



**PLANNING COMMISSION HEARING DATE: JANUARY 19, 2023
AGENDA ITEM NO.: 4**

SUMMARY

Case Numbers	PR-2022-001453 (Zoning Text Amendment)
Request	<p>Proposal by the City of Riverside to consider amendments to Title 19 (Zoning) of the Riverside Municipal Code, including but not limited to Articles V (Base Zones and Related Use and Development Provisions), VI (Overlay Zones), VII (Specific Land Use Provisions), and X (Definitions) related to commercial cannabis uses. The proposed amendments are related to proposed amendments to Titles 5 (Business Taxes, Licenses and Regulations) and 9 (Peace, Safety and Morals) to establish a Cannabis Business Permit Program in the City at the direction of the City Council Economic Development, Placemaking and Branding/Marketing Committee. Proposed amendments to Title 19 include but are not limited to:</p> <ol style="list-style-type: none">1. Eliminate the Citywide prohibition of commercial cannabis uses;2. Establish Cannabis Storefront Retail, Cannabis Warehousing/Distribution and Cannabis Testing Laboratories as permitted/conditionally permitted uses in specified Zones;3. Establish Cannabis Cultivation and Cannabis Microbusinesses as prohibited uses in all Zones;4. Amend various Chapters of the Zoning Code for consistency with proposed amendments to Titles 5 and 9 of the Municipal Code; and5. Establish Definitions related to the proposed changes to cannabis uses.
Applicant	City of Riverside, Community and Economic Development Department
Project Location	Citywide
Ward	Citywide
Staff Planner	Judy Egüez, Senior Planner 951-826-3969 jeguez@riversideca.gov

RECOMMENDATIONS

That the Planning Commission:

1. **Recommend** that the City Council determine that Planning Case PR-2022-001453 is exempt from further California Environmental Quality Act (CEQA) review pursuant to Section 15061(b)(3) (General Rule), as it can be seen with certainty that approval of the project will not have an effect on the environment;
2. **Recommend Approval** of the Planning Case PR-2022-001453 (Zoning Text Amendment) as outlined in the staff report and summarized in the Findings section of this report.

BACKGROUND

In 2016, California voters passed Proposition 64 (The Adult Use of Marijuana Act) which allowed for adults 21 or older to legally grow, possess and use cannabis for recreational purposes and legalized the sale and distribution of cannabis statewide. Shortly thereafter, Governor Brown signed Senate Bill 94 (The Medicinal Adult-Use Cannabis Regulation and Safety Act or MAUCRSA) into law. While the MAUCRSA created minimum requirements for licensees statewide, Proposition 64 and Senate Bill 94 gave local governments the flexibility to implement local regulatory frameworks for land-use entitlements, building permits and business/operating licenses for cannabis related uses.

Following the passage of Proposition 64, the City Council acted to implement a moratorium on commercial cannabis activities in the City and subsequently adopted Ordinances permitting and regulating Cannabis Testing Laboratories and prohibiting:

- 1) the retail and commercial sale of cannabis;
- 2) commercial agricultural cultivation of marijuana;
- 3) the manufacturing and sale of marijuana extractable and consumable products;
- 4) distribution of all marijuana and cannabis associated products;
- 5) the establishment of microbusinesses such as boutique lounges; and
- 6) outdoor cultivation of all marijuana plants, including medical marijuana.

On September 28, 2021, the City of Riverside received a Notice of Intent to Circulate Petition for the Riverside Cannabis Taxation and Regulation Act, then amended on November 5, 2021 (Exhibit 1). The City Attorney prepared and provided a Ballot Title and Summary to the proponents on November 18, 2021.

If the proponents continue through the initiative process and gather enough signatures required within 180 days (May 17, 2022), then City Council could choose one of two options: Call an election to place the ballot measure on the ballot during an election (special or regular); or Adopt the proposed Ordinance without revision.

If passed by voters or accepted by the City Council, it would create a regulatory framework for all cannabis uses within the City, largely without City Council, staff, or community input. Unlike ordinances passed by City Council, regulations established through a voter-initiated ballot cannot be amended or modified by sole action of the City Council. Any future amendments must go through a ballot process during a general election for approval.

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 and directed staff to return to the Committee with Ordinance options.

On March 24, 2022, the EDPBM Committee directed staff to prepare amendments for the Riverside Municipal Code (RMC): 1) Title 5 – Business Taxes, Licenses and Regulations amendments related to licensing of cannabis business uses; 2) Title 9 – Peace, Safety and Morals amendments to clean up and provide consistency in cannabis regulations and terminology; and 3) Title 19 - Zoning amendments related to land use regulations for cannabis related uses. Staff was also directed to conduct a financial analysis on potential revenue and move forward with a cannabis tax ballot measure in 2024 with the type of tax, language, and percentage to be determined at a later date.

On October 20, 2022, Staff presented an update to the EDPBM Committee on the draft Municipal Code Amendments and requested additional direction to finalize the draft amendments in order to move the program forward for consideration by the Planning Commission and City Council (Exhibit 2).

On December 8, 2022, Staff conducted a Workshop before the Planning Commission to introduce the components of the Cannabis Business Permit Program, with a focus on how it relates to Title 19 (Zoning). Staff also received input for City Council's consideration. Discussions on the topic included proximity to sensitive receptors, uses considered as sensitive receptors, concentration of cannabis retail businesses, whether the permit process would be cost-prohibitive for small businesses, and impacts on crime. Maps have been prepared illustrating the recommendations of Staff, the EDPBM Committee and suggestions from the Planning Commission Workshop and are attached for informational purposes only as Exhibit 3.

PROPOSAL

The proposed amendments to Title 19 (Zoning) of the Riverside Municipal Code are included as Exhibit 4 and comprise of the following:

1. Eliminates the prohibition of commercial cannabis uses in the City;
2. Establishes Cannabis Storefront Retail, Cannabis Warehousing/Distribution and Cannabis Testing Laboratories as permitted/conditionally permitted uses in specified Zones;
3. Establishes Cannabis Cultivation and Cannabis Microbusinesses as prohibited uses in all Zones;
4. Amends various Chapters of the Zoning Code for consistency with proposed amendments to Titles 5 and 9 of the Municipal Code; and
5. Establishes Definitions related to the proposed changes to commercial cannabis uses.

Eliminates prohibition of commercial cannabis uses

Title 19 contains several sections that prohibit commercial cannabis uses (19.146.025, 19.150.020, 19.220, 19.342.020). The proposed amendment eliminates language indicating that commercial cannabis uses are prohibited.

Establishes permitted or conditionally permitted uses related to commercial cannabis

The proposed amendment revises the Permitted Uses Table (19.150.020.A) to include commercial cannabis uses and the respective zone in which they are permitted. Cannabis storefront retail, cannabis testing laboratories, and cannabis warehouse & distribution will all be referred to existing uses as they operate in the same manner. No new uses are introduced.

Prohibited cannabis uses

The proposed amendment revises the Permitted Uses Table (19.150.020) to add Cannabis Microbusiness as a prohibited use. Cannabis Cultivation remains a prohibited use in the Permitted Uses Table (19.150.020.A) and in the Incidental Uses Table (19.150.020.B).

Amendments for consistency

The proposed amendment makes revisions to Title 19 for consistency in language. Throughout Title 19, the term “marijuana” is changed to “cannabis”.

Definitions

Definitions for cannabis uses are included in Chapter 19.910 with references to Title 5. All previous definitions for “Marijuana” and marijuana uses are proposed to be deleted with a reference to see the definitions under “Cannabis”.

PUBLIC OUTREACH AND COMMENT

Public input has been conducted as part of the discussions before the EDPBM Committee. Meetings were held in November 2021, March 2022, and October 2022. A workshop was also held before the Planning Commission on December 8, 2022. Additionally, EDPBM Committee members have conducted presentations, upon request, from several community groups. A Notice of Hearing for the proposed Title 19 Amendment was published in the *Riverside Press-Enterprise* pursuant to the requirements of Section 19.670.040 of the Zoning Code. As of the writing of this report, one comment has been received (Exhibit 5).

A public outreach program will be developed for the prospective 2024 sales tax measure moving forward.

ENVIRONMENTAL REVIEW

The proposed amendments are exempt from additional California Environmental Quality Act (CEQA) review pursuant to Section 15061(b)(3) of the CEQA guidelines, as it can be seen with certainty that the proposed amendments will have no effect on the environment.

FINDINGS

Zoning Code Amendment Findings pursuant to Chapter 19.810.040:

- 1) The proposed Zoning Code Amendments are generally consistent with the goals, policies, and objectives of the General Plan;
- 2) The proposed Zoning Code Text Amendments will not adversely affect surrounding properties; and

- 3) The proposed Zoning Code Text Amendments will promote public health, safety, and general welfare and serves the goals and purposes of the Zoning Code.

ENVISION RIVERSIDE 2025 STRATEGIC PLAN ALIGNMENT

This item contributes to the Envision Riverside 2025 City Council Strategic Plan, specifically Priority 3 (Economic Opportunity), Goal 3.3, to cultivate a business climate that welcomes innovation, entrepreneurship, and investment; and Priority 5 (High-Performing Government), Goal 5.4, to achieve and maintain financial health by addressing gaps between revenues and expenditures.

In addition, the project aligns with the five Cross-Cutting Threads as follows:

1. **Community Trust** – The City continues to be transparent in studying the potential Commercial Cannabis Program. A community outreach program will be developed as part of the process and ultimately, residents will decide on the ballot measure on any potential business tax.
2. **Equity** – The Commercial Cannabis Program will provide opportunities for those impacted in the past because cannabis was illegal. The review process, open to all, would include criteria to choose those businesses that would best fit and operate in the City of Riverside.
3. **Fiscal Responsibility** – With the collection of a business tax, voted on by the residents of the City, the City would realize additional revenue that is lost because these businesses are not permitted in Riverside.
4. **Innovation** – The Commercial Cannabis Program would be prepared using an expert consultant that fully understands the State laws ensuring that the best and a creative approach will be used to regulate cannabis businesses.
5. **Sustainability & Resiliency** – The proposed Commercial Cannabis Program will help the City to realize additional business tax that will ensure its sustainability and resiliency.

APPEAL INFORMATION

Actions by the City Planning Commission, including any environmental finding, may be appealed to the City Council within ten calendar days after the decision. Appeal filing and processing information may be obtained from the Planning Department Public Information Section, 3rd Floor, City Hall.

EXHIBITS LIST

1. Notice of Intent to Circulate Petition
2. Economic Development, Placemaking, Marketing/Branding Committee Report – October 20, 2022
3. Sensitive Receptor Maps
4. Proposed Title 19 Amendments
5. Comment Letter
6. Presentation

Prepared by: Judy Egüez, Senior Planner
Approved by: Matthew Taylor, Principal Planner

From: Steven Wu <stevenjcwu@gmail.com>

Sent: Tuesday, January 17, 2023 6:59 PM

To: Eguez, Judy <JEguez@riversideca.gov>; Andrade, Frances <FANDRADE@riversideca.gov>

Subject: [External] Public Comment Planning Case PR-2022-001453

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Hello,

My name is Steven and I am a resident of Riverside who has loved living here in this City. Though many of my family members and friends in LA and Orange County have a negative perception of Riverside (for its crime, homelessness, etc), I have found a great community and forged wonderful memories here. This is why I am gravely disappointed that the Planning Commission is considering an amendment of Title 19 in code for allowance of commercial cannabis uses (PLANNING CASE PR-2022-001453).

For a City allegedly geared towards arts and innovation and a City which has made positive strides in the last years to bring higher-paying jobs and higher-quality commercial establishments to the City, I believe this considered amendment allowing commercial cannabis uses and cannabis cultivation would greatly hurt the City's strides towards public safety and a better reputation. As someone who has had many family members and friends leave cities such as Moreno Valley due to the increased marijuana dispensaries, warehouse uses, and so on, I am shocked that the City of Riverside would not see the grave risk of following the trajectory of Moreno Valley, Perris, and San Bernardino should cannabis allowances be made here.

Additionally, we take issue with the broad statement that this project is exempt from CEQA as we strongly disagree with staff's statement that "there is no possibility the project will have a significant effect on the environment". We see this as a big overreach on staff's perspective in applying Section 15061(b)(3) (CommonSense) of CEQA, as conversely, to our perspective it is common sense that this project *will* negatively and significantly impact the environment if cannabis is grown, distributed, and made more increasingly available for consumption in this City. Furthermore, we believe that crime and homelessness will only be further exacerbated if the City should encourage additional drug use within its zones through a lax zoning code and planning policies. For these reasons as well as many others that we don't have time to list, we strongly urge that the Planning Commission **deny** staff's recommendation to amend Title 19 for cannabis uses and we plead that the City not give up its hard-won progress in making Riverside the great city that it is now.

