A 10-FOOT-WIDE PUBLIC RIGHT OF WAY BETWEEN 1998 AND 2006 SAN LUIS DRIVE. THE PROJECT IS EXEMPT FROM ENVIRONMENTAL REVIEW (CEQA) AS REPRESENTED IN THE PLANNING COMMISSION AGENDA REPORT AND ATTACHMENTS DATED APRIL 9, 2025 (STAB-0759-2024)

WHEREAS, at a regular meeting of the Planning Commission of the City of San Luis Obispo, conducted in the Council Chamber of City Hall, 990 Palm Street, San Luis Obispo, California on April 9, 2025, the Planning Commission considered application STAB-0759-2024, a request to abandon a 10-foot-wide public right-of-way between 1998 and 2006 San Luis Drive; and

WHEREAS, at said meeting, the Planning Commission reviewed the proposed abandonment for conformity with the City's General Plan per State Law and considered recommendation of summary abandonment to the City Council of San Luis Obispo; and

WHEREAS, the Planning Commission has duly considered all evidence, including the application, the testimony of interested parties and the evaluation and recommendations provided by staff.

NOW, THEREFORE, BE IT RESOLVED, by the Planning Commission of the City of San Luis Obispo as follows:

SECTION 1. Findings. Based upon all evidence, the Planning Commission makes the following findings:

1. The proposed right-of-way abandonment is in conformity with the City's General Plan and any applicable Specific Plans or Zoning Regulations. The proposed abandonment does not conflict with long-term land use, circulation, or infrastructure plans, and the street is not identified as a key access route or planned improvement area.
2. The proposed right-of-way abandonment is not required for public vehicular or pedestrian access at present or in the foreseeable future. Based on a review of the City's traffic circulation plans, public infrastructure needs, and adjacent property access, it has been determined that the right-of-way serves no essential function in the City's transportation network.
3. The proposed right-of-way abandonment will not negatively impact public interest

or safety, including emergency vehicle access, utilities, or other critical public services.

4. The City has not utilized the public way for its intended purpose for at least five consecutive years, qualifying it for summary vacation under California Streets and Highways Code (CSHC) § 8333. The right-of-way proposed for abandonment has never been improved or used for its intended purposes of boating, fishing, swimming, hunting, and other recreational uses within the San Luis Obispo Creek, and no public funds have been expended over the last five years for its improvement.
5. Utility companies with easement rights in the area have been provided notice of the proposed abandonment and have confirmed that the abandonment will not impact any existing utility infrastructure. No easements are required to be reserved for public utilities, as there are no active facilities within the public way. Therefore, the proposed abandonment meets the criteria set forth in California Streets and Highways Code § 8334.5.

SECTION 2. Environmental Determination. The proposed abandonment of the 10-foot public right-of-way is exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to Class 1 (Existing Facilities) exemption (§15301), as it involves a minor right-of-way abandonment with no significant impact on land use or the environment. The site does not function as an active transportation corridor, and its abandonment will not affect public access, circulation, or creek restoration efforts. No physical changes or development are proposed, and the project is consistent with the General Plan.

SECTION 3. Action. The Planning Commission hereby finds the proposed street abandonment in conformance with the General Plan and recommends the City Council adopt a Resolution of Intention to abandon a 10-foot-wide public right of way between 1998 and 2006 San Luis Drive subject to the following conditions:

1. Any required easements for purposes of access and drainage shall be recorded concurrent with or prior to recordation of a City Council resolution vacating previous offers of dedication.
2. All required pictorial exhibits and/or legal descriptions necessary to complete the abandonment process shall be provided by the project applicant to the satisfaction of the Public Works Director. All exhibits and/or legal descriptions shall be prepared by a Licensed Land Surveyor or Civil Engineer who is authorized to practice Land Surveying, in accordance with the California Business and Professions Code Section 8700 et seq.

3. The abandonment results in additional property to be deeded back to adjacent contiguous properties but does not constitute creation of a new parcel or lot.

Upon motion of _____, seconded by _____ and on the following roll call vote:

AYES:

NOES:

ABSENT:

The foregoing resolution was passed and adopted this 9th day of April 2025.

Tyler Corey, Secretary
Planning Commission

MAP OF
TRACT NO. 43
MIRA MONTE

A SUBDIVISION OF
A PART OF SECTIONS 25 & 26 T30SR12E MDM
IN THE CITY OF SAN LUIS OBISPO
SAN LUIS OBISPO COUNTY, CALIFORNIA
August, 1946

Scale 1" = 100'

Durch & Beck, Engrs.

CERTIFICATE OF PARTIES HAVING RECORD TITLE INTEREST

We, the undersigned, do hereby certify that we have a record title interest in that certain tract of land delineated hereon, "Map of Tract No. 43," and consent to the preparation and recording of said map, and offer for dedication the drives, avenues and ways shown thereon for public use as drives, avenues and ways.

Witness our hands this 4th day of October 1946.

Theo. C. Maino
A. Madonna

UNION OIL COMPANY OF CALIFORNIA, a corporation, subject to and reserving all rights conveyed by right of way, granted by Theo. C. Maino, et al, recorded October 30, 1946, Vol. 411, at page 432 of Official Records of San Luis Obispo County, California (recording number 13258), hereby consents to the making of the annexed map and subdivision and also consents to the dedication of the drives, avenues and ways as shown on said map.

By Ronald G. Gibbs VICE PRESIDENT By M. F. Niven ASST. SECRETARY

PACIFIC GAS AND ELECTRIC COMPANY, A CORPORATION

By _____ President
By _____ Secretary

NOTARIAL

State of California }
County of San Luis Obispo } ss
On this 4th day of Oct 1946, before me Gene Theisen a Notary Public in and for the above named County and State, personally appeared A. Madonna and Theo. C. Maino, personally known to me to be the persons described in and whose names are subscribed to the within and foregoing certificate of parties having record title interest and they, each individually, acknowledged to me that they executed the same.
Witness my hand and official seal the day and year herein before written
Gene Theisen
Notary Public Aforesaid

NOTARIAL

State of California }
County of San Luis Obispo } ss
On this 4th day of Oct 1946, before me William A. Nelson, a Notary Public in and for the above named County and State, personally appeared Albert H. Nelson and Elizabeth Nelson, his wife, personally known to me to be the persons described in and whose names are subscribed to the within and foregoing certificate of parties having record title interest and they, each individually, acknowledged to me that they executed the same.
Witness my hand and official seal the day and year herein before written
William A. Nelson
Notary Public Aforesaid

NOTARIAL

State of California }
County of Los Angeles } ss
On this 4th day of November 1946, before me Eva May a Notary Public in and for the above named County and State, personally appeared Ronald D. Gibbs and R. F. Niven personally known to me to be the Vice President and Assistant Secretary respectively, of the Union Oil Company of California, a corporation, the corporation that executed the within instrument and the persons who executed said within instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.
Witness my hand and official seal the day and year first above written
Eva May
Notary Public Aforesaid

NOTARIAL

State of California }
County of _____ } ss
On this 4th day of _____ 1946, before me _____ a Notary Public in and for the above named County and State, personally appeared _____ and _____ personally known to me to be the President and Assistant Secretary respectively, of the Pacific Gas and Electric Company, a corporation, the corporation that executed the within instrument and the persons who executed said within instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.
Witness my hand and official seal the day and year first above written

Notary Public Aforesaid

NOTARIAL

State of California }
County of Los Angeles } ss
On this 15 day of October 1946, before me Ludlow Shonnard, Jr. a Notary Public in and for the above named County and State, personally appeared A. F. Bridge and Ray Stiller, personally known to me to be the Vice President and Secretary respectively, of the Southern Counties Gas Company of California, a corporation, the corporation that executed the within instrument and the persons who executed said within instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.
Witness my hand and official seal the day and year first above written.
Ludlow Shonnard, Jr.
Notary Public Aforesaid

CERTIFICATE OF ENGINEER

I, Kenneth Beck, hereby certify that I am a Registered Civil Engineer of the State of California, and this map consisting of two sheets correctly represents a survey made under my supervision and that all monuments shown hereon, actually exist and their positions are correctly shown.

Kenneth Beck
Registered Civil Engineer No. 1880

CERTIFICATE OF CITY ENGINEER

I, the undersigned, City Engineer of the City of San Luis Obispo, County of San Luis Obispo, State of California, hereby certify that I have examined the map shown hereon and that the subdivision shown hereon is substantially the same as it appears on the tentative map and that all provisions of Chapter 570 of Statutes of the State of California for the year 1937, and all local ordinances have been fully complied with and I am satisfied that such map is technically correct.
Witness my hand this 6th day of January 1947.

Kenneth Beck
City Engineer Aforesaid

CERTIFICATE OF COUNTY TAX COLLECTOR

I, J. E. Barrett, County Tax Collector of the County of San Luis Obispo, State of California, do hereby certify that there are no liens for unpaid State, County, Municipal or other taxes or special assessments, except taxes not yet payable, against the property hereon delineated "Map of Tract No. 43" hereon against any part thereof.

Witness my hand and official seal this 6th day of January A.D. 1947.

