



Cannabis Policy Proposed Code Amendments

**City Council meeting
March 9, 2026**



CITY COUNCIL PRIORITY



**ECONOMIC
DEVELOPMENT**

OVERVIEW

- Background / how we got here
- Recap of Rules Committee meeting discussion and recommendations
- Proposed code changes and sensitive use setback comparisons
- Location visualizations
- Summary of staff recommendations



PREVIOUS COUNCIL & COUNCIL COMMITTEE ACTIONS

May 19, 2025:

Council awards 4th operating permit and directs staff to bring to Rules Committee a potential expansion of the number of licenses and the related process for awarding them and to treat other dispensary operators comparably

June-December 2025:

Rules Committee deliberates on potential code changes

December 10, 2025:

Rules Committee directs staff to advance the project forward for full City Council consideration

RULES COMMITTEE RECOMMENDATIONS TO CITY COUNCIL

- Supported codifying youth center definition
 - *Draft definition presented in Slide 7, which mirrors City of Alameda*
- Allow setback modifications to account for physical barriers, such as freeways or waterways
 - *Proposed draft code provisions provided on slide 8*
- Allow for the issuance of two additional cannabis operating permits (for a total of 6)
 - *Proposed draft code provisions provided on slide 9*
- Lack of consensus on modified sensitive use distancing requirements
 - See staff recommended setback modifications on slide 11
- Lack of consensus on modified zoning districts in which retail cannabis is to allowed
 - *See staff visualization map provided on slide 12*
- Develop new code requirements related to tobacco product retail use aesthetics
 - *Council adopted regulatory changes to tobacco policy on 11/3/2025 following an extensive public process*
 - *If Council separately directs staff to modify tobacco policy after cannabis policy changes are concluded, then adopted Council work plans will be impacted.*

QUESTIONS FROM COMMITTEE

- Committee inquired if Greenhouse Marketplace or Bayfair Center owners would allow cannabis retail.
 - *Ownership of both sites are not interested in leasing to cannabis retailers in the absence of federal regulatory changes.*
- Committee inquired about potential proximity to childcare centers.
 - *See slide 7. Staff is recommending a 600-foot distancing requirement from childcare centers, consistent with state law. Under state law, Family Day Care Homes are allowed by right to operate in any location where residential uses are permitted.*
- Committee inquired if the SL Chamber of Commerce or SLIA have taken a position on cannabis retail downtown.
 - *Both the Chamber and SLIA boards have been kept informed about this topic. The SLIA board opposes cannabis dispensaries within their district boundaries. City staff also provided a cannabis policy presentation at a special Chamber board meeting on 11/12/2025. The Chamber has not provided a formal position on the matter.*
- Committee inquired about the Conditional Use Permit (“C.U.P.”) process
 - See slide 10

RULES COMMITTEE RECOMMENDATION

- Codify clearer definition of Youth Center, mirroring City of Alameda.

Sample DRAFT definition:

"Youth centers" means any public or private facility that is exclusively used to host recreational or social activities for minors (under eighteen (18) years of age), such as, private youth membership organizations or clubs, social service teenage club facilities, or amusement facilities. "Youth centers" does not include any building, location, or facility where any programs, activities, or services: (a) are offered at private residences, (b) involve martial arts/combat sports, cultural or similar education, or physical fitness, or (c) are offered for fewer than five hours per day each day the building, location, or facility is open. Notwithstanding the foregoing, youth centers shall also mean any facility determined by the Recreation and Parks Department to be a recreation center in a city park."

RULES COMMITTEE RECOMMENDATION (CONT'D)

- Draft distancing provision:

A dispensary must be located at least 600 feet from sensitive receptors as identified in San Leandro Municipal code section 4-33-200(d). The minimum distance may be reduced if the approval authority finds that a significant physical or geographic barrier (e.g., a freeway, waterway, etc.) or site-specific features exist that would block access between the dispensary and the other use.

RULES COMMITTEE RECOMMENDATION

- Allow two additional permits:

DRAFT code provision:

§ 4-33-200DISPENSARY PERMIT REQUIRED AND APPLICATION FOR PERMIT.

(c) The City shall issue no more than ~~four~~ **six** valid permits for the operation of dispensaries in the City.

OVERVIEW OF C.U.P. PROCESS & STAFF RECOMMENDATION

- Requires public noticing
- Requires public hearing before the Planning Commission; includes opportunity for public comments
- Includes codified appeals process

In addition to required findings for all C.U.P.s, staff recommends applying to cannabis dispensaries the same findings that already apply to cannabis manufacturing:

- 1) The cannabis... facility is situated in an appropriate location where schools, residences, childcare centers, parks, or other sensitive land uses will not be adversely impacted.
- 2) Appropriate measures have been taken to address nuisances related to odor, noise, exhaust, and waste.
- 3) The cannabis... facility is suitably designed to be secure and aesthetically compatible with the surrounding area.
- 4) The cannabis... facility will not place a burden on the provision of public services disproportionate to other industrial uses.