Thanks you,

Steven Wu
6348 Westview Dr.
Riverside, CA 92506

From: Kaitlyn Wu <kaitlynlorene.wu@gmail.com>

Sent: Tuesday, January 17, 2023 5:21 PM

To: Eguez, Judy <JEguez@riversideca.gov>; Andrade, Frances <FANDRADE@riversideca.gov>

Subject: [External] Public Comment: PLANNING CASE PR-2022-001453

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Hello,

My name is Kaitlyn and I am a resident of Riverside who has loved living here in this City. Though many of my family members and friends in LA and Orange County have a negative perception of Riverside (for its crime, homelessness, etc), I have found a great community and forged wonderful memories here. This is why I am gravely disappointed that the Planning Commission is considering an amendment of Title 19 in code for allowance of commercial cannabis uses (PLANNING CASE PR-2022-001453).

For a City allegedly geared towards arts and innovation and a City which has made positive strides in the last years to bring higher-paying jobs and higher-quality commercial establishments to the City, I believe this considered amendment allowing commercial cannabis uses and cannabis cultivation would greatly hurt the City's strides towards public safety and a better reputation. As someone who has had many family members and friends leave cities such as Moreno Valley due to the increased marijuana dispensaries, warehouse uses, and so on, I am shocked that the City of Riverside would not see the grave risk of following the trajectory of Moreno Valley, Perris, and San Bernardino should cannabis allowances be made here.

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Thanks,

Kaitlyn Wu
6348 Westview Dr.
Riverside, CA 92506

Distributed at Planning Commission

January 19, 2023

Agenda Item: 04

RECEIVED

NOV 05 2021

City of Riverside
City Clerk's Office

Notice of Intent to Circulate Petition

Notice is hereby given by the persons whose names appear hereon of their intention to circulate the petition within the City of Riverside, CA for the purpose of taxing and regulating cannabis. A statement of the reasons of the proposed action as contemplated in the petition is as follows:

Without regulation, the cultivation and manufacturing of cannabis, and its subsequent transportation, distribution, and retail sales has potential adverse effects to the health and safety of the community. By creating a fair and reasonable regulatory environment for cannabis businesses, the City will be able to maintain order while avoiding undue burdens on its financial resources, and investing in our local community.

Resident and Voter of Riverside

Saul Rodriguez Jr



Affidavit of Proponent

Pursuant to Section 9608 of the California Elections Code, the following affidavit is submitted:

I, Saul Rodriguez Jr, acknowledge that it is a misdemeanor under state law (section 18650 of the Elections Code) to knowingly or willfully allow the signatures on an initiative petition to be used for any purposes other than qualification of the proposed measure for the ballot. I certify that I will not knowingly or willfully allow the signatures for this initiative to be used for any purpose other than qualification of the measure for the ballot.

I declare under the penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on 11/3/21, 2021, at Riverside County, California.


Saul Rodriguez Jr 

Letter of Authorization

I, Saul Rodriguez Jr, the proponent of the Riverside Cannabis Taxation and Regulation Act submitted to the City of Riverside on 11/5, 2021, do hereby authorize Ryan Fischer and Dorothy Groza, to act on my behalf for the purposes of contact, correspondence, filing of documents, negotiations, and acquisition of voter data with the City of Riverside and/or County of Riverside.



Saul Rodriguez Jr

Ryan Fischer's contact information is as follows:

Ryan Fischer

Phone: 909-900-9166

Email: ryanfischer72@yahoo.com

Dorothy Groza's contact information is as follows:

Dorothy Groza

Phone: 562-999-1577

Email: dorothy.groza@gmail.com

Request that a Ballot Title and Summary be prepared by the City Attorney

I, Saul Rodriguez Jr, a resident of the City of Riverside residing at 6530 Harley St
Riverside, CA and proponent of the Riverside Cannabis Taxation and Regulation Act submitted to the
City Clerk of the City of Riverside today, 11/5, 2021, request that the City Attorney of the
City of Riverside prepare a Ballot Title and Summary for the proposed measure.

X
S

RIVERSIDE

THE RIVERSIDE CANNABIS TAXATION AND REGULATION ACT – An Uncodified Initiative Ordinance for the City of Riverside

The People of the City of Riverside do ordain as follows:

SECTION 1: TITLE

This initiative shall be known as and may be cited as the Riverside Cannabis Taxation and Regulation Act of 2022.

SECTION 2: FINDINGS AND DECLARATIONS

We the people of the City of Riverside do find and declare the following:

A. In November 1996, voters approved Proposition 215, the Compassionate Use Act ("CUA"), which decriminalized the use of medicinal cannabis in California (codified in California Health and Safety Code Section 11362.5 et seq.).

B. In 2015, California enacted three bills – Assembly Bill 243 (Wood); Assembly Bill 266 (Bonta); and Senate Bill 643 (McGuire) - that collectively established a comprehensive state regulatory framework for the licensing and enforcement of cultivation, manufacturing, retail sale, transportation, storage, delivery, and testing of medicinal cannabis in California. The regulatory scheme was known as the Medicinal Cannabis Regulation and Safety Act (MCRSA).

C. In 2016 the voters of the State of California, including the voters in the City of Riverside, passed Proposition 64, the "Control, Regulate and Tax Adult Use of Marijuana Act ("AUMA"). Under AUMA, adults 21 years of age or older may legally grow, possess, and use cannabis for nonmedicinal purposes, with certain restrictions. In addition, beginning on January 1, 2018, AUMA made it legal to sell and distribute cannabis through a regulated business.

D. In 2017, the State of California passed the Medicinal and Adult Use Cannabis Regulation and Safety Act ("MAUCRSA") which establishes a robust set of regulations for the medicinal and adult nonmedicinal use cannabis markets, aligns all permit types, authorizes certain state agencies to establish rules governing cannabis operations and to implement the law; and preserves local control over cannabis-related uses by requiring all cannabis businesses to obtain both a state license and a local license or permit.

E. Without regulation, the cultivation and manufacturing of cannabis, and its subsequent transportation, distribution, and retail sales has potential adverse effects to the health and safety of the community. By creating a fair and reasonable regulatory environment for cannabis businesses, the City will be able to maintain order while avoiding undue burdens on its financial resources.

F. Bringing cannabis into a regulated and legitimate market will create a transparent and accountable system. City revenues from a legal and regulated market can cover not only the cost of administering the new law but can also be used to invest in many programs, including but not limited to; public health programs that educate youth to prevent and treat serious

substance abuse; train local law enforcement to enforce the new law; invest in the community to reduce the illicit market and create job opportunities.

SECTION 3: PURPOSE AND INTENT

It is the intent and purpose of this code to allow medical and adult use cannabis businesses in portions of the city where such uses would be compatible with surrounding commercial and industrial uses and not materially detrimental to adjacent properties. It is the further intent of this code to regulate the location, cultivation, production, manufacturing, testing, transportation, distribution, dispensing, acquisition and use of cannabis in a manner that is consistent with the State Compassionate Use Act ("CUA"), the State Medicinal and Adult Use Cannabis Regulation and Safety Act ("MAUCRSA"), as well as with laws and regulations that have been or may be enacted by the State regarding the same, including but not limited to cannabis for medicinal or recreational use. It is the further intent of this code to regulate cannabis businesses which, unless closely regulated, may have the potential of causing adverse secondary effects upon the community. This code is intended to minimize this potential impact. To do so, the following regulations:

- A. Provide for a means of cultivation, production, manufacturing, testing, transportation, distribution, retail sales, acquisition and use of cannabis by persons who qualify to obtain, possess, and use cannabis for purposes consistent with State law.
- B. Protect public health and safety through reasonable limitations on cannabis businesses as they relate to noise, air and water quality, food safety, community safety, security, nuisance conditions and other health and safety concerns.
- C. Impose fees and taxes to cover the cost to the City of regulating cannabis businesses in an amount sufficient for the City to recover its related costs, and to help mitigate against possible adverse secondary effects.
- D. Adopt a mechanism to monitor compliance with the provisions of this City Code and State law.
- E. Create regulations that address the particular needs of the residents and businesses of the City and coordinate with laws and regulations that have been or may be enacted by the State regarding the same, including but not limited to cannabis for medicinal or recreational use.
- F. Create local area jobs and economic opportunities within the City.
- G. Facilitate the implementation of State law without going beyond the authority granted to the City by the State.
- H. Protect the public health and safety by limiting the locations in the City where cannabis businesses may operate.

SECTION 4: AMENDMENT OF GENERAL PLAN, SPECIFIC PLANS, CITY OF RIVERSIDE ZONING MAP, MUNICIPAL CODE AND ZONING CODES

To ensure consistency with any zoning or regulatory changes enacted by this initiative to add cannabis businesses as an allowed use for certain select properties within the City of Riverside, the citizens of the City of Riverside do hereby amend the General Plan, any and all Specific Plans that contain property

named or described in this initiative, the City of Riverside Zoning Map, the City of Riverside Municipal Code and City of Riverside Zoning Code.

SECTION 5: DEFINITIONS

"A-licensee" has the same meaning as the term as provided in MAUCRSA at this time, but if that definition is amended by State law in the future, as amended. Currently under MAUCRSA, it means any person holding a license under MAUCRSA for cannabis or cannabis products that are intended for adults 21 years of age and over and who do not possess physician's recommendations.

"Applicant" means any individual or entity applying for a cannabis business permit under this code.

"Authorized Individual" means an individual person elected by a corporate entity to act on its behalf and able to make decisions on the corporate entity's behalf. For the purposes of this code, the authorized individual(s) must be named directors, members, or officers of the entity as listed on the entity's Statement of Information as submitted to the California Secretary of State.

"Building" means any structure having a roof supported by columns or by walls and designed for the shelter or housing of any person, chattel or property of any kind.

"Bureau" has the same meaning as the term as provided in MAUCRSA at this time, but if that definition is amended by State law in the future, as amended. Currently under MAUCRSA, it means the Department of Cannabis Control within the Department of Consumer Affairs.

"Business Entity Address" means an address listed on the applicant's Statement of Information as submitted to the California Secretary of State that is designated by the applicant for a cannabis business permit under this code to serve as the applicant's Business Entity Address for the purposes of their Local Community Enterprise Score.

"Cannabis" has the same meaning as cannabis or marijuana as provided in MAUCRSA at this time, but if that definition is amended by State law in the future, as amended. Currently under MAUCRSA, Cannabis means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this code, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the California Health and Safety Code.

"Cannabis products" has the same meaning as cannabis products as provided in MAUCRSA at this time, but if that definition is amended by State law in the future, as amended. Currently under MAUCRSA, it has the same meaning as defined in Section 11018.1 of the California Health and Safety Code.

"City" means the City of Riverside, California.

"City council" shall mean the city council of the City of Riverside, California.

"City manager" shall mean the city manager of the City of Riverside, California, or his/her designee.

"Code" means the City of Riverside municipal code, including all development and zoning codes and the Comprehensive Zoning Ordinance of the City of Riverside.

"Commercial cannabis activity" has the same meaning as the term as provided in MAUCRSA at this time, but if that definition is amended by State law in the future, as amended. Currently under MAUCRSA, it means cultivation, possession, manufacture, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sales of cannabis and cannabis products.

"Conviction" means a plea or verdict of guilty, or a conviction following a plea of nolo contendere.

"Cultivation" has the same meaning as the term as provided in MAUCRSA at this time, but if that definition is amended by State law in the future, as amended. Currently under MAUCRSA, it means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.

"Cultivation Site" has the same meaning as the term as provided in MAUCRSA at this time, but if that definition is amended by State law in the future, as amended. Currently under MAUCRSA, it means a location where cannabis is planted, grown, harvested, dried, cured, graded or trimmed, or a location where any combination of those activities occurs.

"Customer" has the same meaning as the term as provided in MAUCRSA at this time, but if that definition is amended by State law in the future, as amended. Currently under MAUCRSA, it means a natural person 21 years of age or over or a natural person 18 years of age or older who possesses a physician's recommendation.

"Day care center" has the same meaning as the term as provided in MAUCRSA at this time, but if that definition is amended by State law in the future, as amended. Currently it has the same meaning as in Section 1596.76 of the California Health and Safety Code.

"Delivery" has the same meaning as the term as provided in MAUCRSA at this time, but if that definition is amended by State law in the future, as amended. Currently under MAUCRSA, it means the commercial transfer of cannabis or cannabis products to a customer. "Delivery" also includes the use by a retailer of any technology platform owned and controlled by the retailer.

"Distribution" has the same meaning as the term as provided in MAUCRSA at this time, but if that definition is amended by State law in the future, as amended. Currently under MAUCRSA, it means the procurement, sale, and transport of cannabis and cannabis products between licensees.

"Distributor" has the same meaning as the term as provided in State law at this time, but if that definition is amended by State law in the future, as amended. Currently under State law, it means for the distribution of cannabis and cannabis products. A distributor licensee shall be bonded and insured at a level established by the State licensing authority.

"Dried flower" has the same meaning as the term as provided in MAUCRSA at this time, but if that definition is amended by State law in the future, as amended. Currently under MAUCRSA, it means all dead cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and trim.

"Greenhouse" means a building, typically constructed of a translucent building material in which plants are grown in a controlled environment. For the purposes of this code a cultivation site within a Greenhouse is considered to be an indoor cultivation site.