File No. _____
J. E. Barrett
County Tax Collector Aforesaid

We hereby certify that we are interested in the land included within the subdivision shown on the annexed map and, subject to and reserving right of way recorded in Book 70, Page 106, of Official Records, San Luis Obispo County hereby consent to the making of annexed map and subdivision, and to the dedication of the streets, avenues and other public places as shown on said map Tract No. 43.

SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA
By Ray Stiller Vice President
By Ray Stiller Secretary

CERTIFICATE OF COUNTY CLERK

I, the undersigned, County Clerk and ex officio clerk of the Board of Supervisors of the County of San Luis Obispo, State of California, do hereby certify that the Board of Supervisors of said County did on the 20th day of January 1947, approve the map shown hereon.

Witness my hand and seal this 20th day of January 1947.

W. L. Ramage
County Clerk Aforesaid

INTERESTS REFERRED TO IN SECTION 11537A OF THE BUSINESS AND PROFESSIONS CODE OF THE STATE OF CALIFORNIA

A right of way for a pole line, and incidental purposes over and across the land within the boundaries of Tract No. 43.
Owner: Pacific Gas and Electric Company, a corporation.

A right of way for street purposes over the northerly 30 feet of Andrews Street in Tract No. 43.
Owner: Albert H. Nelson and Elizabeth Nelson, husband and wife.

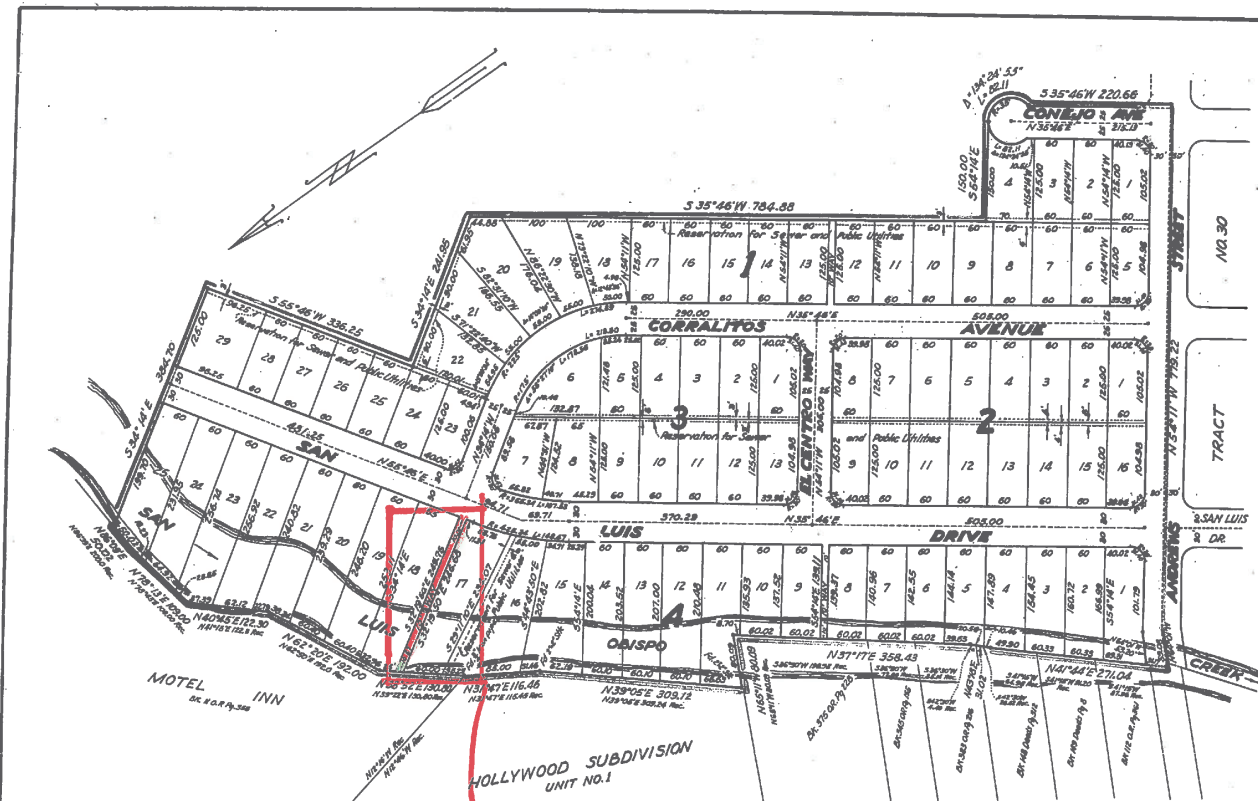
Filed for record at page 62 vol. 5 of maps, San Luis Obispo County Records, of record of Kenneth Beck, C. Engineer at 3 hr. 16 min. P.M. January 21st A.D. 1947.
Fee \$ 5.00
W. L. Ramage
County Recorder

Restrictions 4-4-47 Vol. 434 at page 163

Map Book 5

SHEET 1 OF 2 SHEETS

62
Map Book 5



NOTE:
--- Indicates pipe monument set 18" underground.
— Indicates boundary of subdivision.

CERTIFICATE OF CITY CLERK
I, the undersigned, Clerk of the City of San Luis Obispo, County of San Luis Obispo, State of California, hereby certify that the City Council of said City did on the 25th day of January, 1947, approve the Map of Tract No. 43, Mira Monte shown hereon and accepted on behalf of the public all of the following Avenues, Drives, Streets and Ways to wit: Conejo Avenue, Corralitas Avenue, San Luis Drive, Andrews Street and El Centro Way, being the lands offered for dedication for public use in conformity to the terms of offer of dedication by the parties having any record title interest in said land and hereby certify that according to the records of my office there are no liens against said subdivisions or any part thereof for unpaid State, County, Municipal or local taxes or special assessments, collected as taxes, except taxes or special assessments not yet payable.
WITNESS my hand and seal this 25th day of January, 1947.
J. E. Morales
City Clerk aforesaid

VACATION AREA

CERTIFICATE OF CITY PLANNING COMMISSION
This map is hereby approved this 7th day of January A.D. 1947 by the City Planning Commission of the City of San Luis Obispo, State of California.
Stewart Kirkland
Chairman
J. E. Morales
Secretary

MAP OF
TRACT NO. 43
MIRA MONTE
A SUBDIVISION
OF
A PART OF SECTIONS 25 & 26 T30S R12E MDM
IN THE CITY OF SAN LUIS OBISPO
SAN LUIS OBISPO COUNTY, CALIFORNIA
August 1946
Scale 1" = 100'
Burch & Beck, Engrs.

PLANNING COMMISSION AGENDA REPORT

SUBJECT: REVIEW OF TEXT AMENDMENTS TO SECTION 17.86.080 (“CANNABIS”) OF TITLE 17 (“ZONING REGULATIONS”) OF THE MUNICIPAL CODE TO CLARIFY SPECIFIC LAND USE AND OPERATIONAL REQUIREMENTS FOR COMMERCIAL CANNABIS ACTIVITY [CITYWIDE] (CODE-0051-2025)

BY: Ivana Gomez, Cannabis Business
Coordinator
Phone Number: (805) 781-7147
Email: igomez@slocity.org

FROM: Tyler Corey, Deputy Director
Phone Number: (805) 781-7169
Email: tcorey@slocity.org

APPLICANT: City of San Luis Obispo

REPRESENTATIVE: Ivana Gomez

RECOMMENDATION

Adopt a Resolution recommending the City Council introduce and approve an Ordinance to amend Section 17.86.080 (“Cannabis”) of Title 17 (“Zoning Regulations”) of the Municipal Code to clarify specific land use and operational requirements for commercial cannabis activity.

1.0 COMMISSION'S PURVIEW

Pursuant to the City of San Luis Obispo Municipal Code (“SLOMC”) [Chapter 17.124](#) (Amendments – Zoning Regulations and Zoning Map) and California Government Code Section § [65854](#), the Planning Commission’s role is to review the proposed amendments to the City’s Zoning Regulations for consistency with the City’s General Plan and State Law and provide a recommendation to the City Council.

2.0 SUMMARY

On behalf of the City of San Luis Obispo, the Community Development Director has initiated a text amendment in accordance with SLOMC § [17.124.020\(B\)](#) (Authority to Initiate an Amendment to the Zoning Regulations) to Section 17.86.080 (“Cannabis”) of Title 17 (“Zoning Regulations”) of the City of San Luis Obispo Municipal Code. The proposed amendments clarify specific land use and operational requirements for commercial cannabis activities consistent with the legislative intent of the currently adopted Zoning Ordinance and State Law. Specifically, the proposed amendments will clarify buffer requirements for retail storefronts, clarify hours of operation for microbusinesses that conduct retail storefront activity as party of their operations, and remove repetitive verbiage.

3.0 BACKGROUND

3.1 City Council Action

Cannabis Regulations and Cannabis Zoning Regulations

On May 15, 2018, the City Council adopted [Ordinance No. 1647 \(2018 Series\)](#), amending the Municipal Code to establish regulations for commercial cannabis activity, including adoption of SLOMC Chapter [9.10](#) (Cannabis Regulations) and SLOMC § [17.86.080](#) (Cannabis Zoning Regulations), formerly Chapter 17.99. On March 21, 2023, the City Council adopted [Ordinance No. 1725 \(2023 Series\)](#) modifying specific rules for commercial cannabis retail storefront operations including expansion of hours of operation and allowing access to medicinal cannabis customers 18 to 20 years of age with a valid physician’s recommendation.

