



THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: October 1, 2019

TO: Honorable Mayor Kevin L. Faulconer
Honorable Council President Georgette Gómez and Members of the City Council

FROM: Elyse W. Lowe, Director, Development Services Department
via Erik Caldwell, Deputy Chief Operating Officer, Smart and Sustainable Communities

SUBJECT: Marijuana/Cannabis Permitting Update

This memo serves to provide you with an update on the status of the City's cannabis permitting to date.

Background:

On March 25, 2014, the City Council adopted [Ordinance No. O-20356](#), which implemented zoning regulations for Medical Marijuana Consumer Cooperatives (MMCC). On February 22, 2017, the City Council adopted [Ordinance No. O-20793](#), which amended the MMCC regulations and permitted the retail sale of marijuana for adult use (non-medical), referred to as Marijuana Outlets (MO), with a Conditional Use Permit. A maximum of 36 MOs are allowed citywide, with 4 allowed in each Council District. On January 17, 2017, the City Council adopted [Ordinance No. O-20858](#) to allow by-right testing labs for commercial testing of cannabis products, and to regulate with a Conditional Use Permit Marijuana Production Facilities (MPF) activities including the commercial cultivation, manufacturing, storage and distribution of cannabis products. A maximum of 40 MPFs are allowed citywide.

Current Status:

To date, 14 MMCCs and 9 MOs have been approved with seven applications pending; 40 MPFs have been approved with two applications pending. Based upon our records, 11 MMCCs and 4 MOs are currently operating. Five MPFs have obtained the required DS-191 Annual Operating Permit from the Development Services Department (DSD). DSD's Code Enforcement Division will notify these 35 facilities to cease operation if they do not comply with the annual operating permit requirements.

The approved MMCCs are conditioned to expire on a specific date per their respective CUP, with the earliest expiration in 2020. There was no provision for an Extension of Time for MMCCs. Therefore, an applicant may apply for an amendment to the CUP to change from a MMCC to a MO pursuant to San Diego Municipal Code Section 126.0113. Otherwise, the MMCC use must cease upon the expiration date.

There were 33 MPFs that obtained a Zoning Use Certificate and Business Tax Certificate to operate prior to the adoption of the MPF regulations. [Ordinance No. 20859](#) (Section 21) allows these facilities to operate for 24 months from the date of final passage of the subject Ordinance (until October 17, 2019). Thereafter, the MPF must cease use or obtain the required CUP. Of these 33 facilities, 9 obtained CUPs.

| Approved MMCCs/MOs | |
|--------------------|-----------------|
| CD 1 | 3 |
| CD 2 | 4 |
| CD 3 | 2 |
| CD 4 | 1 |
| CD 5 | 0 |
| CD 6 | 4 |
| CD 7 | 4 |
| CD 8 | 4 |
| CD 9 | 1 |
| Total | 23 of 36 |

| Approved Citywide PFs | |
|-----------------------|-----------------|
| CD 1 | 3 |
| CD 2 | 2 |
| CD 3 | 0 |
| CD 4 | 0 |
| CD 5 | 0 |
| CD 6 | 22 |
| CD 7 | 0 |
| CD 8 | 12 |
| CD 9 | 1 |
| Total | 40 of 40 |

The 24 facilities listed do not have a CUP. DSD's Code Enforcement Division will notify these Marijuana production facilities to cease operation by the expiration date of October 17, 2019.

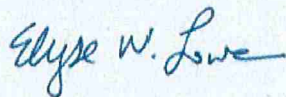
| | Address | Zone | Council District | MPF Activity |
|----|------------------------------|---------|------------------|---------------|
| 1 | 10685 Roselle Street, #B | IL-3-1 | 1 | Cultivation |
| 2 | 5790 Friars Road, #E9 | RM-3-7 | 2 | Manufacturing |
| 3 | 2110 Hancock Street, #302 | IS-1-1 | 2 | Manufacturing |
| 4 | 3486 Kurtz Street, #103 | IS-1-1 | 2 | Manufacturing |
| 5 | 3446 Hancock Street | IS-1-1 | 2 | Manufacturing |
| 6 | 1780 Kettner Boulevard, #301 | CCPD-R | 3 | Manufacturing |
| 7 | 110 W. C Street, #1300 | CCPD-PC | 3 | Manufacturing |
| 8 | 7920 Arjons Drive, #H | IL-2-1 | 6 | Manufacturing |
| 9 | 6369 Nancy Ridge Drive | IL-2-1 | 6 | Manufacturing |
| 10 | 8210 Engineer Road | IL-2-1 | 6 | Manufacturing |
| 11 | 5830 Oberlin Drive, #302 | IL-2-1 | 6 | Manufacturing |
| 12 | 8485 Production Avenue | IL-2-1 | 6 | Manufacturing |
| 13 | 4425 Convoy Street, #106 | IL-3-1 | 6 | Manufacturing |
| 14 | 5205 Kearny Villa Road, #104 | IL-3-1 | 6 | Manufacturing |
| 15 | 5125 Convoy Street, #304 | IL-3-1 | 6 | Manufacturing |
| 16 | 4685 Convoy Street, #1 | IL-3-1 | 6 | Manufacturing |
| 17 | 4974 Mercury Street | IL-3-1 | 6 | Cultivation |

| | Address | Zone | Council District | MPF Activity |
|----|---------------------------|-------------------|------------------|---------------|
| 18 | 7462 Mission Gorge Road | AR-1-1 | 7 | Cultivation |
| 19 | 2405 Harbor Drive, #A | IH-2-1/BLPD Sub D | 8 | Cultivation |
| 20 | 2191 Main Street | BLPD Sub D | 8 | Manufacturing |
| 21 | 8485 Production Avenue | BLPD Sub D | 8 | Manufacturing |
| 22 | 6201 Progressive Avenue | IL-2-1 | 8 | Manufacturing |
| 23 | 3127 Beyer Boulevard, #C | IL-3-1 | 8 | Manufacturing |
| 24 | 3137 Beyer Boulevard, #81 | IL-3-1 | 8 | Cultivation |

Below is the permitting data for MMCC/MO and MPF Conditional Use Permit applications that DSD has processed to date:

| | MMCC/MO | MPF |
|------------------------------|---------|-----|
| Applications Submitted | 69 | 82 |
| Applications Approved | 24 | 40 |
| Applications Denied | 15 | 8 |
| Applications Withdrawn | 23 | 32 |
| Applications Pending | 7 | 2 |
| Environmental Determinations | 45 | 52 |
| CEQA Appeals | 24 | 14 |
| Public Hearings | 110 | 76 |

DSD has established and applied a consistent and transparent administrative procedure throughout this competitive permitting process. I am pleased to provide further information.



Elyse W. Lowe
Director, Development Services Department

cc: Aimee Faucett, Chief of Staff, Office of the Mayor
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