"Gross Sales" except as otherwise specifically provided, means, whether designated a sales price, royalty, rent, commission, dividend, or other designation, the total amount (including all receipts, cash, credits, services and property of any kind or nature) received or payable for sales of goods, wares or merchandise or for the performance of any act or service of any nature for which a charge is made or credit allowed (whether such service, act or employment is done as part of or in connection with the sale of goods, wares, merchandise or not), without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, losses or any other expense whatsoever. However, the following shall be excluded from the definition of Gross Receipts:

1. Cash discounts where allowed and taken on sales;
2. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
3. Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;
4. Receipts derived from the occasional sale of used, obsolete or surplus trade fixtures, machinery or other equipment used by the taxpayer in the regular course of the taxpayer's business;
5. Cash value of sales, trades or transactions between departments or units of the same business;
6. Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a subsequent year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected they shall be included in the amount of gross receipts for the period when they are recovered;
7. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded when in excess of one dollar;
8. Amounts collected for others where the business is acting as an agent or trustee and to the extent that such amounts are paid to those for whom collected. These agents or trustees must provide the City's finance department with the names and the addresses of the others and the amounts paid to them. This exclusion shall not apply to any fees, percentages, or other payments retained by the agent or trustees.
9. Retail sales of t-shirts, sweaters, hats, stickers, key chains, bags, books, posters, rolling papers, cannabis accessories such as pipes, pipe screens, vape pen batteries without cannabis) or other personal tangible.

"Indoor" means situated, conducted, or used within a building.

"Licensee" has the same meaning as the term as provided in MAUCRSA at this time, but if that definition is amended by State law in the future, as amended. Currently under MAUCRSA, it means any person holding a license issued under MAUCRSA, regardless of whether the license held is an A-license or an M-license, and includes the holder of a testing laboratory license.

"Local Non-Profit Organization" means a California registered domestic non-profit entity and/or a 501(c)(6) organization, that has maintained both of the following for more than three hundred and sixty-five (365) days as calculated by the City manager or his/her designee: 1) a mailing address within City limits, and 2) an active business license issued from the City.

"M-license" has the same meaning as the term as provided in MAUCRSA at this time, but if that definition is amended by State law in the future, as amended. Currently under MAUCRSA, it means a state license issued under MAUCRSA for commercial cannabis activity involving medicinal cannabis.

"Manufacture" has the same meaning as the term as provided in MAUCRSA at this time, but if that definition is amended by State law in the future, as amended. Currently under MAUCRSA, it means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.

"Manufacturer" has the same meaning as the term as provided in MAUCRSA at this time, but if that definition is amended by State law in the future, as amended. Currently under MAUCRSA, it means a licensee that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container.

"Manufactured cannabis" has the same meaning as the term as provided in MAUCRSA at this time, but if that definition is amended by State law in the future, as amended. Currently under MAUCRSA, it means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product.

"Marijuana" has the same meaning as cannabis.

"Medical marijuana" has the same meaning as medicinal cannabis.

"Microbusiness," has the same meaning as the term as provided in MAUCRSA at this time, but if that definition is amended by State law in the future, as amended. Currently it means for the cultivation of cannabis on an area less than 10,000 square feet and to act as a licensed distributor, Level 1 manufacturer, and retailer under this division, provided such licensee can demonstrate compliance with all requirements imposed by this division on licensed cultivators, distributors, Level 1 manufacturers, and retailers to the extent the licensee engages in such activities. Microbusiness licenses that authorize cultivation of cannabis shall include the license conditions described in subdivision (b) of Section 26060.1 of the California Business and Professions Code.

"Nursery" has the same meaning as the term as provided in MAUCRSA at this time, but if that definition is amended by State law in the future, as amended. Currently under MAUCRSA, it means a licensee that produces only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis.

"Permit" means a cannabis business permit issued by the City that authorizes a person to conduct commercial cannabis activity, pursuant to this code.

"Permittee" means a person issued a permit under this code to engage in commercial cannabis activity.

"Person" has the same meaning as the term as provided in MAUCRSA at this time, but if that definition is amended by State law in the future, as amended. Currently under MAUCRSA, it means an individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit and includes the plural as well as the singular number.

"Premise" means the designated structure or structures specified that is owned, leased, or otherwise held under the control of the applicant, licensee or permittee where the commercial cannabis activity will be or is conducted. "Parcel" means a contiguous quantity of land, in the possession of, or owned by, or recorded as the property of the same claimant or person.

"Retailer," has the same meaning as the term as provided in State law at this time, but if that definition is amended by State law in the future, as amended. Currently under State law a retailer is for the retail sale and delivery of cannabis or cannabis products to customers. A retailer shall have a licensed premise which is a physical location from which commercial cannabis activities are conducted. A retailer's premises may be closed to the public. A retailer may conduct sales exclusively by delivery.

"State law" means the State Compassionate Use Act ("CUA"), the State Medical Marijuana Program Act ("MMPA"), the State Medical Cannabis Regulation and Safety Act ("MCRSA"), Control, Regulate and Tax Adult Use of Marijuana Act ("AUMA"), and the Medicinal and Adult Cannabis Regulation and Safety Act ("MAUCRSA"), as well as laws and regulations that have been or may be enacted by the State regarding the same, including but not limited to cannabis for medical or recreational use, as it is now or amended.

"Testing laboratory" has the same meaning as the term as provided in MAUCRSA at this time, but if that definition is amended by State law in the future, as amended. Currently under MAUCRSA, it means a laboratory, facility, or entity in the state that offers or performs tests of cannabis or cannabis products and that is both of the following (1) accredited by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the state and (2) licensed by the Department of Cannabis Control.

"Vaping" means to inhale vapor through the mouth from a usually battery-operated electronic device that heats up and vaporizes a liquid or solid.

"Volatile solvent" has the same meaning as the term as provided in MAUCRSA at this time, but if that definition is amended by State law in the future, as amended. Currently under MAUCRSA, it means a solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.

"Youth Center" has the same meaning as the term as provided in MAUCRSA at this time, but if that definition is amended by State law in the future, as amended. Currently under MAUCRSA, it has the same meaning as defined in Section 11353.1 of the California Health and Safety Code.

"Zoning code" mean the Comprehensive Zoning Ordinance of the City of Riverside.

SECTION 6: Location, type, and numerical limits requirements.

To provide for safe, convenient access for the citizens and patients of Riverside:

A. Cannabis businesses shall only be located within the zones as outlined in Section 6, Paragraph B below, and shall not be located:

1. Within 600 feet of any school as defined in California Health and Safety Code Section 11362.768.
2. Within 600 feet of any daycare as defined in California Health and Safety Code Section 1596.76.
3. Within 600 feet of any youth center as defined in California Health and Safety Code Section 11353.1.

The distances specified in this section shall be measured in a straight line, without regard to intervening structures, from the nearest point of the property line of the premises in which the proposed cannabis business is to be established to the nearest point of the property line of a use listed above. The subsequent establishment of a sensitive use as outlined in this section shall not disqualify an existing cannabis business.

B. Only the following medical and adult use cannabis state license types:

Manufacturing; Cultivation; Testing Laboratory; Storefront Retailer; and Distribution as defined in the State law will be allowed within the City of Riverside as follows:

1. Manufacturing, Cultivation, Testing Laboratory and Distribution shall only be allowed within the General Industrial (I) Zone, and Business and Manufacturing Park (BMP) Zone.
2. Storefront Retailers shall only be allowed within the Commercial Retail (CR) Zone, Commercial General (CG) Zone, Commercial Regional Center (CRC) Zone, Business and Manufacturing Park (BMP) Zone, and commercial property within the Downtown Specific Plan.

C. The number of permitted cannabis retail businesses within the City shall be limited to one (1) per thirty-two thousand (32,000) residents. This number may increase with each additional thirty-two thousand (32,000) residents. The population figures to be used shall be those most recently estimated and officially published by the California Department of Finance for cities, counties and the state. As an example, with our current population, there shall be no more than ten (10) cannabis retail businesses with the City. Also, there shall be no more than three (3) cannabis retail businesses within the Downtown Specific Plan.

D. The total number of manufacturing, cultivation, testing laboratory, and distribution cannabis business permits issued under this code shall not exceed ten (10).

SECTION 7: If this code conflicts with the General Plan, any or all Specific Plans, the Municipal Code or Zoning Code, this code shall prevail.

This initiative amends the General Plan, any and all Specific Plan, the Zoning Code, and the Municipal Code. In anticipation that the City may attempt to use some other regulation to delay or to thwart the implementation of this initiative, the voters of the City of Riverside declare that where the establishment of a cannabis business within the City conflicts with other City Code, the General Plan, or Specific Plan(s), this code shall prevail. For example, where the underlying zone prohibits marijuana dispensaries, or prohibits uses that are deemed to be violations of federal law, this code shall prevail. No city official shall use the underlying zoning designation and its prohibitions on use, or any other city code, or any Specific Plan restriction, or language within the General Plan as a reason to deny an applicant from acquiring a local cannabis permit and operating a cannabis business within the City.

SECTION 8: Development and Operating Standards.

The following development and operating standards shall apply to:

A. All cannabis businesses

1. Shall operate in a manner consistent with State law governing its operations, including but not limited to the security, locks, alarms systems and track and trace requirements.
2. Any business license or permit required by this Code shall be kept current at all times.
3. Signage shall conform to the standards established for the zone.
4. Shall install and maintain a fully operational digital video surveillance and camera recording system that monitors no less than the front and rear of the Premises, all points of ingress and egress at the cannabis business. The video and surveillance system shall meet the requirements currently established in State law or as amended.
5. Install and use a fire and burglar alarm system that is monitored by a company that is staffed twenty-four hours (24) a day, seven (7) days a week.
6. Shall not maintain more cannabis on the premises than is permitted under applicable State law.
7. Report to the proper authorities any diversion, theft, or loss as required by State law.
8. Shall be ventilated so that the odor of cannabis cannot be detected at any property adjoining the parcel on which the cannabis business is located.

B. Cannabis retail businesses

1. Shall not operate during hours prohibited by State law.
2. Shall install and use a limited access room for storage of any processed cannabis and cash on the property when the business is closed to the public. For cannabis-infused products that must be kept refrigerated or frozen, the business shall lock the refrigerated container or freezer.
3. No person, other than a qualified customer, permittee, licensee, employee, contractor or individual authorized by State law, shall be in the cannabis retail business.

4. Consultations by medical professionals shall not be permitted within the cannabis retail business.

5. Smoking Prohibition. Smoking of tobacco and cannabis in all workplaces, including cannabis dispensaries, is prohibited.

SECTION 9: Cannabis business permit—Required.

No cannabis business shall be established until an application for a cannabis business permit is approved by the City manager pursuant to the procedures set forth in this code.

SECTION 10: Cannabis business permit—Application.

Applications for a cannabis business permit shall be filed with the City Clerk. When an application is submitted, the City Clerk shall date stamp and time stamp the application. The City Clerk shall only accept one (1) application per applicant. The application shall contain, at a maximum, the following:

A. If the applicant is a sole proprietorship, the name and address of the applicant. If the applicant is a corporation, limited liability company, limited partnership, or partnership, then the applicant shall submit the entity's most recent annual Statement of Information submitted to the California Secretary of State and the entity's minutes or resolution(s) naming the owner(s), the current directors, managers and officers, and any authorized individual(s) that are authorized to act on behalf of the entity. The applicant may also submit an earlier Statement of Information filed with the Secretary of State to establish its longevity as a Local Community Enterprise. As an example, an entity making application shall submit the entity's Statement of Information provided to the California Secretary of State for the year 2022 and the entity's minutes or resolution(s) naming the owners and authorized individual(s) that are authorized to act on behalf of the entity and may also submit the entity's Statement of Information provided to the California Secretary of State for the year 2021 to establish its longevity as a Local Community Enterprise. The applicant must also submit a letter signed by an authorized individual(s) designating which address on their Statement(s) of Information shall serve as their Business Entity Address for the scoring of the applicant's Local Community Enterprise Score

B. Applicant shall submit evidence that the applicant is at least one of the following:

1. The owner of the premises upon which the requested use is to be maintained.
2. Has the permission of such owner to make such application, or
3. Is or will be the plaintiff in an action of eminent domain to acquire the premises involved;

C. The street address, otherwise a description of, the premises upon which the requested use is to be maintained;

D. If the applicant is not the owner of the premises, the name and address of the owner, and the nature of the applicant's interest in the premises involved;

E. A detailed site plan, drawn to a scale of one-inch equals ten feet, showing the proposed location of all buildings and structures, landscaped areas, parking areas, driveways and means of ingress and egress;

F. A detailed facility floor plan, drawn to a scale of three sixteenths of an inch equals one foot, showing the proposed uses of the floor area depicted on the floor plan and in-store security camera locations.

G. Three copies of white background prints of a map drawn to a scale of one-inch equals fifty feet, showing the location of the property concerned, and the location of all highways, streets and alleys and all lots and parcels of land within a distance of six hundred feet from the exterior boundaries of the proposed use;

H. One copy of the map referred to in subsection G of this section shall show the use to which each and every lot and parcel of land is put;

I. A plan for ventilation of the cannabis business that describes the ventilation system that will be used to prevent any odor of cannabis off the premises of the business.