Cannabis Business Overlay Zones and Zoning Map

On September 18, 2018, the City Council adopted [Ordinance No. 1653 \(2018 Series\)](#), amending the City’s Zoning Regulations and Zoning Map to designate seven areas of the City as Cannabis Business Overlay Zones (“CBZ Overlay Zones”) where cannabis businesses may be located. Then, on May 16, 2023, the City Council adopted [Ordinance No. 1727 \(2023 Series\)](#), amending the Zoning Map to expand the CBZ Overlay Zones to include recently annexed areas of the City, including the Fiero Lane-Clarion Court and East Airport Areas^{1,2}.

3.2 Cannabis Business (CBZ) Overlay Zones and Buffers

CBZ Overlay Zones are indicated on the City Zoning Map and establish locations in the City where cannabis businesses may operate. Allowed uses are further controlled by zoning and required buffers within those overlay zones. Table 2-1 (Uses Allowed by Zone) within SLOMC § [17.10.020](#) shows the permitting requirements per land use and zoning district. The CBZ overlay zones were carefully and deliberately proposed and adopted, taking into consideration state law buffer requirements, proximity to certain land uses such as schools and residentially zoned areas beyond and within the boundary lines, existing zoning, adjacency to arterial roads and other barriers within the built environment, and other land use suitability characteristics.

Retail storefronts must be located at least one thousand (1,000) feet from any preschools, elementary schools, junior high schools, high schools, and public parks or playgrounds, six hundred (600) feet from licensed daycare centers, whether these uses are located in the CBZ overlay or not. In addition, retail storefronts must be three hundred (300) feet from residentially zoned areas within CBZ Overlay Zones (SLOMC § 17.86.080; see further discussion in Section 4.1 below). Retail storefronts are also required to be located at least one thousand (1,000) feet from other cannabis retail storefronts.

4.0 PROJECT ANALYSIS

4.1 Land Use Requirements for Retail Storefronts

¹ [City of San Luis Obispo Zoning Map](#)

² The term “CBZ Overlay” is also referred to as “CAN Overlay” in SLOMC § 17.86.080(E)(5)(b). Both terms are interchangeable and refer to the same zoning designation.

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The first proposed text amendments are to SLOMC §§§ 17.86.080(E)(4)(e), 17.86.080(E)(10)(b)(iii), and 17.86.080(E)(12)(c)(v) within the Cannabis Zoning Regulations, which state the buffer requirements for retail storefronts from sensitive uses, including residentially zoned areas. Residential zones include the following zones: Low-Density Residential (R-1), Medium-Density Residential (R-2), Medium-High Density (R-3) and High-Density Residential (R-4). Areas with a Mixed-Use (MU) Overlay are not considered to be residentially zoned, as the MU designation is an overlay rather than a base zone that is attached to some commercial zoning districts.

The proposed text amendments clarify that the 300-foot buffer requirement for retail storefronts from residentially zoned areas applies only *within* CBZ Overlay Zones, consistent with the original legislative intent. The 05/01/2018 and 09/04/2018 Council Agenda Reports explicitly state that residential buffers were intended to apply only within CBZ Overlay Zones, which were established based on local conditions such as major roadways and railroads that serve as barriers from sensitive land uses.

The 05/01/2018 Council Agenda Report to establish the City's Cannabis Regulations, including the adoption of specific buffer requirements, clearly states that the buffer from residentially zoned areas was to apply within a CBZ Overlay Zone only. Page 3 of the report states the Planning Commission's recommendation that: "**Within overlay zones**, sensitive uses like schools and parks should provide 1,000-foot buffers, and residential zones should provide 300-foot buffers, to retail stores. No other cannabis business activity should be subject to buffers."

This is further confirmed in the 09/04/2018 Council Agenda Report to establish the CBZ Overlay Zones. Page 3 of the report states, "While there is no buffer from residential uses in state law, the City has established a 300-foot buffer between residentially zoned land and retail stores. **However, this buffer only applies from residential zoning that occurs within that same overlay zone.** There are two locations where this occurs, one is in the Broad Street Corridor CBZ, and the other is in the Airport Area CBZ."³

It is important to note that the May 1, 2018, report established the regulatory foundation for cannabis buffers, even though the CBZs were not yet formally designated. The buffers were a key policy decision that directly influenced the later creation of the overlay zones. When the CBZs were adopted in September 2018, their boundaries were drawn in a way that accounted for these pre-established buffers. This clearly demonstrates that the legislative intent was always for the 300-foot buffer from residential zones to apply **only within CBZ Overlay Zones**.

³ The area that was previously zoned residential in the Airport Area CBZ has since been rezoned such that it is now zoned Service Commercial (C-S). There is now only one location in the City where residential zoning occurs within a CBZ Overlay Zone – the South Broad CBZ Overlay.

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The City's official Zoning Map further reinforces the legislative intent by clearly indicating that the 300-foot buffer applies to residential zones **within** the South Broad CBZ (see **Figure 1**). As stated above, the staff report from 09/04/2018 to establish CBZ Overlay Zones notes only two locations in the City where residential zoning occurs within a CBZ.

The need for this clarifying amendment was brought to staff's attention by an appeal regarding the Planning Commission's approval of a Conditional Use Permit (CUP) for a cannabis retail storefront at 2400 Broad Street. The appeal questioned the project's consistency with zoning regulations, including buffer requirements from residentially zoned areas. The proposed text amendment is declaratory of existing City law in effect since 2018, ensuring clarity and regulatory consistency for both pending and future projects. This clarifying text is a statement of what the ordinance has always meant and is intended to reflect the City's application of the buffer requirements since their adoption.

Additionally, staff recommends adding specific language to Section 17.86.080(E)(10)(B)(iii) to clarify that land uses established after the approval of a Use Permit for a retail storefront do not impede the existing use as a cannabis retail storefront. In other words, a new adjacent sensitive use does not affect the continuation of an existing use that was issued a Use Permit under the standards of the Municipal Code. This approach aligns with the principle that legally established land uses, often referred to as "nonconforming uses," are permitted to continue despite subsequent zoning changes or the introduction of new adjacent uses. This principle ensures that property owners can maintain their lawful operations without disruption, even as neighboring properties undergo changes.

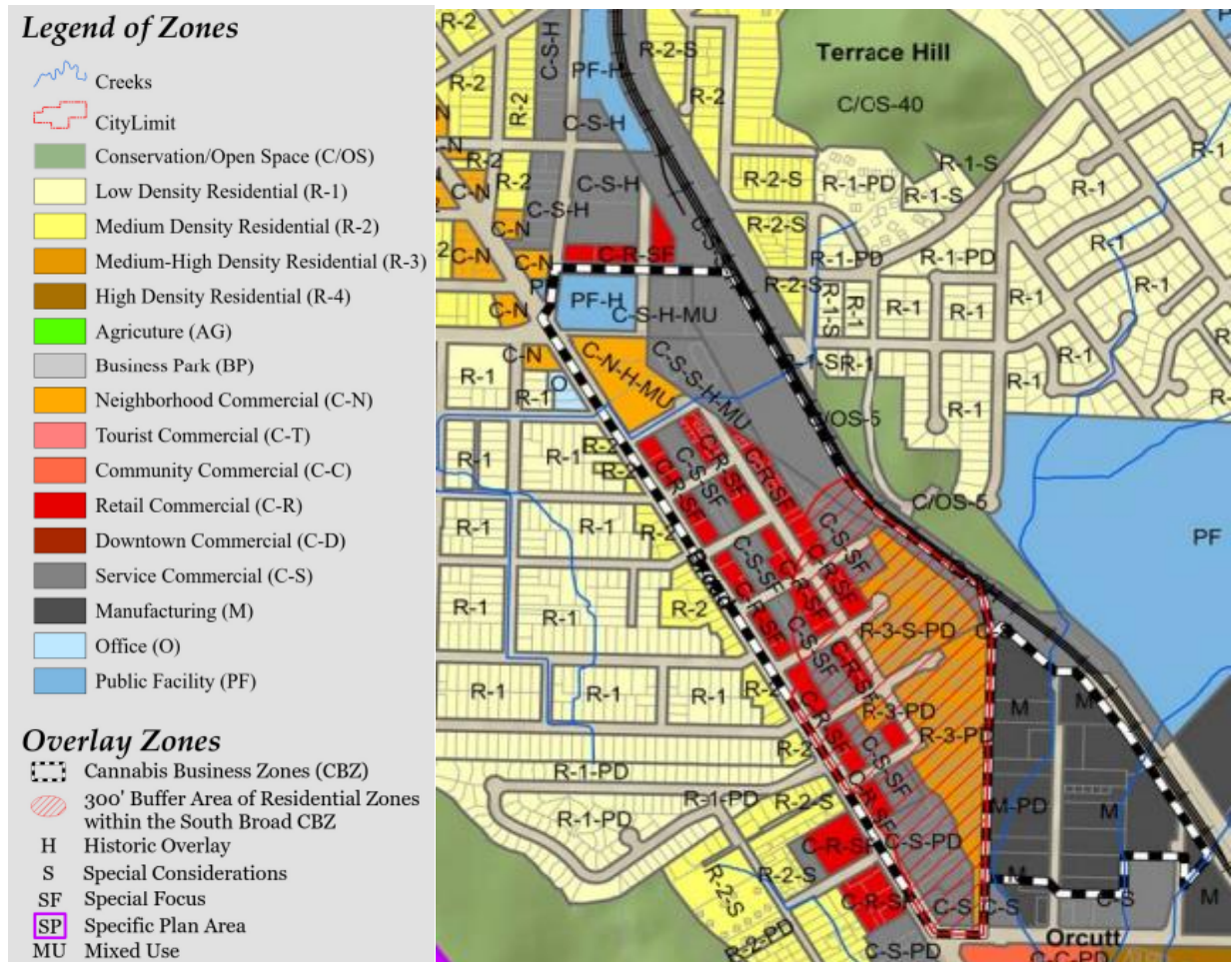


Figure 1: City of SLO Zoning Map and Legend – South Broad CBZ Overlay as Adopted by Ordinance No. 1727 (2023 Series)

