



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JULY 15, 2025**

FROM: COMMUNITY & ECONOMIC DEVELOPMENT **WARDS: ALL**
DEPARTMENT

SUBJECT: MUNICIPAL CODE AMENDMENTS TO CHAPTER 5.77 OF TITLE 5 CANNABIS
BUSINESS ACTIVITIES AND TITLE 19 ZONING FOR COMMERCIAL CANNABIS
BUSINESS LOCATIONS

ISSUE:

Amendments to Chapter 5.77 (Cannabis Business Activities) of Title 5 and Title 19 (Zoning) of the Riverside Municipal Code (RMC) related to the Commercial Cannabis Business (CCB) Program.

RECOMMENDATIONS:

That the City Council:

1. Determine that Planning Case PR-2025-001795 (Zoning Code Text and Cannabis Business Activities Amendment) is exempt from further California Environmental Quality Act (CEQA) review pursuant to Section 15601(b)(3) of the CEQA Guidelines as it can be seen with certainty approval of the project will not have an effect on the environment;
2. Approve Planning Case PR-2025-001795 pursuant to the findings made in the attached report;
3. Introduce and subsequently adopt an Ordinance amending Chapter 5.77 (Cannabis Business Activities) and Title 19 (Zoning) of the Riverside Municipal Code (Attachment 1); and
4. Direct staff to provide an exemption for non-retail commercial cannabis uses from the location requirements in Chapter 5.77 of the RMC.

PLANNING COMMISSION RECOMMENDATION:

On May 8, 2025, the Planning Commission voted unanimously to recommend the City Council approve text amendments to the Zoning Code and implement City Council direction on modifications to the Retail Storefront Commercial Cannabis Business (CCB) program with changes to Chapter 5.77. The motion to approve included a recommendation that the minimum distance from parks be increased from 600 feet to 1,000 feet, consistent with the requirement for schools. The staff report and draft minutes from the May 8, 2025, Planning Commission meeting are included as Attachments 2 and 3.

BACKGROUND:

On September 28, 2021, the City of Riverside received a Notice of Intent to Circulate Petition for the Riverside Cannabis Taxation and Regulation Act. The City Attorney prepared and provided a Ballot Title and Summary to the proponents on November 18, 2021. The ballot measure would have created a regulatory framework for all cannabis uses within the City. Unlike ordinances passed by City Council, regulations established through a ballot measure require any future amendments to be approved by a subsequent ballot process during a general election.

On November 18, 2021, the Economic Development, Placemaking and Branding/Marketing (EDPBM) Committee discussed the need to develop an ordinance with the legal and regulatory framework for the permitting, licensing, enforcement, taxation, and legal operations of commercial cannabis storefronts within the City limits. Over the course of 2022 the EDPBM provided direction on development of the ordinance including necessary amendments to the Riverside Municipal Code (RMC) including: Title 5 (Business Taxes, Licenses and Regulations) amendments related to licensing of cannabis business uses; Title 9 (Peace, Safety and Morals) amendments to clean up and provide consistency in cannabis regulations and terminology; and Title 19 (Zoning) amendments related to land use regulations for cannabis related uses.

The proposal was approved by the City Council on February 28, 2023, and on March 14, 2023, Ordinance 7628 was adopted replacing Chapter 5.77 (Cannabis Business Activities) in its entirety, Ordinance 7629 amending Title 9 (Peace, Safety and Morals) of the RMC, and Ordinance 7630 amending Title 19 (Zoning) of the RMC. These Ordinances established specific requirements for the permissible locations of retail cannabis businesses in relation to sensitive uses including schools, childcare facilities and community centers, as well as establishing a maximum number of 14 permits Citywide. For the purposes of land use and zoning, the Ordinances treat retail cannabis businesses as a general retail use permissible in any zone permitting other retail sales.

The Storefront Retail Commercial Cannabis Business (CCB) Program was developed and implemented consistent with the adopted Ordinances. Concerns emerged through the application review process regarding the location and concentration of proposed CCBs as well as the overall number of permits under consideration. On January 7, 2025, the City Council postponed the application review process for 90 days and directed Staff to return with options to address concerns about density of CCBs, proximity to other types of sensitive receptors, and other health and safety concerns.

On March 25, 2025, Staff presented several options for modifications to the CCB program in response to these concerns. On May 6, 2025, staff presented an Ordinance to the City Council with amendments to Chapter 5.77.

In addition to the regulatory and procedural standards include in 5.77, some items address location and separation requirements which are address in Title 19 of the RMC. In order to adopt these sections consistently throughout the Code, the land use items were presented to the Planning Commission during a public hearing on May 8, 2025, for their review and consideration. The specific items relating to the location and concentration of CCBs include:

1. Prohibit establishment of CCBs within specified “placemaking areas;”
2. Establish a minimum separation between CCBs of 1,000 feet; and
3. Establish a minimum separation between a CCB and parks of 600 feet.

The Planning Commission voted to recommend that the City Council approve the land use changes included in 5.77 of the RMC with one modification, increasing the minimum separation distance for parks from 600 feet to 1,000 feet to be consistent with the requirement for schools. Accordingly, the Ordinance amendment recommended by the Planning Commission (Attachment 1) is being introduced to the City Council at this Public Hearing. The Ordinance introduced on May 6, 2025, is not being considered by the City Council.

DISCUSSION:

Presented as part of this item are the land use standards in Chapter 5.77 and Title 19 changes.

A high-level overview of the City’s current regulations will be provided below, followed by a summary of the proposed amendments and their potential effects if implemented, and an overview of related legislative activity.