J. Live Scan fingerprints of the applicant, or, in the case of a corporate entity, Live Scan fingerprints of the owner(s) and the authorized individual(s) to enable the Riverside Police Department to perform a background check on the applicant.

K. A fully legible copy of one valid government issued form of photo identification, such as a State Driver's License or Identification Card showing that the applicant, or, in the case of a corporate entity, the owner(s) and the authorized individual(s) is/are 21 years of age or older.

L. If the applicant, or the authorized individual(s) of an applicant, currently hold a state cannabis license issued by the California Department of Cannabis and are listed as the Business Owner within the California Department of Cannabis Control as the Business Owner, then the applicant may submit a copy of that license as part of the application. This submission is not a requirement. An applicant may not have such a license or may not wish to submit a copy of said license. Failure to do so will not be deemed grounds to determine the application as incomplete or as grounds to deny the applicant a permit.

M. A business plan for the proposed use.

N. A signed statement by the applicant or authorized individual(s) that he/she certifies under penalty of perjury that all information contained in the application is true and correct.

O. A signed and notarized statement from a Local Non-Profit Organization attesting to the applicant's participation in a charitable event held within the city limits of Riverside within the past three hundred sixty-five (365) days.

SECTION 11: Application fee.

With the exception of an applicant seeking to manufacture cannabis products using volatile solvents, when a cannabis business permit application is filed, it shall be accompanied by a filing fee in the amount of two thousand five hundred dollars (\$2,500.00).

SECTION 12: Permit application—Review.

All cannabis permit applicants are merit-based and are governed by the permit application process outlined in this Section.

A. Within seven (7) days following the application being submitted, the City manager shall determine if it is complete, and shall either:

1. Notify the applicant in writing that the application is complete;
2. Notify the applicant in writing that the application is incomplete, and set forth the reason(s) therefore, including all additional information and documentation necessary to render it complete.

B. The applicant shall have seven (7) days from the date of notice of incomplete application to submit all additional information and documentation identified by the City manager to complete the application. Any amended application shall maintain the original date and time stamp in the order in which it was received. Within seven (7) days following receipt of an amended application, the City manager shall determine whether the application is complete, and shall either:

1. Notify the applicant in writing that the application is complete; or
2. Notify the applicant in writing that the amended application is incomplete, and set forth the reason(s) therefore, including all additional information and documentation necessary to render it complete.

C. The applicant shall have seven (7) days from the date of notice of incomplete amended application to submit all additional information and documentation identified by the City manager to complete the amended application. Any amended application shall maintain the original date and time stamp in the order in which it was received. Within seven (7) days following receipt of an amended application, the City manager shall determine whether the application is complete, and shall either:

1. Notify the applicant in writing that the application is complete; or
2. Notify the applicant in writing that the application remains incomplete and shall be denied. The City Manager, nor any other person acting on behalf of the City, shall notify the applicant in writing that the amended priority application is incomplete, and set forth the basis for such determination including all additional information and documentation necessary to render it complete.

D. The applicant shall have the right to submit a new application with full payment of the application fee and/or appeal the City Manager's decision of incompleteness pursuant to Section 24 Appeals below.

E. Within 30 days after the application has been submitted to the City Clerk, the City Manager or City Manager's designee shall review the application, cause the property to be inspected as he or she deems appropriate, and shall score the applications as follows:

1. Location Score – If the applicant’s proposed location is within the correct zone and satisfies the Sensitive Use Buffers outlined by Section 6 of this code. The application shall receive one hundred (100) points for its Location Score. If the applicant’s proposed location is not within the correct zone or is within the Sensitive Use Buffer of a sensitive use, then the application shall receive zero (0) points for its Locations Score and the application shall be denied.

2. Security Score – If the applicant’s detailed facility floor plan as described in Paragraph F has been deemed complete, then the application shall receive one hundred (100) points for its Security Score. If the applicant’s detailed facility floor plan has been deemed incomplete, then the application shall receive zero (0) points for its Security Score.

3. Ventilation and Odor Control Score - If the applicant’s ventilation and odor control description as described in Paragraph I has been deemed complete, then the application shall receive one hundred (100) points for its Ventilation and Odor Control Score. If the applicant’s ventilation and odor control description has been deemed incomplete, then the application shall receive zero (0) points for its Ventilation and Odor Control Score

4. Local Community Enterprise Score – If the applicant does not have a Business Entity Address as defined by this code within the city limits of Riverside, or if the applicant previously had a Business Entity Address within the city limits of Riverside as defined by this code but a subsequent Statement of Information shows that the most recent Business Entity Address is not within the city limits of Riverside, then the applicant shall receive a score of zero (0) points for their Local Community Enterprise Score.

If the applicant has maintained a Business Entity Address as defined by this code within the city limits of the City of Riverside, the City Manager or his/her designee shall calculate how much time has passed between the filing of the earliest applicable Statement of Information and the date the applicant’s cannabis business permit application was received by the City Clerk, and score the application as follows:

a. If the applicant has maintained a Business Entity Address, as defined by this code, within the city limits of Temecula for less than four hundred ten (410) days as calculated by the City manager or his/her designee, the application shall receive a Local Enterprise Score of ten (10) points.

b. If the applicant has maintained a Business Entity Address, as defined by this code, within the city limits of Temecula for four hundred ten (410) days or more as calculated by the City manager or his/her designee, the application shall receive a Local Enterprise Score of one hundred twenty-five (125) points.

5. Corporate Stability Score – If the directors, managers, or members listed on an applicant’s Statement of Information have not changed, then the application shall receive one hundred (100) points for its Corporate Stability Score. If the directors, managers, or members listed on an applicant’s Statement of Information have changed

in any way, then the application shall receive zero (0) points for its Corporate Stability Score.

6. State Cannabis Law Compliance Verification Score – If the applicant has submitted a copy of a state cannabis license issued by the California Department of Cannabis Control as part of its application, the City Manager or his/her designee shall inquire of the California Department of Cannabis Control if the “Business Owner” assigned to that state cannabis license within the Department of Cannabis Control’s database of licensees matches the authorized individual as listed on the applicant’s Statement of Information, and shall inquire if that state cannabis license is Active. If it is Active, and the “Business Owner” as listed in the Department of Cannabis Control’s database of licensees matches the director, manager or member as listed on the applicant’s Statement of Information and named as the authorized individual for the applicant, then the application shall receive one hundred (100) points for its State Cannabis Law Compliance Verification Score. If the applicant did not submit a copy of a state cannabis license issued by the California Department of Cannabis Control, or applicant’s state cannabis license is Inactive, Suspended, Revoked, or the “Business Owner” assigned to that state cannabis license within the Department of Cannabis Control’s database of licensees does not match the director, manager or member as listed on the applicant’s Statement of Information and named as the authorized individual for the applicant, then the application shall receive zero (0) points for its State Cannabis Law Compliance Verification Score.

7. Business Plan Score – The business plan score shall be comprised of three (3) sections as listed below. Each section is worth one hundred (100) points, for a grand total of three hundred (300) points for the Business Plan Score.

a. Financial Projections - If the applicant’s submitted business plan includes three (3) years of projected income statements, then the applications shall be awarded one hundred (100) points. If the applicant’s submitted business plan does not include projected income statements for the business or includes less than three (3) years of projected income statements, then the applications shall be awarded zero (0) points.

b. Marketing Plan: Responsible Messaging and Advertising – If the applicant’s submitted business plan includes a marketing plan that explicitly incorporates the marketing restrictions and rules outlined in California Business and Professions Code Division 10 Chapter 15, then the application shall be awarded one hundred (100) points. If the applicant’s submitted business plan fails to explicitly incorporate California Business and Professions Code Division 10 Chapter 15 within its marketing plan, then the applicant shall be awarded zero (0) points.

c. Seed to Sale Tracking – If the applicant’s submitted business plan commits to utilizing software that is compliant with the METRC seed to sale tracking software, then the application shall receive one hundred (100) points. As an example, if the submitted business plan of an applicant for an adult use retail

permit commits to utilizing Greenbits, or Indica Online, or other METRC compliant Point of Sale Software, then the application shall receive one hundred (100) points. Otherwise, the application shall receive zero (0) points.

8. Charitable Community Event Score – Should the applicant submit a notarized letter signed by an executive officer of a Local Non-Profit Organization attesting to the applicant's participation in a charitable event held within the city limits of Riverside within the past three hundred sixty-five (365) days, then the applicant shall receive fifty (50) points for its Charitable Community Event Score.

F. Within three (3) days after the application has been reviewed and scores assigned as outlined in Section 12 Paragraph E of this code, the City manager or his/her designee shall meet with the applicant and add all the points the application has received together to provide the application with its Total Merit Score. At the meetings with the applicant, the City manager or his/her designee shall provide to the applicant their Total Merit Score and the scores the application received for each of the categories outlined in Section 12 Paragraph E of this code. Applicants may appeal the decision and scoring of the City manager or his/her designee as outlined in Section 24 of this code.

G. Within ninety (90) days, as measured from the first day applications for cannabis business permits were accepted by the City as determined by Section 23 of this code, the cannabis business permits shall be awarded based on Total Merit Score with the applicant that has the highest Total Merit Score receiving the first permit, and the applicant with the second highest Total Merit Score receiving the second permit, and so on. If an applicant that would qualify to receive a cannabis business permit based on their Total Merit Score but have received the same Total Merit Score as another applicant, the City manager shall award cannabis business permits among them based on the date and time stamp of their application wherein the applicant with the earliest date and time stamp as affixed to its application by the City Clerk shall receive a cannabis permit first, the applicant with the second earliest date and time stamp as affixed to its application by the City Clerk shall receive a cannabis permit second, and so on.

G. If the City manager finds that any of the applicable requirements of this code are not satisfied or finds that the applicant has been previously found guilty of a felony within the last 10 years or finds evidence that the applicant has provided materially false information, the application will be denied.

SECTION 13 - Taxes.

A. This measure levies an annual tax on all cannabis businesses of three percent (3%) of all gross sales as defined by this code.

B. The taxes generated shall be deposited into the general fund and the City Council shall consider the following priorities before distributing the funds:

1. Enforcement of this provision.
2. Mitigating possible adverse effects on local area youth through support of after school programs, drug education, and at-risk youth programs

3. Infrastructure improvements within the City limits.

C. The City Council may impose taxes authorized by this section at a lower rate with a simple majority vote. The City Council shall seek to maintain the competitiveness of the cannabis industry within its borders by adjusting the tax rate accordingly. No action by the City Council under this subsection shall prevent the City Council from subsequently increasing the taxes for cannabis business permits to the maximum rates specified in this section.

D. Upon the award of any cannabis permit, the applicant shall prepay the City ten thousand (\$10,000) dollars of local cannabis sales tax.

SECTION 14 - Change of Ownership/Authorized Individual

No change in the ownership or change of any authorized individual of any entity with a cannabis business permit authorized by this code shall be allowed without the approval of the City manager or his/her designee.

SECTION 15 - Change of Ownership/Authorized Individual Application

A Change of Ownership/Authorized Individual application for an entity holding an existing Cannabis Business Permit authorized under this code must include, at a maximum, the following:

A. A notarized letter signed by the existing authorized individual of the entity naming the proposed new owner(s) or proposed new authorized individual(s).

B. Live Scan fingerprints of the proposed new owner(s) or proposed new authorized individual(s) to enable the Riverside Police Department to perform a background check on the proposed new owner(s).

C. A fully legible copy of one valid government issued form of photo identification, such as a State Driver's License or Identification Card showing that the proposed new owner(s) or proposed new authorized individual(s) is/are 21 years of age or older.

SECTION 16 - Change of Ownership/Authorized Individual Application— Review and approval.

Within thirty (30) days of receipt of the Change of Ownership/Authorized Individual Application, if the City manager or his/her designee finds that any of the applicable requirements of this code are not satisfied or finds that the applicant has been previously found guilty of a felony within the last 10 years or finds evidence that the applicant has provided materially false information, the application will be denied. Otherwise, the City manager or his/her designee shall approve the Change in Ownership/Authorized Individual application. The City manager or his/her designee's decision may be appealed as outlined under Section 24 of this code.

SECTION 17 - Relocation

The permittee may relocate their cannabis business within the City of Riverside provided the new location meets the location standards set forth in Section 6 of this code.