4.2 Commercial Cannabis Development Standards

The term “CBZ Overlay” is referred to as “CAN Overlay” in SLOMC § 17.86.080(E)(5)(b). Both terms are interchangeable and refer to the same zoning designation. The proposed amendment to SLOMC § 17.86.080(E)(5)(b) is to replace the term “CAN Overlay” with “CBZ Overlay,” consistent with the City Zoning Map and Table 1-1 “Zones Established” within SLOMC § 17.06.020(D).

4.3 Regulations for Retail Storefronts within a Microbusiness Operation

Hours of Operation for Retail Storefronts Within a Microbusiness Operation

On March 7th, 2023, the City Council adopted [Ordinance No. 1725 \(2023 Series\)](#) amending Chapter 9.10 (Cannabis Regulations) and Chapter 17.86.080 (Cannabis Zoning Regulations) of the Municipal Code, modifying specific rules for commercial cannabis retail storefront operations. The amendments expanded the allowable hours of operation from 9:00AM and 8:00PM daily to 7:00AM and 9:00PM daily. However, the Ordinance did not consider microbusiness operations, which are operations that engage in at least three (3) of the following commercial cannabis activities under one location:

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cultivation, manufacturing, distribution, and retail sale (SLOMC § [17.156.028](#); [Cal. Code Regs., Title 4, §15500](#).) As currently adopted, SLOMC § 17.86.080(E)(12)(c)(v)(ix) (Microbusiness Development Standards), states that the hours of retail sales shall be limited to between 9:00AM and 8:00PM. Under state regulations (Cal. Code Regs., Title 4, § 15500), microbusinesses authorized to engage in retail sale are required to comply with all rules and requirements applicable to a retailer license. Similarly, SLOMC § 17.86.080(E)(12)(c)(i) requires microbusinesses authorized to engage in retail sales to comply with the regulations established for retail commercial cannabis activity. Therefore, staff is recommending updating the hours of operation for retail storefronts within a microbusiness operation to be consistent with the hours of operation for a retail storefront only business: between 7:00AM and 9:00PM daily.

Required Signage for Retail Storefronts within a Microbusiness Operation

Ordinance No. 1725, referenced in the preceding section, also modified age restrictions for retail storefront operations. Specifically, the adopted ordinance allows individuals 18 to 20 years of age who have a valid physician's recommendation for medicinal cannabis to enter and access retail storefronts that possess a valid state of California cannabis retailer license with M-designation (For Medical Use) (Cal. Code Regs., Title 4, § 15000.2). As with the amendment to the hours of operation for retail storefronts, the Ordinance did not include microbusiness operations that engage in retail storefront sales. Therefore, staff is recommending an amendment to SLOMC § 17.86.080(E)(12)(c)(v)(x), which states the entryway signage requirements for retail storefronts associated with a microbusiness.

4.4 Purpose Statement – Reference to Federal Law

As discussed in the [Annual Cannabis Business Program Update in 2024](#), at a federal level, there has been discussion of rescheduling cannabis from Schedule I to Schedule III under the Controlled Substances Act (CSA). However, there is no concrete timeline on when the U.S. Drug Enforcement Administration (DEA) will take action. Staff recommends removing the specific CSA classification of marijuana (cannabis) from the Cannabis Zoning Regulations "Purpose" statement found in SLOMC § 17.86.080(A). Instead, the proposed amendment will revise the purpose statement to state that the provisions of Section § 17.86.080 are not intended to affect or alter federal law, regardless of the classification. This avoids having to update this section whenever the federal government changes the classification of marijuana while still reinforcing that the provisions of the cannabis zoning regulations are not intended to affect or alter federal law.

5.0 ENVIRONMENTAL REVIEW

Adoption of the proposed amendments to Section § 17.86.080 of the Municipal Code have been reviewed in accordance with the California Environmental Quality Act (CEQA) Guidelines. It has been determined that the amendments are exempt from environmental review under CEQA Guidelines Section § 15301(b)(3) (General Rule Exemption), which applies to activities that can be clearly seen to have no potential for significant environmental impact. Project-specific environmental review will be required for any new commercial cannabis activity.

6.0 OTHER DEPARTMENT / DIVISION REVIEW

Some of the proposed amendments are declaratory of existing law, ensuring clarity and regulatory consistency for both pending and future projects, and others are intended to conform City regulations to allowances under state law. The Director of Community Development and the City Attorney's Office have reviewed the proposed amendments to the City's Cannabis Zoning Regulations and have found them to be consistent with State Law and the legislative intent of the adopted Ordinance.

7.0 ALTERNATIVES

1. **Recommend the City Council does not adopt the recommended changes to the Zoning Regulations.** The proposed changes to Sections 17.86.080(E)(4)(e), 17.86.080(E)(10)(b)(iii), and 17.86.080(E)(12)(c)(vii) are declaratory of existing law, and without adoption of the recommended changes, unintended ambiguity may persist regarding existing land use and operational requirements for commercial cannabis activity. The proposed changes to Section 17.86.080(E)(12)(c)(ix)-(x) are intended to reflect what is permitted under current state law, and without adoption of the recommended changes, the City's cannabis regulations will remain inconsistent therewith.
2. **Modify the recommendation.** The Planning Commission may modify the recommended action prior to adopting the proposed Resolution.

8.0 ATTACHMENTS

- A - **Draft PC Resolution** recommending the City Council introduce and approve an Ordinance to amend Section 17.86.080 ("Cannabis") of Title 17 of the Municipal Code to clarify specific land use and operational requirements for commercial cannabis activity (CODE-0051-2025).

RESOLUTION NO. PC-XXXX-25

A RESOLUTION OF THE CITY OF SAN LUIS OBISPO PLANNING COMMISSION RECOMMENDING THE CITY COUNCIL INTRODUCE AND ADOPT AN ORDINANCE AMENDING SECTION 17.86.080 (“CANNABIS”) OF TITLE 17 (“ZONING REGULATIONS”) OF THE MUNICIPAL CODE TO CLARIFY SPECIFIC LAND USE AND OPERATIONAL REQUIREMENTS FOR COMMERCIAL CANNABIS ACTIVITY. THE PROJECT IS EXEMPT FROM ENVIRONMENTAL REVIEW (CEQA) AS REPRESENTED IN THE PLANNING COMMISSION AGENDA REPORT AND ATTACHMENTS DATED APRIL 9, 2025 (CITYWIDE; CODE-0051-2025)

WHEREAS, on May 15, 2018, the City Council adopted Ordinance No. 1647 (2018 Series), amending the Municipal Code (“SLOMC”) to establish regulations for commercial cannabis activity, including adoption of SLOMC Chapter 9.10 (Cannabis Regulations) and SLOMC § 17.86.080 (Cannabis Zoning Regulations), formerly Chapter 17.99; and

WHEREAS, on March 21, 2023, the City Council adopted Ordinance No. 1725 (2023 Series) modifying specific rules for commercial cannabis retail storefront operations including expansion of allowable hours of operation from between 9:00AM and 8:00PM daily to between 7:00AM and 9:00PM daily and allowing individuals 18 to 20 years of age who have a valid physician’s recommendation for medicinal cannabis to enter and access retail storefronts that possess a valid state of California cannabis retailer license with M-designation (For Medical Use); and

WHEREAS, on September 18, 2018, the City Council adopted Ordinance No. 1653 (2018 Series), amending the City’s Zoning Regulations and Zoning Map to designate seven areas of the City as Cannabis Business Overlay Zones (“CBZ Overlay Zones”) where cannabis businesses may be located. Then, on May 16, 2023, the City Council adopted Ordinance No. 1727 (2023 Series), amending the Zoning Map to expand the CBZ Overlay Zones to include recently annexed areas of the City, including the Fiero Lane-Clarion Court and East Airport Areas; and

WHEREAS, upon adoption of the initial cannabis regulations on November 17, 2018, the City Council of the City of San Luis Obispo directed staff to return annually with an update to the City’s Cannabis Business Program, including recommendations for improvements based on operational and administrative experiences; and

WHEREAS, the Planning Commission of the City of San Luis Obispo conducted a public hearing in the Council Chamber of City Hall, 990 Palm Street, San Luis Obispo, California on April 9, 2025, for the purpose of recommending an amendment to Section 17.86.080 (“Cannabis”) of Title 17 (“Zoning Regulations”) of the Municipal Code pursuant to a proceeding under CODE-0051-2025; City of San Luis Obispo, applicant; and

WHEREAS, notices of said public hearing were made at the time and in the manner required by the law; and

WHEREAS, the Planning Commission has duly considered all evidence, including the testimony of interested parties and the evaluation and recommendations provided by staff, presented at said hearing.