Chapter 5.77 Modifications

Per the direction given by the City Council on March 25, 2025, several amendments to Title 5 affecting to the location and concentration of storefront retail CCBs are made, having the following effects:

1. No permits shall be issued to storefront retail CCBs located within:

- a. The Downtown Neighborhood (Attachment 4); or
 - b. The district referred to as “Midtown” (Attachment 5).
2. The minimum distance between two storefront retail CCBs shall not be less than 1,000 feet.
 3. The minimum distance between a storefront retail CCBs and a park shall not be less than 1,000 feet.

Current Zoning Code

For the purpose of Zoning compliance, storefront retail CCBs are treated identically to any general retail use, and are therefore permitted by right in all Commercial and Mixed-Use Zones pursuant to Table 19.150.020.A – Base Zones Permitted Land Uses (Permitted Uses Table). Retail Storefront CCBs are listed separately in the Permitted Uses Table; however, that table entry directs the reader to refer to the entry for Retail Sales for information on which Zones permit the use.

Chapter 5.77 (Cannabis Business Activities) does contain additional requirements for allowable locations for retail storefront CCBs that have an effect similar to Zoning regulations; however, these are not referenced in the Zoning Code.

Proposed Zoning Text Amendment

Proposed Change: A note is added to the Notes Column of Table 19.150.020.A indicating that additional locational restrictions apply to storefront retail CCBs pursuant to Chapter 5.77 of the RMC.

| | RC** | RA-5** | RR | RE | R-1 | R-3 | R-4 | O | CR | CG | CRC* | MU-N | MU-V* | MU-U* | BMP | I | AI | AIR | PF | RWY | NC Overlay | |
|----------------------------|------|--------|----|----|-----|-----|-----|---|----|----|------|------|-------|-------|-----|---|----|-----|----|-----|------------|---|
| Cannabis Cultivation | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | See Also Incidental Uses Table |
| Cannabis, Microbusiness | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | |
| Cannabis Storefront Retail | | | | | | | | | | | | | | | | | | | | | | See Retail Sales. Additional location restrictions apply. See Chapter 5.77 – Cannabis Business Activities |

Effect: The user is made aware that additional restrictions apply to storefront retail CCBs beyond those that apply to other general retail uses and that these additional restrictions are enumerated in RMC Chapter 5.77.

Non-Retail Commercial Cannabis Uses

On November 7, 2017, the City Council approved an Ordinance amending the RMC to add Chapter 5.77 regarding cannabis testing laboratories while prohibiting retail and other non-retail cannabis uses. The Ordinance contained a permitting process, renewal process, revocation process, and enforcement measures for cannabis testing laboratories. The Ordinance did not establish location requirements for cannabis testing laboratories as they were determined to be relatively low-risk as compared to cannabis retail storefronts.

From 2017 to 2023, the City focused on establishing a regulatory framework for cannabis businesses with a primary focus on cannabis retail storefronts. In March 2023, the City Council adopted an Ordinance amending Chapter 5.77, establishing rules and regulations, including location requirements for retail and the permitted non-retail commercial cannabis uses: manufacturing, distribution, and testing laboratories. The RMC prohibits cannabis cultivation businesses. Each of these non-retail cannabis uses generally have a lower level of impact on neighboring areas when licensed and regulated appropriately, and location requirements beyond general zoning are not necessary because they would be located within an Industrial or Manufacturing Zone.

Staff recommends City Council provide direction to staff to exempt cannabis testing laboratories, cannabis manufacturing, and cannabis distribution businesses from the location requirements in Chapter 5.77, which are primarily designed for retail storefronts. If exempted from the City’s location requirements, the non-retail cannabis uses will still be required to meet the State of California’s location requirements to obtain a

state license. The state-established location requirements prohibit a commercial cannabis business from locating within 600 feet of a school (K-12), daycare, or youth center.

PUBLIC NOTICE AND COMMENT

Notice was published in the *Press-Enterprise* on July 1, 2025. As of the writing of this report, no comments have been received. One comment letter submitted for record prior to the Planning Commission Hearing is attached to this report for reference (Attachment 6).

STRATEGIC PLAN ALIGNMENT:

This item contributes to the Envision Riverside 2025 City Council Strategic **Priority No. 2 – Community Well-Being**, specifically **Goal 2.4** – Support programs and innovations that enhance community safety, encourage neighborhood engagement, and build public trust.

The item aligns with each of the Cross-Cutting Threads as follows:

1. **Community Trust** – The City is transparent and makes decisions based on sound policy and inclusive community engagement with timely and reliable information.
2. **Equity** – The City is supportive of racial, ethnic, religious, sexual orientation, identity, geographic, and other attributes of diversity. Consideration of the proposed amendments demonstrates that the City is committed to advancing the fairness of treatment, recognition of rights, and equitable distribution of services to ensure every member of the community has equal access to share in the benefits of community progress.
3. **Fiscal Responsibility** – The City is a prudent steward of public funds and ensures responsible management of the City's financial resources while providing quality public services to all.

FISCAL IMPACT:

There is no fiscal impact associated with this report.

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| Prepared by: | Matthew Taylor, Principal Planner Kyle Warsinski, Senior Project Manager |
| Approved by: | Jennifer A. Lilley, Community & Economic Development Director |
| Certified as to availability of funds: | Kristie Thomas, Finance Director/Assistant Chief Financial Officer |
| Approved by: | Mike Futrell, City Manager |
| Approved as to form: | Rebecca McKee-Reimbold, Interim City Attorney |

Attachments:

1. Ordinance Amending Title 5 and Title 19
2. Planning Commission Report – May 8, 2025
3. Draft Planning Commission Minutes – May 8, 2025
4. Map – Downtown Neighborhood
5. Map – Midtown District
6. Presentation
7. Notice
8. Comment Letters Received