SECTION 18 - Relocation Application

A Change of Ownership/Authorized Individual application for an entity holding an existing Cannabis Business Permit authorized under this code must include, at a maximum, the following:

- A. A notarized letter signed by the existing authorized individual of the entity naming the proposed new owner(s) or proposed new authorized individual(s).
- B. Evidence that the applicant:
 - 1. Is the owner of the premises involved.
 - 2. Has the permission of such owner to make such application, or
 - 3. Is or will be the plaintiff in an action in eminent domain to acquire the premises involved;
- C. The street address, otherwise a description of, the premises upon which the requested use is to be maintained;
- D. If the applicant is not the owner of the premises, the name and address of the owner, and the nature of the applicant's interest in the premises involved;
- E. A detailed site plan, drawn to a scale of one-inch equals ten feet, showing the proposed location of all buildings and structures, landscaped areas, parking areas, driveways and means of ingress and egress;
- F. A detailed facility floor plan, drawn to a scale of three sixteenths of an inch equals one foot, showing the proposed uses of the floor area depicted on the floor plan and in-store security camera locations.
- G. Three copies of white background prints of a map drawn to a scale of one-inch equals fifty feet, showing the location of the property concerned, and the location of all highways, streets and alleys and all lots and parcels of land within a distance of six hundred feet from the exterior boundaries of the proposed use;
- H. H. One copy of the map referred to in subsection G of this section shall show the use to which each and every lot and parcel of land is put;
- I. I. A plan for ventilation of the cannabis business that describes the ventilation system that will be used to prevent any odor of cannabis off the premises of the business.

SECTION 19 – Relocation Application— Review and approval.

Within thirty (30) days after receipt of the Relocation Application, if the City manager or his/her designee finds that any of the applicable requirements of this code are not satisfied or finds that the applicant has provided materially false information, the application will be denied. Otherwise, the City manager or his/her designee shall approve the Relocation application. The City manager or his/her designee's decision may be appealed as outlined under Section 24 of this code.

SECTION 20 - Delivery.

Retail delivery of cannabis within the City of Riverside shall only be permitted by cannabis businesses that hold a valid state issued storefront retail or microbusiness license and a valid cannabis business permit issued by the City of Riverside.

SECTION 21 - Conflicts.

In the event any provision of this Code conflicts with any other provision of the General Plan, any or all Specific Plans, the Riverside Municipal Code, or the Zoning Code of the City of Riverside, now or hereinafter enacted, the provisions of this code shall prevail.

SECTION 22 - Compliance with applicable State law

Except as may be provided otherwise in this Section, any law or regulation adopted by the State governing the cultivation, production, manufacture, possession, transport, testing, distribution, or retail sale of cannabis shall also apply to cannabis businesses in the City. This includes but is not limited to State laws and regulations regarding use of childproof product containers; labeling; patient confidentiality; quality control; laboratory testing; edible and infused products standards and testing; employee training; delivery; and odor control. Noncompliance with any applicable State law or regulation is unlawful and shall be grounds for revocation or suspension or any permit under this Section.

SECTION 23 - Suspensions or revocations.

The City manager may suspend or revoke a cannabis business permit if he/she finds that one or more of the following conditions exist:

- A. The cannabis business does not comply with, and fails to remedy such non-compliance in a timely manner, any of the requirements outlined in Section 8 or Section 22 of this Code;
- B. The business owner, or its authorized individual has been convicted in a court of competent jurisdiction of:
 - 1. Any violation of any statute, or any other ordinance arising from any act performed in the exercise of any rights granted by the permit, the revocation of which is under consideration, or;
 - 2. Any offense involving the maintenance of a nuisance caused by any act performed in the exercise of any rights granted by the permit, the revocation of which is now under consideration.
- C. The business owner, or its authorized individual has knowingly made any false, misleading or fraudulent statement of material fact in the application for a permit.

SECTION 24 - Appeals.

Any person aggrieved by a decision of the City manager or his/her designee made under this code has the right to appeal such decision as follows:

- A. Notice of Appeal. Any decision of the City manager or his/her designee made under this code will become final within ten days from the date such notice is served, unless within that ten-day period an appeal is filed with the city clerk, including payment of the applicable fee established by city council resolution. The appeal notice must state, with specificity, the factual and legal basis of the appeal.
- B. Scheduling of Appeal Hearing. The city clerk will expeditiously schedule a hearing before a hearing officer and notify the appellant, in writing, of the day, time and location of the hearing,

which may be held no later than thirty days after the notice of appeal is received by the city; provided, however, the hearing may be held after such thirty-day period upon the request or concurrence of the appellant. The time for compliance of any original order will be stayed during the pendency of the appeal hearing.

C. Hearing by Hearing Officer. The hearing officer will consider the testimony of the appellant, city staff or agents, and any other testimony or evidence relevant to the decision. The hearing officer must provide the appellant with a written decision within ten days from the date of the conclusion of the hearing.

D. Any person dissatisfied with the hearing officer's decision may seek prompt judicial review of such decision pursuant to California Code of Civil Procedure Section 1094.8.

Failure to meet any of the requirements outlined in Section 24 Paragraphs B or C shall result in a ruling in favor of the appellant.

SECTION 25 - Time table for Implementation and Initial Application Period

- A. If this ordinance is passed by the voters of the City of Temecula, the City shall begin to accept applications on the tenth (10th) day following the date the election is certified, or January 2nd, 2023, whichever is later, and shall continue to accept applications for cannabis business permits under this code for a period lasting two (2) weeks.
- B. If this ordinance is adopted by the City Council, the City shall begin to accept applications on the tenth (10th) day following the date the City Council adopts the ordinance, or January 2nd, 2023, whichever is later, and shall continue to accept applications for cannabis business permits under this code for a period lasting two (2) weeks.
- C. The City shall not accept any additional applications for a cannabis business permit under this code after the initial application period as described above has passed, unless the City Council, by a simple majority vote, chooses to do so.

SECTION 26 - Severability

If any provision in this Section, or part thereof, or the application of any provision or part to any person or circumstance is held for any reason to be invalid or unconstitutional, the remaining provisions and parts shall not be affected, but shall remain in full force and effect, and to this end the provisions of this Section are severable.

SECTION 27: COMPETING MEASURES

In the event that this measure and another measure or measures relating to the regulation of cannabis in the City of Riverside appear on the same ballot, the provisions of the other measure or measures shall be deemed to be in conflict with this measure. In the event that this measure shall receive a greater number of affirmative votes required to pass than the other measure or measures, the provisions of this measure shall prevail in their entirety over the competing measure or measures, and the competing measure or measures shall be null and void.



Economic Development, Placemaking and Branding/ Marketing Committee

City of Arts & Innovation

TO: ECONOMIC DEVELOPMENT, PLACEMAKING AND BRANDING/MARKETING COMMITTEE **DATE: OCTOBER 20, 2022**

FROM: CITY ATTORNEY'S OFFICE **WARDS: ALL**
CITY CLERK
COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT
DEPARTMENT OF FINANCE
RIVERSIDE FIRE DEPARTMENT
RIVERSIDE POLICE DEPARTMENT

SUBJECT: REVIEW AND PROVIDE DIRECTION FOR THE PROPOSED RIVERSIDE MUNICIPAL CODE AMENDMENTS RELATED TO LEGALIZING CANNABIS USES: TITLE 5 – BUSINESS TAXES, LICENSES AND REGULATIONS; TITLE 9 – PEACE, SAFETY AND MORALS; AND TITLE 19 – ZONING

ISSUE:

Review and provide direction for the proposed Riverside Municipal Code Amendments related to legalizing cannabis uses: Title 5 – Business Taxes, Licenses and Regulations; Title 9 – Peace, Safety and Morals; and Title 19 – Zoning.

RECOMMENDATION:

That the Economic Development, Placemaking and Branding/Marketing Committee review and provide direction on the proposed Riverside Municipal Code Amendments related to legalizing cannabis uses: Title 5 – Business Taxes, Licenses and Regulations; Title 9 – Peace, Safety and Morals; and Title 19 – Zoning.

BACKGROUND:

In 2016, California voters passed Proposition 64 (The Adult Use of Marijuana Act) which allowed for adults 21 or older to legally grow, possess and use cannabis for recreational purposes and legalized the sale and distribution of cannabis statewide. Shortly thereafter, Governor Brown signed Senate Bill 94 (The Medicinal Adult-Use Cannabis Regulation and Safety Act or MAUCRSA) into law. While the MAUCRSA created minimum requirements for licensees statewide, Proposition 64 and Senate Bill 94 gave local governments the flexibility to implement local regulatory frameworks for land-use entitlements, building permits and business/operating licenses for cannabis related uses.

Following the passage of Proposition 64, actions related to cannabis in the City of Riverside included:

- July 25th, 2017 - Prepared a moratorium on commercial marijuana activity (excluding testing laboratory facilities)
- September 12, 2017 - Adopted an interim moratorium, followed by a ten-month fifteen-day moratorium extension on October 24, 2017
- November 7, 2017 - Adopted Ordinance No. 7398 to amend Title 5 of the RMC to permit and regulate Cannabis Testing Laboratories in industrial zones, subject to permit requirements (effective December 28, 2017)
- January 9, 2018 - Continued the discussion of a regulatory framework for 45 days to follow a visit to Denver, Colorado to better understand the cannabis industry
- March 27, 2018 - Directed staff to immediately prepare an ordinance prohibiting (a) the retail and commercial sale of cannabis; (b) commercial agricultural cultivation of marijuana, (c) the manufacturing and sale of marijuana extractable and consumable products, (d) distribution of all marijuana and cannabis associated products, (e) the establishment of microbusinesses such as boutique lounges; and (f) outdoor cultivation of all marijuana plants, including medical marijuana
- May 31, 2018 – Amended Title 19 – Zoning – heard by Planning Commission at a public hearing (Planning Commission denied by a vote of 2 ayes, 5 noes and 1 abstention)
- July 10, 2018 – Appealed Planning Commission decision (Councilmember Conder) – heard by City Council who voted to approve the amendments to Title 5 and Title 19 of the RMC, codifying a prohibition of commercial cannabis uses within City limits

On Tuesday, September 28, 2021, the City of Riverside received a Notice of Intent to Circulate Petition for the Riverside Cannabis Taxation and Regulation Act, then amended on November 5, 2021. The City Attorney prepared and provided a Ballot Title and Summary to the proponents on November 18, 2021.

If the proponents continue through the initiative process and gather enough signatures required within 180 days (May 17, 2022), then City Council could choose one of two options: Call an election to place the ballot measure on the ballot during an election (special or regular); or Adopt the proposed Ordinance without revision.

If passed by voters or accepted by the City Council, it would create a regulatory framework for all cannabis uses within the City, largely without City Council, staff, or community input. Unlike ordinances passed by City Council, regulations established through a voter-initiated ballot cannot be amended or modified by sole action of the City Council. If an alternative third party-initiated ballot measure is passed by the voters, any future amendments must go through a ballot process during a general election for approval.

On November 18, 2021, the Economic Development, Placemaking and Branding/Marketing 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 and directed staff to return to the Committee with Ordinance options.

On March 24, 2022, the Economic Development, Placemaking and Branding/Marketing Committee (Committee) directed staff to prepare amendments for the Riverside Municipal Code (RMC): 1) Title 5 – Business Taxes, Licenses and Regulations amendments related to licensing of cannabis business uses; 2) Title 9 – Peace, Safety and Morals amendments to clean up and

provide consistency in cannabis regulations and terminology; and 3) Title 19 - Zoning amendments related to land use regulations for cannabis related uses and microbusinesses. Staff was also directed to conduct a financial analysis on potential revenue and move forward with a cannabis tax ballot measure in 2024 with the type of tax, language, and percentage to be determined at a later date.

DISCUSSION:

Since the Committee meeting in March 2022, a team of City staff have worked with a consultant to draft RMC amendments (Draft Amendments) for Title 5, Title 9 and Title 19 (**Attachment 1**). The City team includes staff from the City Manager's Office, City Attorney's Office, City Clerk, Community & Economic Development Department, Finance Department, Riverside Fire Department and Riverside Police Department. In preparing the amendments, several decision points were identified where further direction was needed from the Committee.

Draft Riverside Municipal Code Amendments

The following summarizes the decision points and the City team's recommended way forward for Committee discussion and direction. If appropriate, the page number in the Draft Amendments is included to facilitate the Committee's review.

1) Ownership Definition (Title 5 - Page 4)

Decision Point – What is the percentage of ownership the City wants to include in defining the owner of the Commercial Cannabis Business?

- A. The State defines an "owner" as a person with an aggregate interest of 20% or more in the Commercial Cannabis Business.
- B. The Draft Amendments follow the State definition and includes a percentage of 20% in the definition of "owner."
- C. A lower percentage (e.g., 10%) would require that more investors may have to follow the responsibilities of a defined owner.

2) Criminal Background Checks (Title 5 - Page 6)

Decision Point – Does the City want to require employee background checks?

- A. Employee background checks are not required by the State.
- B. The Draft Amendments would require City background checks for employees.
- C. Riverside Police Department indicates this is current practice in the City and conduct similar background checks for violent felony crimes for employees of other businesses requiring special operating permits such as massage parlors.

3) Number of Various Uses Allowed (Title 5 - Page 7) and Storefront Delivery (Title 5 - Page 24)

Decision Point – Does the total number of Commercial Cannabis Businesses include both storefront and non-storefront retail uses?

Decision Point – Should Manufacturing, Distribution, and Testing Laboratories not be limited?

Decision Point – Should storefront retailers be allowed to deliver?

- A. The Committee directed staff to allow up to 14 Commercial Cannabis businesses (2 per Ward) in the Draft Amendments.
- B. Clarification is needed if this includes both storefront and non-storefront (essentially delivery retail) businesses.
- C. Separate from the 14 retail businesses are Manufacturing, Distribution and Testing Laboratories, which are not limited in the Draft Amendments.
- D. The Draft Amendment recommends allowing storefront retailers to deliver (requirements for delivery are included).