NOW, THEREFORE, BE IT RESOLVED, by the Planning Commission of the City of San Luis Obispo as follows:

SECTION 1. Findings. Based upon all evidence, the Planning Commission makes the following findings:

1. The proposed amendments to Municipal Code §§§ 17.86.080(E)(4)(e), 17.86.080(E)(10)(b)(iii), and 17.86.080(E)(12)(c)(v) are consistent with State Law and are declaratory of existing City law, ensuring clarity and regulatory consistency for both pending and future projects. These amendments clarify specific land use requirements for commercial cannabis activities consistent with the legislative intent of the currently adopted Zoning Ordinance. These amendments are intended to reflect the City's application of the buffer requirements since their adoption.

2. In adopting Municipal Code §17.86.080 (formerly Chapter 17.99) on May 15, 2018, the City Council found that the regulations balance the City's competing interests in allowing certain commercial and research-related cannabis activities desired by the majority of voters, with the public health, welfare, and safety concerns of the City. The proposed amendments to §§§ 17.86.080(E)(4)(e), 17.86.080(E)(10)(b)(iii), and 17.86.080(E)(12)(c)(v), as declaratory of existing law, accomplish the same.

3. The Council Agenda Report dated May 1, 2018, to establish the City's Cannabis Regulations, including the adoption of specific buffer requirements, clearly indicates that the City Council intended the buffer from residentially zoned areas to apply to areas within the CBZ Overlay Zones only.

4. The Council Agenda Report dated September 4, 2018, to formally establish the CBZ Overlay Zones states that the three-hundred-foot buffer requirement between residentially zoned land and retail storefronts applies from residential zoning that occurs within a CBZ Overlay Zone. Additionally, the CBZ Overlay Zones were designed to incorporate natural physical barriers—such as railroads and major roads—that inherently serve as buffers from sensitive sites, thereby minimizing potential impacts on public health and safety. Applying the 300-foot buffer requirement outside these overlay zones would unnecessarily restrict allowable commercial cannabis sites beyond what is necessary to ensure health and safety, as contemplated by the adoption of the overlay zones.

5. The terms “CAN Overlay” and “CBZ Overlay” have been used interchangeably. The proposed amendment to Municipal Code § 17.86.080(E)(5)(b) replaces “CAN Overlay” with “CBZ Overlay” to align with the adopted Zoning Map and Table 1- 1 (“Zones Established”) in SLOMC § 17.06.020(D).

6. The proposed amendments to Municipal Code §§ 17.86.080(E)(12)(c)(v)(ix) and 17.86.080(E)(12)(c)(v)(x) are consistent with State Law and the California Department of Cannabis Control (“DCC”) Regulations, specifically with DCC Regulations §§§ 15400, 15403, and 15500, which define regulations for commercial cannabis retail and microbusiness license holders.

7. The proposed amendments to Municipal Code §§ 17.86.080(E)(12)(c)(v)(ix) and 17.86.080(E)(12)(c)(v)(x) are consistent with Municipal Code § 17.86.080(E)(12)(c)(i) which requires microbusinesses authorized to engage in retail sales to comply with the regulations established for retail commercial cannabis activity.

8. The proposed amendment to Municipal Code § 17.86.080(A) does not alter or affect federal law, and it revises the purpose statement to remove the specific CSA classification of cannabis. This change ensures that the regulation remains effective regardless of any future federal scheduling changes.

SECTION 2. Environmental Determination. The recommended actions were reviewed in accordance with the California Environmental Quality Act (CEQA) Guidelines and are determined to be exempt from environmental review pursuant to CEQA Guidelines Section § 15301(b)(3) (General Rule Exemption), which exempts activities that can be seen with certainty to have no possibility for causing a significant effect on the environment. Project-specific environmental review will be required for any new commercial cannabis activity.

SECTION 3. Action. The Planning Commission hereby recommends to the City Council the introduction and adoption of an ordinance to amend § 17.86.080 (“Cannabis”) of Title 17 (“Zoning Regulations”) of the Municipal Code to clarify specific land use and operational requirements for commercial cannabis activity as set forth in Exhibit A and incorporated herein.

Upon motion of _____, seconded by _____ and on the following roll call vote:

AYES:

NOES:

ABSENT:

The foregoing resolution was passed and adopted this 9th day of April 2025.

Tyler Corey, Secretary
Planning Commission

EXHIBIT A

DRAFT ORDINANCE NO. ____ (2025 SERIES)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN LUIS OBISPO, CALIFORNIA, AMENDING SECTION 17.86.080 (“CANNABIS”) OF TITLE 17 (“ZONING REGULATIONS”) OF THE MUNICIPAL CODE TO CLARIFY SPECIFIC LAND USE AND OPERATIONAL REQUIREMENTS FOR COMMERCIAL CANNABIS ACTIVITY. THE PROJECT IS EXEMPT FROM ENVIRONMENTAL REVIEW (CEQA)

WHEREAS, on May 15, 2018, the City Council adopted Ordinance No. 1647 (2018 Series), amending the Municipal Code (“SLOMC”) to establish regulations for commercial cannabis activity, including adoption of SLOMC Chapter 9.10 (Cannabis Regulations) and SLOMC § 17.86.080 (Cannabis Zoning Regulations), formerly Chapter 17.99; and

WHEREAS, on March 21, 2023, the City Council adopted Ordinance No. 1725 (2023 Series) modifying specific rules for commercial cannabis retail storefront operations including expansion of allowable hours of operation from 9:00AM and 8:00PM daily to 7:00AM and 9:00PM daily and allowing individuals 18 to 20 years of age who have a valid physician’s recommendation for medicinal cannabis to enter and access retail storefronts who possess a valid state of California cannabis retailer license with M-designation (For Medical Use); and

WHEREAS, on September 18, 2018, the City Council adopted Ordinance No. 1653 (2018 Series), amending the City’s Zoning Regulations and Zoning Map to designate seven areas of the City as Cannabis Business Overlay Zones (“CBZ Overlay Zones”) where cannabis businesses may be located. Then, on May 16, 2023, the City Council adopted Ordinance No. 1727 (2023 Series), amending the Zoning Map to expand the CBZ Overlay Zones to include recently annexed areas of the City, including the Fiero Lane-Clarion Court and East Airport Areas; and

WHEREAS, upon adoption of the initial cannabis regulations on November 17, 2018, the City Council of the City of San Luis Obispo directed staff to return annually with an update to the City’s Cannabis Business Program, including recommendations for improvements based on operational and administrative experiences; and

WHEREAS, the Planning Commission of the City of San Luis Obispo conducted a public hearing in the Council Chamber of City Hall, 990 Palm Street, San Luis Obispo, California on April 9, 2025, for the purpose of recommending an amendment to Section 17.86.080 (“Cannabis”) of Title 17 (“Zoning Regulations”) of the Municipal Code pursuant to a proceeding under CODE-0051-2025; City of San Luis Obispo, applicant; and

WHEREAS, notices of said public hearing were made at the time and in the manner required by the law; and

WHEREAS, the Planning Commission has duly considered all evidence, including the testimony of interested parties and the evaluation and recommendations provided by staff, presented at said hearing.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of San Luis Obispo as follows:

SECTION 1. Findings. Based upon all evidence, the City Council makes the following findings:

1. The proposed amendments to Municipal Code §§§ 17.86.080(E)(4)(e), 17.86.080(E)(10)(b)(iii), and 17.86.080(E)(12)(c)(v) are consistent with State Law and are declaratory of existing City law, ensuring clarity and regulatory consistency for both pending and future projects. These amendments clarify specific land use requirements for commercial cannabis activities consistent with the legislative intent of the currently adopted Zoning Ordinance. These amendments are intended to reflect the City's application of the buffer requirements since their adoption.

2. In adopting Municipal Code § 17.86.080 (formerly Chapter 17.99) on May 15, 2018, this Council found that the regulations balance the City's competing interests in allowing certain commercial and research-related cannabis activities desired by the majority of voters, with the public health, welfare, and safety concerns of the City. The proposed amendments to Municipal Code §§§ 17.86.080(E)(4)(e), 17.86.080(E)(10)(b)(iii), and 17.86.080(E)(12)(c)(v), as declaratory of existing law, accomplish the same.

3. The Council Agenda Report dated May 1, 2018, to establish the City's Cannabis Regulations, including the adoption of specific buffer requirements, clearly indicates that the City Council intended the buffer from residentially zoned areas to apply within the CBZ Overlay Zones only.