Cannabis Dispensary Regulations, Alameda County Jurisdictions											
Jurisdiction	Dispensary Restrictions & Setbacks from Sensitive Uses										Number Currently Allowed by Code*
	Residential Zones	Schools	Houses of Worship	Parks/ Playgrounds/ Rec Centers	Youth Centers	Library	Child Care/ Day Care	Drug Recovery Facility	Other Dispensary	Permit Type Required for Dispensary	
Unincorporated Alameda Co.	N/A	1,000'	N/A	1,000'	N/A	N/A	1,000'	1,000'	1,000'	Use Permit	5
Alameda	N/A	1,000'	N/A	N/A	600'	N/A	600'	N/A	5,280'	Use Permit	4
Berkeley	N/A	600' Elem 1,000' Middle/ High	N/A	600'	N/A	N/A	N/A	N/A	600'	Zoning Certificate	7
Emeryville	N/A	250'	250'	250'	N/A	N/A	250'	N/A	N/A	Use Permit	4
Hayward	N/A	1,000'	N/A	600'	600'	600'	600'	N/A	500'	Use Permit	3
Oakland	N/A	600'	N/A	N/A	600'	N/A	600'	N/A	N/A	Cannabis Dispensary Permit	26
Union City	100'	100'	N/A	100'	100'	100'	100'	N/A	N/A	Commercial Cannabis Permit	3
San Leandro (existing)	500'	1,000'	1,000'	1,000'	1,000'	1,000'	1,000'	N/A	N/A	Use Permit	4
San Leandro (proposed)	N/A	600'	N/A	600'	600'	N/A	600'	N/A	N/A	Use Permit	6
Albany	not allowed										
Dublin	not allowed										
Fremont	not allowed										
Livermore	not allowed										
Newark	not allowed										
Piedmont	not allowed										
Pleasanton	not allowed										

*May not reflect number presently open for business

REGIONAL CONTEXT & STAFF RECOMMENDATION

San Leandro Zoning Districts that allow a Cannabis Dispensary with a CUP:

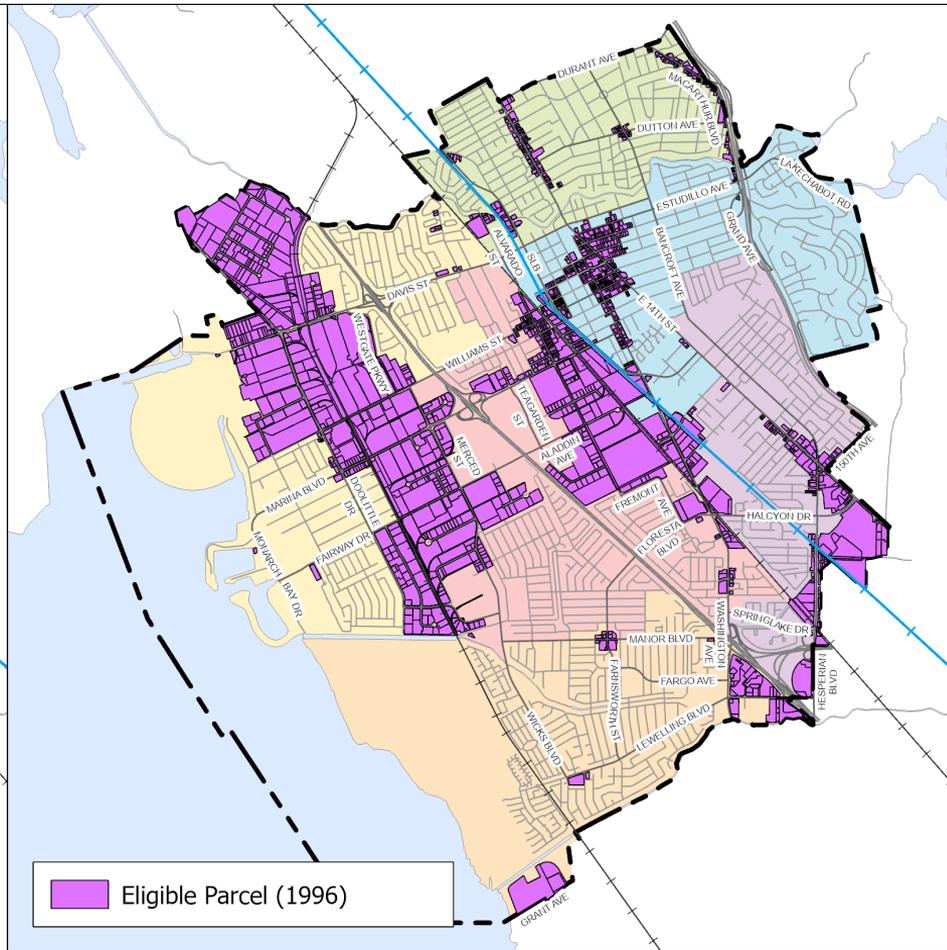
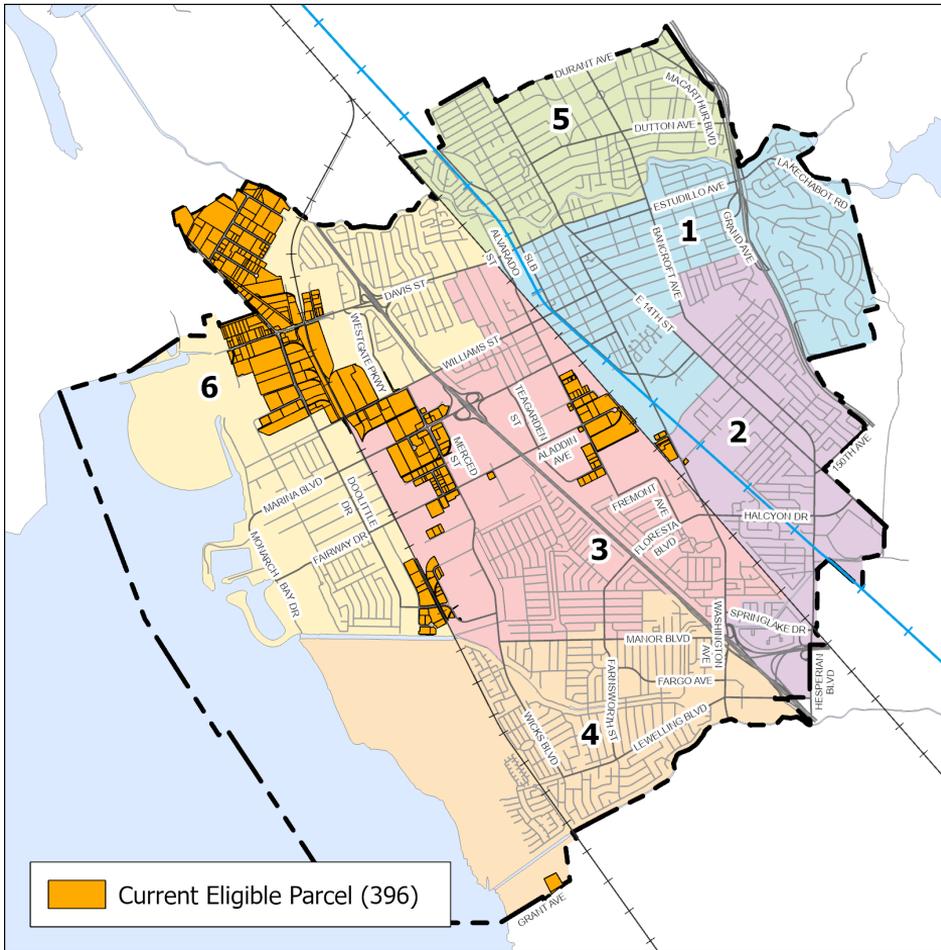
Industrial Zones

- IG - Industrial General
- IG (AU) - Industrial General (Assembly Overlay)
- IP - Industrial Park
- IT - Industrial Transition

Commercial Zones

- CC - Commercial Community

EXISTING MAP VS. RECOMMENDED MAP COMPARISON*



*viability could be further impacted by individual site constraints; excludes youth center overlay

NEXT STEPS AND RECOMMENDATIONS



Direct Staff to Proceed with the Following:

- Amend Muni Code to:
 - Allow deviations from setbacks to account for physical barriers, and define youth centers
 - Allow for two additional retail dispensaries (for a total of 6)
 - Modify minimum required setbacks as shown on slide 9
- Modify Zoning Code to (requires Planning Commission review)
 - Allow dispensaries in full range of commercial and industrial zoning districts as shown on slide 12
 - Apply cannabis manufacturing special C.U.P. findings to dispensaries
- Following Planning Commission review, bring back Zoning Code and Municipal Code changes to City Council for final adoption via Ordinance first Reading



QUESTIONS?