4) Labor Peace Agreement (Title 5 - Page 9)

Decision Point – How many employees should trigger a labor peace agreement for the owner?

- A. Labor Peace Agreements are required by the State for 20 or more employees.
- B. Beginning July 1, 2024, a Labor Peace Agreement will be required by the State for all applicants/licensees with 10 or more employees.
- C. The Draft Amendment recommends 5 employees based on recent policy direction from the City Council.

5) Appeal Officer (Title 5 - Page 13)

Decision Point – Who should hear appeals related to Commercial Cannabis Businesses?

- A. Appeals can be heard by a variety of parties: City Council, City Manager, Appointed Hearing Officer, City Board or Commission.
- B. The Draft Amendment recommends that an Appointed Hearing Officer hear appeals related to denial of permit applications and other appeals of citations and violations once a Commercial Cannabis Business is operational.
- C. This is consistent with current Code related cases in the City of Riverside.
 - i. Currently hears appeals for numerous City Departments.
 - ii. Includes, but is not limited to, code enforcement citation appeals, Fire Prevention cases, RPD citations pertaining to fireworks and entertainment permits, massage parlor appeals for PD.
 - iii. Current Appointed Hearing Officer is an attorney.

6) Distance from Sensitive Receptors (Title 5 - Page 16)

Decision Point – What distance separation from sensitive receptors should be included?

- A. The State law grants local jurisdictions the authority to “specify a different radius” than the 600-foot requirement for schools, daycare centers, and/or youth centers.
- B. State law also grants local jurisdictions authority to impose additional requirements beyond rules/regulations mandated by the State (e.g., recognizing additional sensitive use buffers beyond state default of schools, day-care centers, and youth-centers).
- C. The Draft Amendment recommends a 600-foot separation for schools, daycare centers and community centers. These uses can be tracked by the City when applications are submitted.
- D. The Draft Amendment includes no distance separation from “youth centers” as they are too broadly defined by the State for the City to be able to track the locations.
- E. Riverside Unified School District requested a minimum distance of 1,000 feet from schools.
- F. A map has been included to illustrate a 600-foot and 1,000-foot buffer to the sensitive receptors (Attachment 2).

7) Equity Application and License Standards

Decision Point – Should the City study the potential for Equity Application and License Standards?

- A. The State provides financial support to cannabis businesses by waiving licensing fees if applicants and licensees meet the equity eligibility criteria set in the proposed regulation such as past cannabis convictions or arrests, reduced income or residence in an area disproportionately impacted by past criminal justice policies, as well as other criteria.
- B. Pursuant to Business and Professions Code Section 26249(c), a local jurisdiction may implement “equity application and license” standards which require verification from the State.
- C. Local agencies are not required to establish local equity programs to provide waiver or deferral of application or license fees.
- D. At this time, staff has not yet received policy direction from the Committee to establish a local cannabis equity program. Therefore, the Draft Amendment does not include Equity Application and License Standards.
- E. Should the Committee, and ultimately City Council, wish to consider adopting Equity and License Standards, the first step in the process would be to direct staff to prepare a Cannabis Equity Study, which would form the basis of equity eligibility criteria and program benefits (study costs typically range from \$10,000 to \$100,000).

8) Public Outreach

Decision Point – Should additional outreach be completed for the RMC changes?

- A. To date, the Committee has heard the item in November 2021, March 2022 and at this meeting.
- B. Committee members have also made presentations, upon request, on the item.
- C. For the Draft Amendments, additional outreach has not been conducted.
- D. A public outreach program will be developed for the ballot measure moving forward.

There are no outstanding decisions for Titles 9 and 19 as these RMC changes are clean-up items and reflect the Title 5 proposed changes.

Future Actions

The next steps for the RMC changes include finalizing the Draft Amendments per the Committee direction for City Council consideration.

On a parallel path, the City is working on items required for implementation if the Draft Amendments are adopted by City Council. This includes but is not limited to:

- October 2022 - February 2023
 - Finalize the Draft Amendments
 - City Council Consideration
- January 2023 – June 2023
 - Financial analysis on potential revenue
 - Implementation
 - Application Submission and Review process
 - Application Criteria and Application
 - Community Benefit Agreement template
 - Tracking, Monitoring and Reporting structure

- Fee Schedule
- 2023-2024 - Ballot Measure

STRATEGIC PLAN ALIGNMENT:

This item contributes to the Envision Riverside 2025 City Council Strategic Plan:

- Priority 3 – Economic Opportunity
 - Goal 3.3 – Cultivate a business climate that welcomes innovation, entrepreneurship, and investment.
- Priority 5 – High Performing Government
 - Goal 5.4 Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

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

1. **Community Trust** – The City continues to be transparent in studying the potential for Riverside Municipal Code changes and a ballot measure. A community outreach program will be developed as part of the process and ultimately, residents will decide on the ballot measure on any potential business tax.
2. **Equity** – The draft Riverside Municipal Code amendments will provide opportunities for those impacted in the past because cannabis was illegal. The review process, open to all, would include criteria to choose those businesses that would best fit and operate in the City of Riverside.
3. **Fiscal Responsibility** – With the collection of a business tax, voted on by the residents of the City, the City would realize additional revenues that is lost because these businesses are not permitted in Riverside.
4. **Innovation** – The changes to the Riverside Municipal Code and ballot measure would be prepared using an expert consultant that fully understands the State laws ensuring that the best and a creative approach will be used to regulate cannabis businesses.
5. **Sustainability & Resiliency** – The proposed changes to the Riverside Municipal Code and ballot measure will help the City to realize additional business tax that will ensure its sustainability and resiliency.

FISCAL IMPACT:

There is no fiscal impact associated with this staff report.

The City Attorney's Office, City Clerk, Department of Finance, Riverside Fire Department and Riverside Police Department concur with this staff report.

Prepared by: Chris Christopoulos, Acting Community & Economic Development Director

Certified as to

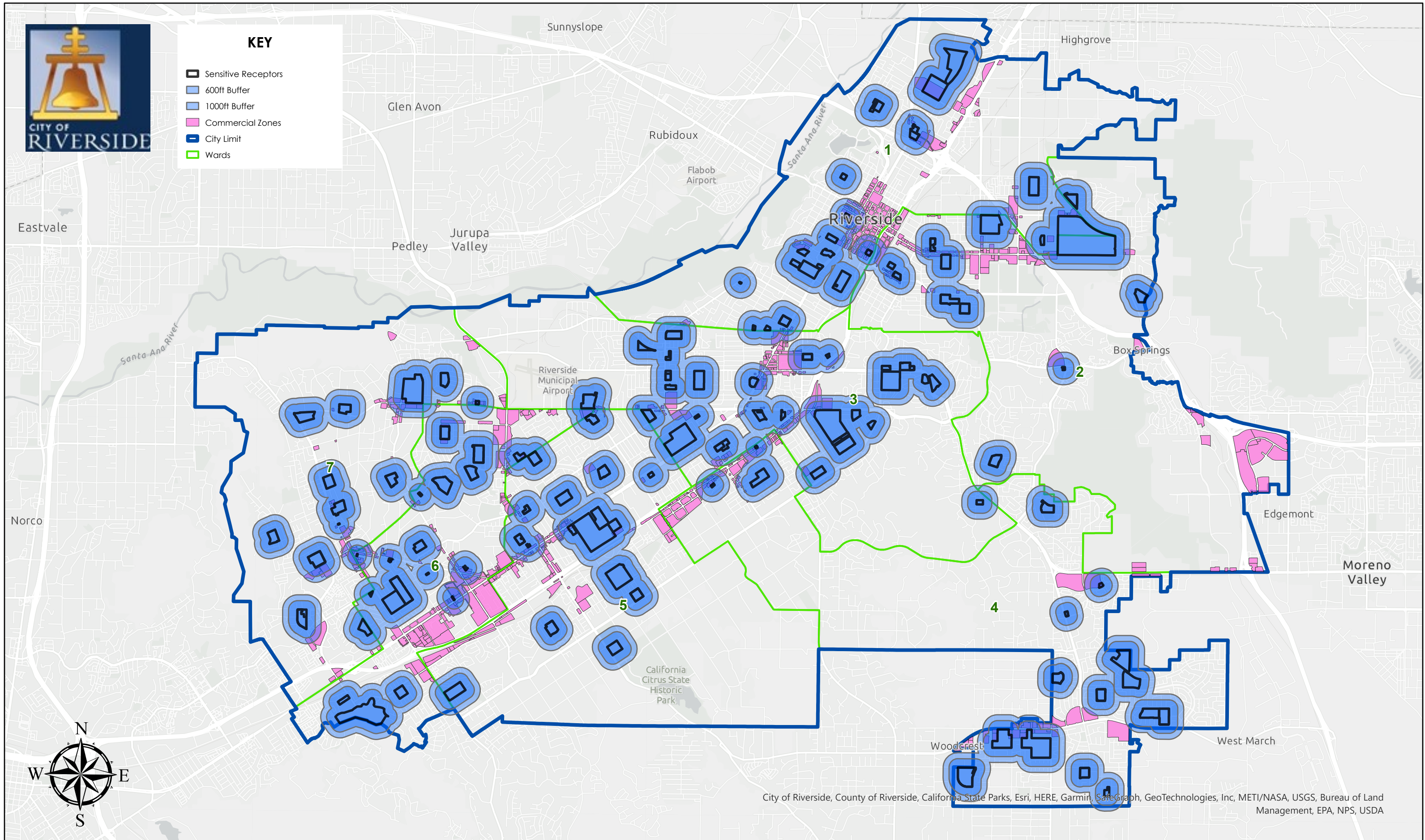
availability of funds: Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/Treasurer

Approved by: Rafael Guzman, Assistant City Manager

Approved as to form: Phaedra A. Norton, City Attorney

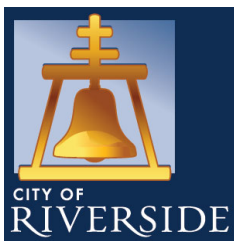
Attachments:

1. Draft Riverside Municipal Code Amendments – Title 5, Title 9 and Title 19
2. 600-foot and 1000-foot Radius Map – Sensitive Receptors
3. Presentation



Attachment 2 - Retail Cannabis and Sensitive Receptor Buffers





Cannabis Update

CITY ATTORNEY'S OFFICE
CITY CLERK'S OFFICE
COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT
FINANCE DEPARTMENT
FIRE DEPARTMENT
POLICE DEPARTMENT

Economic Development, Placemaking and Branding/Marketing Committee

October 20, 2022

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BACKGROUND

1. 2017

- A. Moratorium on commercial marijuana activity (excluding testing laboratory facilities)
- B. Adopted Ordinance No. 7398 to amend Title 5 of the Riverside Municipal Code (RMC) to permit and regulate Cannabis Testing Laboratories in industrial zones

2. 2018

- A. Continued discussion of a regulatory framework for cannabis businesses
- B. Staff directed to prepare an ordinance prohibiting cannabis businesses (except for testing laboratories) and amended RMC
- C. City Council voted to approve the amendments to RMC codifying a prohibition of commercial cannabis uses within City limits



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BACKGROUND – SEPTEMBER 2021

1. City receives Notice of Intent to Circulate Petition for the Riverside Cannabis Taxation and Regulation Act
2. Two Options for City Council Consideration on the Petition
 - A. Call an election to place the initiative petition on the ballot; or
 - B. Adopt the proposed initiative petition without revisions.



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BACKGROUND – NOVEMBER 2021

1. Economic Development, Placemaking and Branding/Marketing Committee (Committee) meeting to consider legalization
2. City Team assembled - City Manager's Office, City Attorney's Office, City Clerk's Office, Community & Economic Development Department, Fire Department, and Police Department
3. Additional research
 - A. Legalizing cannabis retail, microbusiness, and distribution uses in the City of Riverside; and
 - B. Initiate a ballot measure to determine if a business tax should be collected and what that business tax should be for the City.



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BACKGROUND - MARCH 2022

1. Immediate Actions - Prepare amendments for the Riverside Municipal Code (RMC)
 - A. Title 5 - Business Taxes, Licenses and Regulations amendments related to licensing of cannabis business uses;
 - B. Title 9 - Peace, Safety and Morals amendments to clean up and provide consistency in cannabis regulations and terminology; and
 - C. Title 19 - Zoning amendments related to land use regulations for cannabis related uses and microbusinesses.
2. Future Actions
 - A. Conduct a financial analysis on potential revenue
 - B. Cannabis tax ballot measure in 2024 (type of tax, language, and percentage determined at a later date)



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DISCUSSION – RMC CHANGES

1. Draft Amendments completed (Title 5, Title 9 and Title 19)
2. Direction from Committee – Title 5
3. No further Direction needed for Title 9 and Title 19
 - A. Clean up items
 - B. Reflect changes to Title 5



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DISCUSSION – DECISION POINT 1

1. Ownership Definition (Title 5 – Page 4)

Decision Point 1 – What is the percentage of ownership the City wants to include in defining the owner of the Commercial Cannabis Business?