4. The Council Agenda Report dated September 4, 2018, to formally establish the CBZ Overlay Zones states that the three-hundred-foot buffer requirement between residentially zoned land and retail storefronts applies from residential zoning that occurs within a CBZ Overlay Zone. Additionally, the CBZ Overlay Zones were designed to incorporate natural physical barriers—such as railroads and major roads—that inherently serve as buffers from sensitive sites, thereby minimizing potential impacts on public health and safety. Applying the 300-foot buffer requirement outside these overlay zones would unnecessarily restrict allowable commercial cannabis sites beyond what is necessary to ensure health and safety, as contemplated by the adoption of the overlay zones.

5. The terms “CAN Overlay” and “CBZ Overlay” have been used interchangeably. The proposed amendment to Municipal Code Section § 17.86.080(E)(5)(b) replaces “CAN Overlay” with “CBZ Overlay” to align with the adopted Zoning Map and Table 1 - 1 (“Zones Established”) in SLOMC § 17.06.020(D).

6. The proposed amendments to Municipal Code §§ 17.86.080(E)(12)(c)(v)(ix) and 17.86.080(E)(12)(c)(v)(x) are consistent with State Law and the California Department of Cannabis Control (“DCC”) Regulations, specifically with DCC Regulations §§ 15400, 15403, and 15500, which define regulations for commercial cannabis retail and microbusiness license holders.

7. The proposed amendments to Municipal Code §§ 17.86.080(E)(12)(c)(v)(ix) and 17.86.080(E)(12)(c)(v)(x) are consistent with Municipal Code § 17.86.080(E)(12)(c)(i) which requires microbusinesses authorized to engage in retail sales to comply with the regulations established for retail commercial cannabis activity.

8. The proposed amendment to Municipal Code § 17.86.080(A) does not alter or affect federal law, and it revises the purpose statement to remove the specific CSA classification of cannabis. This change ensures that the regulation remains effective regardless of any future federal scheduling changes.

SECTION 2. Environmental Determination. The recommended actions were reviewed in accordance with the California Environmental Quality Act (CEQA) Guidelines and are determined to be exempt from environmental review pursuant to CEQA Guidelines § 15301(b)(3) (General Rule Exemption), which exempts activities that can be seen with certainty to have no possibility for causing a significant effect on the environment. Project-specific environmental review will be required for any new commercial cannabis activity.

SECTION 3. Action. The City Council hereby adopts an ordinance amending Section 17.86.080 (“Cannabis”) of Title 17 (“Zoning Regulations”) of the Municipal Code to clarify specific land use and operational requirements for commercial cannabis activity.

Section 17.86.080 (“Cannabis”) of Title 17 (“Zoning Regulations”) of the City of San Luis Obispo Municipal Code is hereby amended as follows:

17.86.080 Cannabis.

A. *Purpose.* The purpose of this section is to protect the public health, safety, and welfare, enact strong and effective regulatory and enforcement controls in compliance with state of California law, protect neighborhood character, and minimize potential for negative impacts on people, communities, and the environment within the city of San Luis

Obispo by establishing land use requirements and development standards for cannabis activities. Cannabis activity, as defined in Section [17.156.008](#) (C Definitions), includes the cultivation, possession, manufacturing, processing, storing, laboratory testing, labeling, transporting, distribution, delivery, or sale of cannabis or a cannabis product for either personal or commercial use. Therefore, this section recognizes that cannabis activities require land use controls due to state legal constraints on cannabis activity, and the potential environmental and social impacts associated with cannabis activity. Nothing in this section is intended to affect or alter federal law, ~~which identifies marijuana (cannabis) as a Schedule I controlled substance.~~

B. *Applicability.* Nothing in this section shall be construed to allow any conduct or activity relating to the cultivation, distribution, dispensing, sale, or consumption of cannabis that is otherwise illegal under local or state law, statute, rule or regulation. It is neither the intent nor the effect of this chapter to condone or legitimize the illegal use, consumption or cultivation of cannabis under state or local law and nothing herein is intended to interpret, alter, interfere with or in any way affect otherwise applicable federal law.

C. *Definitions.* See Chapter [17.156](#), Land Use Definitions (Table 2-1: Uses Allowed by Zone). Terms used in this section that are defined terms under state cannabis statutes or regulations shall have the same meaning as the respective state definition, as now defined or as the definition may be amended by the state in the future, except as otherwise specifically provided in Chapter [17.156](#), Land Use Definitions (Table 2-1: Uses Allowed by Zone), or Chapter [9.10](#), Cannabis Regulations.

D. *Personal Cultivation.*

1. *Indoor Personal Cultivation.* Indoor personal cultivation of cannabis does not require a permit and is allowed in all private residences subject to all the following minimum performance standards:

- a. All indoor personal cultivation shall occur only inside a private residence or fully enclosed and secure accessory building or structure to a private residence. Accessory building or structure for indoor personal cultivation of cannabis does not include a greenhouse or hoop structure.

- b. Structures and equipment used for indoor cultivation, such as indoor grow lights, shall comply with all applicable building, electrical and fire code regulations as adopted by the city.
- c. All accessory buildings and structures used for indoor cultivation shall comply with the city's zoning regulations and building codes.
- d. Indoor personal cultivation of cannabis may occur inside a dwelling and/or an accessory building or structure, subject to the following restrictions:
 - i. The cumulative cultivation for cannabis shall not exceed six cannabis plants per private residence.
 - ii. All personal cultivation shall be conducted by persons twenty-one years of age or older, and the cumulative total of cannabis plants per private residence, indoor and outdoor, shall not exceed six cannabis plants, regardless of the number of persons residing on the property.
- e. Personal cultivation of cannabis shall not interfere with the primary occupancy of the building or structure, including regular use of kitchen(s) or bathroom(s).
- f. Cannabis cultivation must be concealed from public view at all stages of growth and there shall be no exterior evidence of cannabis cultivation occurring at the property visible with normal unaided vision from any public place, or the public right-of-way. Personal cultivation of cannabis shall be shielded to confine light and glare to the interior of the structure.
- g. Nothing in this section is intended, nor shall it be construed, to preclude any landlord from limiting or prohibiting personal cultivation of cannabis by tenants.
- h. Nothing in this section is intended, nor shall it be construed, to authorize commercial cultivation of cannabis at a private residence.
- i. Personal cultivation of cannabis shall not create: offensive odors or excessive dust, heat, noise, light, glare, smoke, traffic, or hazards due to the use or storage of materials, processes, products or wastes, or other unreasonable impacts to persons of normal sensitivity who are living, working or lawfully present in the vicinity of the personal cultivation.

j. Cannabis cultivation areas in a private residence shall be locked at all times when the cultivator is not present.

2. *Outdoor Personal Cultivation.* Outdoor personal cultivation of cannabis does not require a permit and is allowable at all private residences, subject to all of the following minimum performance standards:

a. Outdoor personal cultivation of cannabis is not permitted in the front yard between the public right-of-way and the private residence. Outdoor personal cultivation is only permitted in a rear or side yard that is entirely enclosed by a solid, opaque fence that is associated with a private residence used for residential purposes.

b. The cannabis plants shall be placed at a minimum setback of five feet from the edge of canopy to the property line.

c. Cannabis cultivation must be concealed from public view at all stages of growth and there shall be no exterior evidence of cannabis cultivation occurring at the property visible by normal unaided vision from a public place or the public right-of-way. Cultivation may occur within a greenhouse or hoop structure (as long as it complies with the performance standards), but mixed light cultivation is prohibited.

d. All outdoor personal cultivation shall be conducted by persons twenty-one years of age or older.

e. The cumulative total of cannabis plants cultivated outdoor shall not exceed six cannabis plants per parcel containing a private residence, regardless of the number of persons residing on the property, and regardless of the number of private residences on the parcel.

f. Nothing in this section is intended, nor shall it be construed, to preclude any landlord from limiting or prohibiting cannabis cultivation by tenants.

g. Nothing in this section is intended, nor shall it be construed, to authorize commercial cultivation of cannabis at a private residence outdoors.

h. Outdoor personal cultivation of cannabis shall not create: offensive odors or excessive dust, heat, noise, light, glare, smoke, traffic, or hazards due to the use

or storage of materials, processes, products or wastes, or other unreasonable impacts to people of normal sensitivity living, working or lawfully present in the vicinity of the personal cultivation.

E. *Commercial Cannabis Businesses.*

1. *Commercial Cannabis Operator Permit.*

a. No person or entity shall operate or conduct a commercial cannabis activity or commercial cannabis business without first obtaining both a commercial cannabis operator permit from the city pursuant to Chapter [9.10](#), Cannabis Regulations, and a use permit from the city pursuant to this chapter to conduct the commercial cannabis activity at a specific location. Any permit authorizing commercial cannabis activity pursuant to this chapter shall be conditioned upon the holder obtaining and maintaining a city commercial cannabis operator permit and the appropriate state license for the activity.

b. A commercial cannabis activity pursuant to this chapter may be transferred, assigned, or bequeathed, by operation of law or otherwise as described in Section [9.10.120](#).

c. The commercial cannabis operator permit must be renewed each year.

d. Expiration of the use permit shall be consistent with Section [17.104.070](#).