- A. The State defines “owner” - interest of 20% or more
- B. Draft Amendments includes a percentage of 20% in defining owner
- C. A lower percentage (e.g., 10%) could be considered - more investors may have to follow the responsibilities of a defined owner



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DISCUSSION – DECISION POINT 2

2. Criminal Background Checks (Title 5 - Page 6)

Decision Point 2 – Does the City want to require employee background checks?

- A. Employee background checks - not required by the State
- B. Draft Amendments would require City background checks for employees
- C. Riverside Police Department
 - i. current practice in the City
 - ii. Conduct similar background checks for violent felony crimes for employees of other businesses such as massage parlors



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DISCUSSION – DECISION POINT 3

3. Number of Various Uses Allowed (Title 5 - Page 7) and Storefront Delivery (Title 5 - Page 24)

Decision Point 3A – Does the total number of Commercial Cannabis Businesses include both storefront and non-storefront retail uses?

Decision Point 3B – Should Manufacturing and Distribution; and Testing Laboratories not be limited?

Decision Point 3C – Should storefront retailers be allowed to deliver?

- A. Draft Amendments allow up to 14 Commercial Cannabis Uses (2 per Ward) - both storefront and non-storefront businesses
- B. Manufacturing/Distribution and Testing Laboratories not limited in the Draft Amendments
- C. Draft Amendment recommends allowing storefront retailers to deliver (requirements for delivery are included).



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DISCUSSION – DECISION POINT 4

4. Labor Peace Agreement (Title 5 - Page 9)

Decision Point 4 – How many employees should trigger a labor peace agreement for the owner?

- A. Labor Peace Agreements required by the State for 20 or more employees
- B. Beginning July 1, 2024, a Labor Peace Agreement will be required by the State for all applicants/licensees with 10 or more employees
- C. Draft Amendments recommends 5 employees based on recent policy direction from the City Council



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DISCUSSION – DECISION POINT 5

5. Appeal Officer (Title 5 - Page 13)

Decision Point 5 – Who should hear appeals related to Commercial Cannabis Businesses?

- A. Appeal person/body is not mandated by State
- B. Draft Amendments recommend an Appointed Hearing Officer once a Commercial Cannabis Business is operational.
- C. Consistent with current Code related cases in the City of Riverside
 - i. Currently hears appeals for numerous City Departments
 - ii. Includes, but is not limited to, code enforcement citation appeals, Fire Prevention cases, RPD citations pertaining to fireworks and entertainment permits, massage parlor appeals for PD
 - iii. Current Appointed Hearing Officer is an attorney



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DISCUSSION – DECISION POINT 6

6. Distance from Sensitive Receptors (Title 5 - Page 16)

Decision Point 6 – What distance separation from sensitive receptors should be included?

- A. The State does grant local jurisdictions:
 - i. Authority to "specify a different radius" than the 600-foot requirement for schools, daycare centers, and/or youth centers
 - ii. Authority to impose additional requirements for additional sensitive uses
- B. Draft Amendment recommends 600-foot separation for schools, daycare centers and community centers (Uses that can be tracked by the City)
- C. No distance separation from youth centers – broadly defined by the State (Uses cannot be tracked by the City)
- D. Riverside Unified School District requested a 1000-foot separation from schools

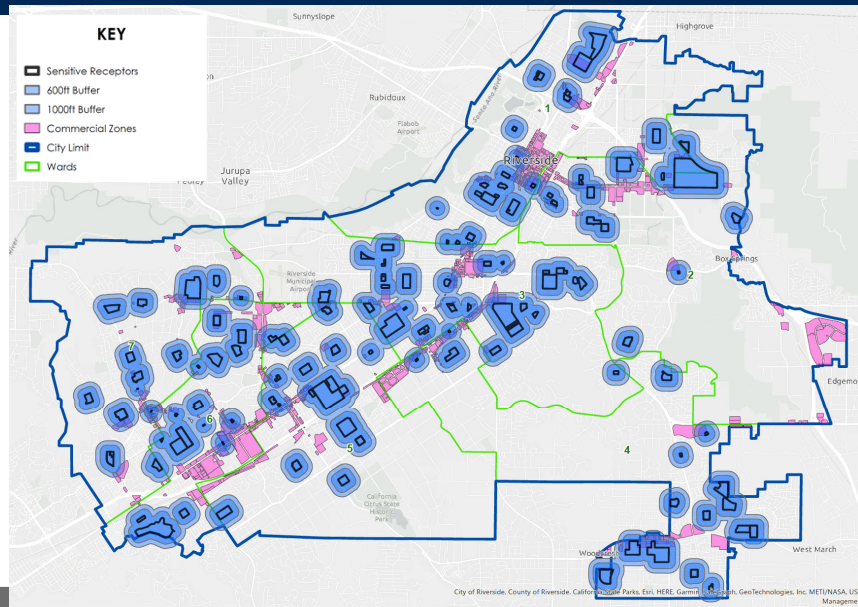


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DISCUSSION – DECISION POINT 6



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DISCUSSION – DECISION POINT 7

7. Equity Application and License Standards

Decision Point – Should the City study the potential for Equity Application and License Standards?

- A. The State provides financial support to cannabis business - waiving licensing fees if applicants and licensees meet the equity eligibility criteria
- B. Pursuant to Business and Professions Code Section 26249(c), a local jurisdiction may implement "equity application and license" standards – State verification required
- C. Not required
- D. Staff has not received direction to establish a local cannabis equity program - Draft Amendment does not include Equity Application and License Standards.
- E. If directed, the first step in the process would be to direct staff to prepare a Cannabis Equity Study (costs typically range from \$10,000 to \$100,000)

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DISCUSSION – DECISION POINT 8

8. Public Outreach

Decision Point – Should additional outreach be completed for the RMC changes?

- A. Committee meetings - November 2021, March 2022 and at this meeting
- B. Committee members - presentations, upon request, on the item
- C. For the Draft Amendments, additional outreach has not been conducted
- D. A public outreach program will be developed for the ballot measure moving forward



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FUTURE ACTIONS

- 1. October 2022 - February 2023
 - A. Finalize the Draft Amendments
 - B. City Council Consideration
- 2. January 2023 – June 2023
 - A. Financial analysis on potential revenue
 - B. Implementation
 - i. Application Submission and Review process
 - ii. Application Criteria and Application
 - iii. Community Benefit Agreement template
 - iv. Tracking, Monitoring and Reporting structure
 - v. Fee Schedule
- 3. 2023-2024 - Ballot Measure



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RECOMMENDATIONS

That the Economic Development, Placemaking and Branding/Marketing Committee review and provide direction on the proposed Riverside Municipal Code Amendments related to legalizing cannabis uses: Title 5 – Business Taxes, Licenses and Regulations; Title 9 – Peace, Safety and Morals; and Title 19 – Zoning



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STRATEGIC PLAN ALIGNMENT

Envision Riverside 2025 Strategic Plan Priorities



#3 Economic Opportunity



#5 High Performing Government

Cross-Cutting Threads



Community Trust



Fiscal Responsibility

Sustainability &
Resiliency

Equity



Innovation

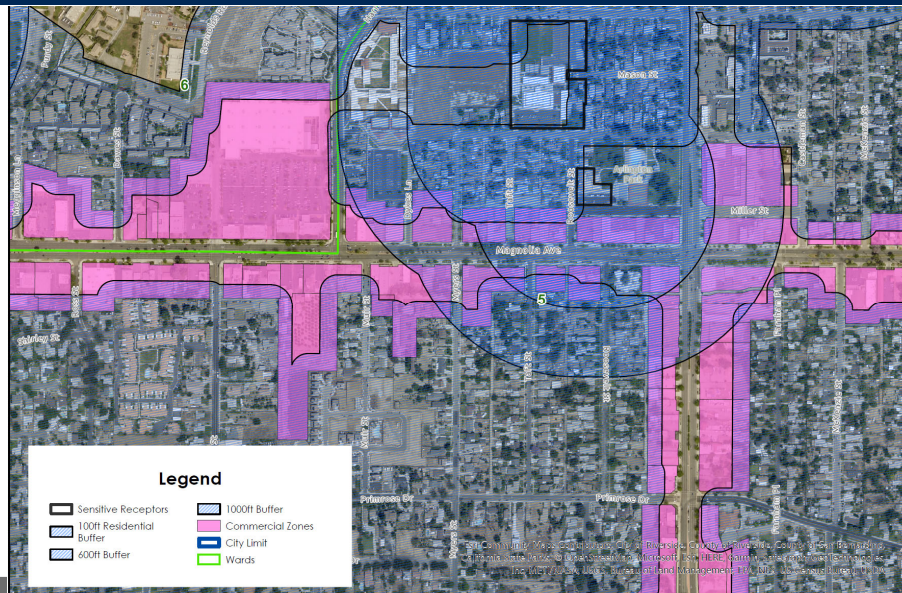


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REFERENCE ONLY SLIDE



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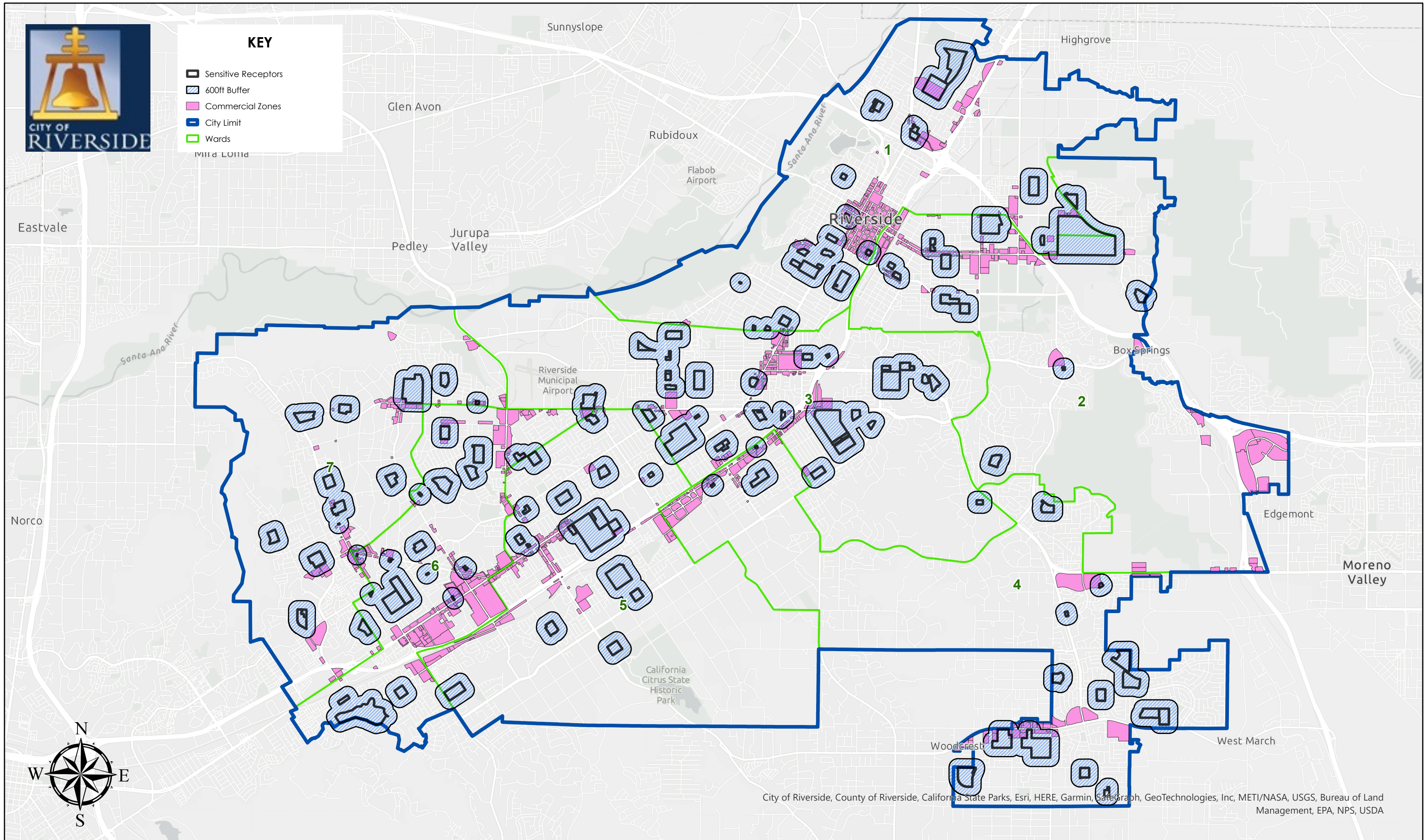