2. *No Vested Right to Operate.* No person shall have any entitlement or vested right to operate a cannabis business solely by virtue of licensing under these regulations. Operation of cannabis activity(ies) requires both the approval of a conditional use permit and a commercial cannabis operator permit under Chapter [9.10](#), which is a revocable privilege and not a right in the city. The applicant bears the burden of proving that all qualifications for licensure have been satisfied and continuously maintained prior to conducting a cannabis business at an otherwise allowed location within the city.

3. *State Application Required.* Filing a local application for cannabis activity(ies) with the city does not constitute an application with the state of California. A separate state application and license process must be followed through with the state.

4. *Application Requirements.* All commercial cannabis activities require qualification through the commercial cannabis operator selection approval process in Chapter [9.10](#), Cannabis Regulations, a state license and a use permit for a specific location pursuant to this chapter. The application for a use permit shall include the following information:

- a. Site plan, floor plans, and a general description of the nature, square-footage, parking and type of cannabis activity(ies) being requested.
- b. An operations plan including:
 - i. A security plan to the approval of the chief of police, pursuant to criteria approved by resolution of the city council, including but not limited to on-site security measures both physical and operational and, if applicable, security measures for the delivery of cannabis associated with the commercial cannabis business and payment of taxes and fees;
 - ii. Plan for restriction of access by minors;
 - iii. Employee safety and training plan;
 - iv. Odor, noise and light management plan;
 - v. Estimated energy usage and energy efficiency plan;
 - vi. Estimated water usage and water efficiency plans;
 - vii. Waste management plan; and
 - viii. For retail sales, provide an educational material dissemination plan.
- c. Proposed signage:
 - i. Must comply with city's sign regulations for size, area and type of sign, no exceptions allowed.
 - ii. Internal illumination of signs is prohibited.
 - iii. No portion of the cannabis plant may be used in any sign visible from the public right-of-way.

- iv. Provide sign size, height, colors, and design of any proposed signage at the site.
 - v. Must include a sign inside the premises that states: "Smoking, ingesting, vaping, eating or consuming cannabis or cannabis products on this site or in a public place is prohibited."
 - vi. Must include a sign at each entrance of a retail storefront that prohibits persons under twenty-one years of age from entering.
- d. An analysis that demonstrates neighborhood compatibility and a plan for addressing potential compatibility issues.
- e. Applications for retail storefronts shall include a vicinity map showing at least one thousand feet of surrounding area and the distances to the following uses: 1) one thousand feet from any preschool, elementary school, junior high school, high school, public park or playground, whether located within or outside a CBZ Overlay Zone; 2) six hundred feet from any licensed daycare center, whether located within or outside a CBZ Overlay Zone; and 3) three hundred feet from a residentially zoned areas located within a CBZ Overlay Zone. Youth centers do not require a buffer. Distance shall be measured from the nearest point of the property line of the site that contains the commercial cannabis activity to the nearest point of the property line of the enumerated use using a direct straight-line measurement.
- f. Proof of ownership, option to purchase, (or lease agreement or option to lease with landowner's express written consent to the proposed commercial cannabis activity(ies) to be conducted on the premises) or other proof of right to apply for the permit at the location.
- g. A list of all other uses on the property.
5. *Commercial Cannabis Development Standards.* Each cannabis business is required to meet the following standards:
- a. Qualification through the Chapter [9.10](#), Cannabis Regulations, commercial cannabis operator selection process to apply for a commercial cannabis operator permit. Submittal of a use permit application to conduct the commercial cannabis

business within the zones specified for each type of commercial activity listed below.

b. Commercial cannabis facilities shall be allowed in areas demarcated with CAN CBZ overlay zoning and as allowed in the underlying zone for each type of commercial cannabis activity.

c. All commercial cannabis facilities shall be sited and/or operated in a manner that prevents cannabis odors from being detected off site. Commercial cannabis activities shall not create offensive or excessive odors, dust, heat, noise, light, glare, smoke, traffic, or hazards due to the use or storage of materials, processes, products or wastes, or other unreasonable impacts to people of normal sensitivity living, working or lawfully present in the vicinity of the commercial facility.

d. All commercial cannabis operations must be concealed from public view at all times and there shall be no exterior evidence of cannabis or cannabis products occurring at the property visible with normal unaided vision from any public place, or the public right-of-way. Commercial manufacturing of cannabis or cannabis products shall be shielded to confine light and glare to the interior of the structure.

e. All commercial cannabis facilities shall include adequate measures that address enforcement priorities for commercial cannabis activities, including restricting access to the public and to minors and ensuring that cannabis and cannabis products are only obtained from and supplied to other permitted licensed sources within the state and not distributed out of state.

f. The use permit to be issued under this chapter shall include, but is not limited to, the following conditions:

i. The obtaining and maintaining of the commercial cannabis operator permit and appropriate state license.

ii. Payment of all applicable current and future state and local taxes and all applicable commercial cannabis fees and related penalties established by the city council, including but not limited to application, administrative review, inspection, etc.

- iii. The commercial cannabis operator permit or a controlling interest in the permit may not be assigned, transferred or bequeathed, by operation of law or otherwise, unless permitted as described in Chapter [9.10](#), and the permit shall terminate automatically on such event.
- iv. Any commercial cannabis operator permit issued pursuant to this chapter and Chapter [9.10](#) expires after one year, unless renewed.
- v. Prohibition of on-site consumption of cannabis at: (A) a commercial cannabis business or commercial cannabis activity location; (B) any other business, club or cooperative or event, regardless if open to the public or only to members; and (C) anywhere an entry or other fee is charged to attendees or the host or thing of value or consideration is received or exchanged.
- vi. Prohibition of the possession, storage, sale, distribution or consumption of alcoholic beverages on the premises, or the holding of license from the State Division of Alcoholic Beverage Control for the sale of alcoholic beverages, or operating a business that sells alcoholic beverages on or adjacent to the commercial cannabis activity site.
- vii. No cannabis products or cannabis accessories may be displayed in windows or visible from the public right-of-way or from places accessible to the general public.
- viii. Prohibition of minors and persons under the age of twenty-one on the premises, even if accompanied by a parent or guardian, unless the person is at least eighteen years of age and is also in possession of a valid physician's recommendation for medical cannabis.
- ix. Outdoor storage of cannabis or cannabis products is prohibited.

6. *Commercial Cultivation.*

- a. *Commercial Cannabis Cultivation.* Commercial cannabis cultivation may be conditionally permitted indoors only, subject to the requirements of this section and the obtaining and maintaining of a commercial cannabis operator permit pursuant to Chapter [9.10](#), Cannabis Regulations, and appropriate state license, in the following zones:

- i. Service commercial (C-S);
 - ii. Manufacturing (M);
 - iii. Business park (BP).
- b. A maximum of seventy thousand square feet of cumulative canopy area (includes total canopy of either horizontal or vertical growing situations) for cultivation and nurseries shall be allowed for indoor commercial cannabis cultivation in the city within the zones identified above, including microbusinesses under subsection [\(E\)\(12\)](#) of this section.
- c. Outdoor commercial cannabis cultivation, including but not limited to cultivation in greenhouses, hoop structures, and by mixed light (part daylight/part artificial light), is prohibited. All commercial cannabis cultivation shall be conducted only inside a fully enclosed, legally permitted structure that meets all applicable building and other codes.
- d. Commercial cannabis cultivation conditional permits include the following:
- i. *Specialty Cultivator*. A maximum of no more than five thousand square feet of canopy of indoor cultivation (either in horizontal or vertical growing situations) and includes processing.
 - ii. *Small Cultivator*. A maximum of no more than ten thousand square feet of canopy of indoor cultivation (either in horizontal or vertical growing situations) and includes processing.
 - iii. *Nursery, Cannabis*. A maximum of no more than ten thousand square feet of indoor propagation area (either in horizontal or vertical growing situations).
- e. *Development Standards*.
- i. Compliance with subsection [\(E\)\(5\)](#) of this section, Commercial Cannabis Development Standards.
 - ii. Canopy areas shall be easily identifiable for inspection and measurement. Each unique area included in the total canopy calculation shall be separated

by an identifiable boundary such as an interior wall or by at least ten feet of open space (see “Canopy” definition in Chapter [17.156](#)).

iii. All indoor cannabis cultivation shall be designed to accomplish zero net energy use from the start of the operation.

iv. Pesticides and fertilizers shall be properly labeled, stored, and applied to avoid and prevent contamination through erosion, leakage, or inadvertent damage from rodents, pests, or wildlife.

7. *Manufacturing.*

a. *Manufacturing (Nonvolatile) Permissible.* Nonvolatile cannabis or cannabis products manufacturing may be conditionally permitted indoors only, subject to the requirements of this section and the obtaining and maintaining of a commercial cannabis operator permit pursuant to Chapter [9.10](#), Cannabis Regulations, and appropriate state license, in the following zones:

i. Service commercial (C-S);

ii. Manufacturing (M);

iii. Business park (BP).

b. *Manufacturing (Volatile) Prohibited.* Cannabis or cannabis products manufacturing involving volatile solvents, processes, compounds or substances is prohibited.

c. *Development Standards.*

i. Compliance with subsection [\(E\)\(5\)](#) of this section, Commercial Cannabis Development Standards.

ii. Outdoor manufacturing of cannabis or cannabis products is prohibited.

iii. A complete description of all products used in the manufacturing process including the cannabis supply chain, liquids, solvents, agents, and processes.

iv. Storage protocol and hazard response plan.

- v. Employee safety and training equipment plan, plus materials safety data sheet requirements, if any.

8. *Distribution.*

a. Commercial cannabis distribution may be conditionally permitted, subject to the requirements of this section and the obtaining and maintaining of a commercial cannabis operator permit pursuant to Chapter [9.10](#), Cannabis Regulations, and appropriate state license, in the following zones:

- i. Service commercial (C-S);
- ii. Manufacturing (M);
- iii. Business park (BP);

b. *Development Standards.*

- i. Compliance with subsection [\(E\)\(5\)](#) of this section, Commercial Cannabis Development Standards.

9. *Testing Laboratory.*

a. Commercial cannabis testing may be conditionally permitted, subject to the requirements of this section and the obtaining and maintaining of a commercial cannabis operator permit pursuant to Chapter [9.10](#), Cannabis Regulations, and appropriate state license, in the following zones:

- i. Service commercial (C-S);
- ii. Manufacturing (M);
- iii. Business park (BP);
- iv. Office (O).

b. *Development Standards.*

- i. Compliance with subsection [\(E\)\(5\)](#) of this section, Commercial Cannabis Development Standards.

- ii. The cannabis testing laboratory, as proposed, will comply with all the requirements of the state for the testing of cannabis, including dual licensure and participation in an authorized track-and-trace program.
- iii. The owners, investors, permittees, operators, and employees of the cannabis testing laboratory will not be associated with, nor have any financial interest in, any other form of commercial cannabis activity.
- iv. The cannabis testing laboratory is accredited by an appropriate accrediting agency as approved by the state and further described in Health and Safety Code Section [5238](#) and as it may be amended.
- v. The cannabis testing laboratory operating plan demonstrates proper protocols and procedures for statistically valid sampling methods and accurate certification of cannabis and cannabis products for potency, purity, pesticide residual levels, mold, and other contaminants according to adopted industry standards.

10. *Retail—Storefront.*

- a. Commercial cannabis storefront retail may be conditionally permitted, subject to the requirements of this section and the obtaining and maintaining of a commercial cannabis operator permit, and the appropriate state license, in the following zones:
 - i. Retail commercial (C-R);
 - ii. Service commercial (C-S).
- b. *Development Standards.*
 - i. Compliance with subsection [\(E\)\(5\)](#) of this section, Commercial Cannabis Development Standards.
 - ii. Only three retail storefronts, which must front arterial streets, will be allowed within the city. Selection of the retail commercial cannabis operator will be selected from qualified commercial cannabis operators as set forth in Chapter [9.10](#), Cannabis Regulations. One of the retail storefronts shall have a medicinal license and may also have an adult use license.

iii. Retail storefronts shall be located at least: 1) one thousand feet from any preschool, elementary school, junior high school, high school, public park or playground, whether located within or outside a CBZ Overlay Zone; 2) six hundred feet from any licensed day care center, whether located within or outside a CBZ Overlay Zone; and 3) three hundred feet from any residentially zoned area located within a CBZ Overlay Zone. Youth centers do not require a buffer. Distance shall be measured from the nearest point of the property line to the nearest point of the property line of the enumerated use using a direct straight-line measurement. A subsequently established use described herein shall not affect the continuation of a retail storefront in possession of a Use Permit issued under the standards of this Section and Chapter 9.10.

iv. Retail storefronts must be separated from each other by at least one thousand feet.

v. Hours of operation shall be limited between seven a.m. and nine p.m.

vi. Retail storefronts that possess a valid state of California cannabis retailer license with an A-designation must include a sign at each entrance of a retail storefront that prohibits persons under twenty-one years of age from entering. Retail storefronts that possess a valid state of California cannabis retailer license with an M-designation or both an A-designation and an M-designation must include a sign at each entrance of the retail storefront that prohibits persons under twenty-one years of age from entering unless the person is at least eighteen years of age and is also in possession of a valid physician's recommendation for medical cannabis.

11. *Retail—Non-Storefront (Delivery Services).*

a. Commercial cannabis non-storefront retail may be conditionally permitted, subject to the requirements of this section and the obtaining and maintaining of a commercial cannabis operator permit pursuant to Chapter [9.10](#), Cannabis Regulations, and the appropriate state license, in the following zones:

i. Service commercial (C-S);

ii. Manufacturing (M);

iii. Business park (BP).

b. *Development Standards.*

i. Compliance with subsection [\(E\)\(5\)](#) of this section, Commercial Cannabis Development Standards.

ii. Hours of delivery shall be limited between six a.m. to ten p.m.

12. *Microbusiness.*

a. Microbusinesses fall into two groups as described below and may be conditionally permitted, subject to the requirements of this section and the obtaining and maintaining of a commercial cannabis operator permit pursuant to Chapter [9.10](#), Cannabis Regulations, and the appropriate state license, in the following zones:

i. Microbusinesses with no more than fifty percent of the gross receipts being from cultivation, distribution and manufacturing are allowed in the following zones:

(a) Retail commercial (C-R).

ii. Microbusinesses with no more than fifty percent of the gross receipts being from storefront retail sales are allowed in the following zones:

(a) Manufacturing (M);

(b) Business park (BP).

iii. Microbusinesses located in the service commercial (C-S) zone are not limited by gross sales receipts from cultivation, distribution, manufacturing or retail sales.

b. Microbusinesses are subject to the seventy thousand square feet of canopy cultivation citywide limitation (either in horizontal or vertical growing situations) and the limit of three retail storefronts fronting arterial streets citywide set forth in subsection [\(E\)\(10\)](#) of this section.

c. *Development Standards.*

- i. Compliance with subsection [\(E\)\(5\)](#) of this section, Commercial Cannabis Development Standards.
- ii. A maximum of seventy thousand square feet of cumulative canopy for cultivation and nurseries shall be allowed for indoor cultivation in the city within the allowed land use zones.
- iii. All indoor cannabis cultivation shall be designed to accomplish zero net energy use from the start of the operation.
- iv. Pesticides and fertilizers shall be properly labeled, stored, and applied to avoid and prevent contamination through erosion, leakage, or inadvertent damage from rodents, pests, or wildlife.
- v. Only three retail storefronts, which must front arterial streets, will be allowed within the city. Selection of the retail commercial cannabis operator will be selected from qualified commercial cannabis operators as set forth in Chapter [9.10](#), Cannabis Regulations. One of the retail storefronts shall have a medicinal license and may also have an adult use license.
- vi. Any microbusiness with a retail storefront shall require a planning commission use permit.
- vii. Retail storefronts shall be located at least: 1) one thousand feet from any preschool, elementary school, junior high school, high school, public park or playground, whether located within or outside a CBZ Overlay Zone; 2) six hundred feet from any licensed day care center, whether located within or outside a CBZ Overlay Zone; and 3) three hundred feet from any residentially zoned area located within a CBZ Overlay Zone. Youth centers do not require a buffer. Distance shall be measured from the nearest point of the property line to the nearest point of the property line of the enumerated use using a direct straight-line measurement. A subsequently established use described herein shall not affect the continuation of a retail storefront in possession of a Use Permit issued under the standards of this Section and Chapter 9.10.
- viii. Retail storefronts must be separated from each other by at least one thousand feet.

ix. Hours of retail shall be limited to between ~~nine~~ seven a.m. to ~~eight~~ nine p.m. and delivery shall be limited to between six a.m. to ten p.m.

x. Retail storefronts that possess a valid state of California cannabis retailer license with an A-designation must include a sign at each entrance of a retail storefront that prohibits persons under twenty-one years of age from entering. Retail storefronts that possess a valid state of California cannabis retailer license with an M-designation or both an A-designation and an M-designation must include a sign at each entrance of the retail storefront that prohibits persons under twenty-one years of age from entering unless the person is at least eighteen years of age and is also in possession of a valid physician's recommendation for medical cannabis.

SECTION 4. Severability. If any subdivision, paragraph, sentence, clause, or phrase of this Ordinance is, for any reason, held to be invalid or unenforceable by a court of competent jurisdiction, such invalid or unenforceability shall not affect the validity or enforcement of the remaining provisions of this Ordinance, or any other provisions of the City's rules and regulations. It is the City's express intent that each remaining portion would have been adopted irrespective of the fact that any one or more subdivisions, paragraphs, sentences, clauses, or phrases be declared invalid or unenforceable.

SECTION 5. A summary of this ordinance, together with the names of Council members voting for and against, shall be published at least five (5) days prior to its final passage, in The New Times, a newspaper published and circulated in this City. This ordinance shall go into effect at the expiration of thirty (30) days after its final passage.

INTRODUCED on the ____ day of _____ 2025, **AND FINALLY ADOPTED** by the Council of the City of San Luis Obispo on the ____ day of _____, 2025, on the following vote:

AYES:
NOES:
ABSENT:

Mayor Erica A. Stewart

ATTEST:

Teresa Purrington
City Clerk

APPROVED AS TO FORM:

J. Christine Dietrick
City Attorney

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Luis Obispo, California, on _____.

Teresa Purrington
City Clerk

END OF DOCUMENT