Exhibit 3 - Sensitive Use Buffers - Staff Recommendation



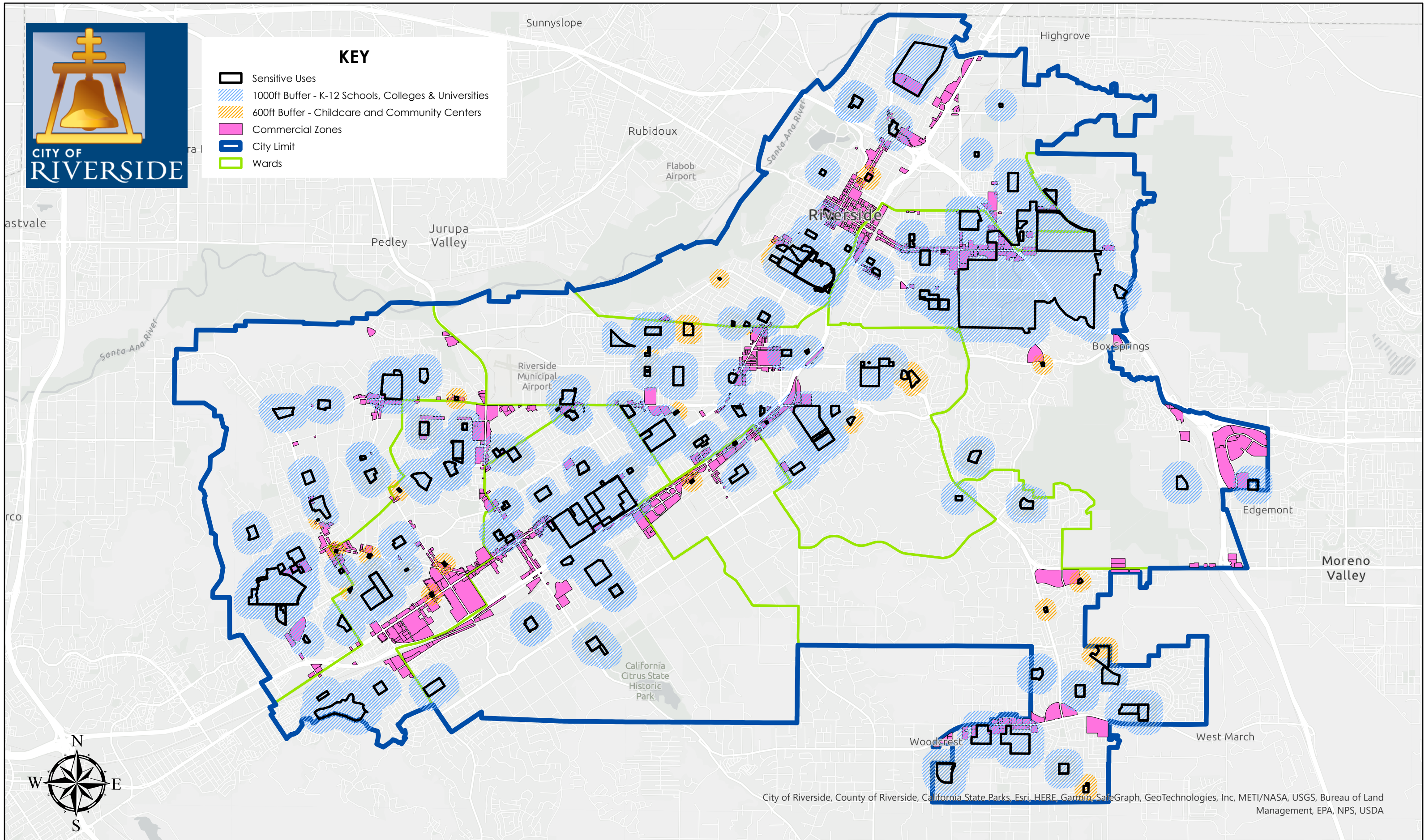


Exhibit 3 - Sensitive Uses Buffer - Committee Recommendation

0 0.5 1 2 3 4 Miles

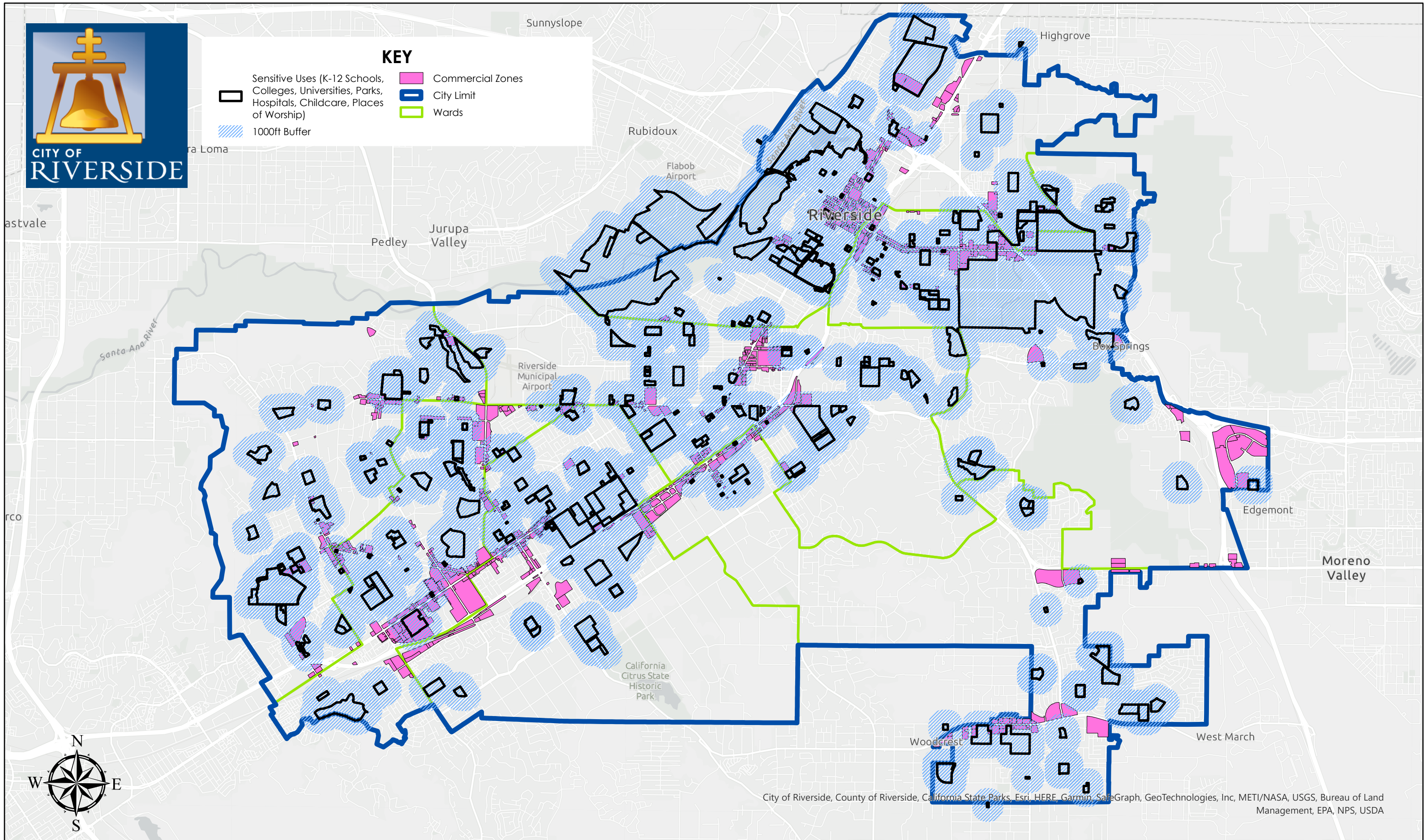


Exhibit 3 - Sensitive Uses Buffer - Planning Commission Comments

TITLE 19 – ZONING

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Chapter 19.146 - NORTHSIDE SPECIFIC PLAN ZONE (NSP)

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19.146.025 - Prohibited uses.

~~A.~~ Any use which is listed as prohibited in the adopted Northside Specific Plan or prohibited by state and/or federal law is strictly prohibited.

~~B.~~ Commercial marijuana cultivation, manufacturing, distribution, or sale is also strictly prohibited.

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Chapter 19.147 - DOWNTOWN SPECIFIC PLAN ZONE (DSP)

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19.147.025 -Prohibited uses.

Any use which is listed as prohibited in the adopted Downtown Specific Plan or prohibited by state and/or federal law is strictly prohibited. ~~Commercial marijuana cultivation, manufacturing, distribution, or sale is also strictly prohibited.~~

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. .
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Chapter 19.150 - BASE ZONES PERMITTED LAND USES

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19.150.020 Permitted land uses.

- A. ~~A.~~Table 19.150.020 A. (Permitted Uses Table), Table 19.150.020 B. (Incidental Uses Table) and Table 19.150.020 C. (Temporary Uses Table) in Chapter 19.150 (Base Zones Permitted land uses) identify permitted uses, permitted accessory uses, permitted temporary uses, and uses permitted subject to the approval of a minor conditional use permit (Chapter 19.730 - Minor Conditional Use Permit), or conditional use permit (Chapter 19.760 - Conditional Use Permit), or uses requiring some other permit. Table 19.150.020 A. also identifies those uses that are specifically prohibited. Uses not listed in tables are prohibited unless the Community & Economic Development Department Director, or his/her designee, pursuant to Chapter 19.060 (Interpretation of Code), determines that the use is similar and no more detrimental than a listed permitted or conditional use. Any use which is prohibited by state and/or federal law is also strictly prohibited.
- B. ~~B.~~Chapter 19.149 - Airport Land Use Compatibility includes additional Airport Land Use Compatibility Plan requirements for discretionary actions proposed on property located within an Airport Compatibility Zone. When located within an Airport Land Use Compatibility Zone, greater land use, restrictions for airport compatibility may apply per the applicable Airport Land Use Compatibility Plan.

19.150.020.A Permitted Uses Table																						
This table identifies permitted uses and uses requiring approval of other permits by zoning designation. In addition to these uses, other incidental and temporary uses may also be permitted as noted in the Incidental Uses Table and the Temporary Uses Table.																						
Use	Zones																					Location of Required Standards in the Municipal Code
	Residential Zones (Residential Conservation (RC), Residential Agricultural (RA-5), Rural Residential (RR), Residential Estate (RE), Single-Family Residential (R-1), Multiple Family Residential (R-3 and R-4))							Office & Commercial Zones (Office, Commercial Retail, Commercial General, Commercial Regional Center)				Mixed Use Zones (Neighborhood, Village, Urban)			Industrial Zones (Business Manufacturing Park, General Industrial, Airport Industrial, Airport)				Other Zones (Public Facilities, Railroad, Neighborhood Commercial Overlay)			
	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, Personal	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 Uses and Activities Storefront Retail																						See Retail Sales
Cannabis Non-storefront Retail																						See Retail Sales
Cannabis Testing Laboratory																						See Laboratories - Research

19.150.020.A Permitted Uses Table																						
This table identifies permitted uses and uses requiring approval of other permits by zoning designation. In addition to these uses, other incidental and temporary uses may also be permitted as noted in the Incidental Uses Table and the Temporary Uses Table.																						
Use	Zones																				Location of Required Standards in the Municipal Code	
	Residential Zones (Residential Conservation (RC), Residential Agricultural (RA-5), Rural Residential (RR), Residential Estate (RE), Single-Family Residential (R-1), Multiple Family Residential (R-3 and R-4))							Office & Commercial Zones (Office, Commercial Retail, Commercial General, Commercial Regional Center)				Mixed Use Zones (Neighborhood, Village, Urban)			Industrial Zones (Business Manufacturing Park, General Industrial, Airport Industrial, Airport)				Other Zones (Public Facilities, Railroad, Neighborhood Commercial Overlay)			
	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 , Warehousing & Warehouse/ Distribution Facilities																						See Warehousing & Distribution Facilities
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19.150.020.B Incidental Uses Table																						
This table identifies uses which are generally only permitted as an incidental use to some other permitted use on the property.																						
Use	Zones																				Location of Required Standards in the Municipal Code	
	Residential Zones (Residential Conservation (RC), Residential Agricultural (RA-5), Rural Residential (RR), Residential Estate (RE), Single-Family Residential (R-1), Multiple Family Residential (R-3 and R-4))							Office & Commercial Zones (Office, Commercial Retail, Commercial General, Commercial Regional Center)				Mixed Use Zones (Neighborhood, Village, Urban)			Industrial Zones (Business Manufacturing Park, General Industrial, Airport Industrial, Airport)				Other Zones (Public Facilities, Railroad, Neighborhood Commercial Overlay)			
	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
.																						
Marijuana Cannabis Cultivation:																						
Commercial, including Medical Cannabis Cultivation, (Prohibited use)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	19.342 - Marijuana Cannabis Uses and Activities See Article X (Definitions)
Personal - Indoor	P	P	P	P	P	P	P	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Personal - Outdoor (Prohibited Use)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
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Chapter 19.220 - SPECIFIC PLAN OVERLAY ZONE (SP)

19.220.020 Permitted land uses and development standards.

For those properties where the Specific Plan Overlay Zone is applied, all permitted use restrictions, development standards, and other applicable standards or regulations governing development as contained within the adopted specific plan shall apply. To the extent that the specific plan does not enumerate use restrictions, development standards, or other applicable regulations, the standards associated with the underlying base zone shall apply. In the event that provisions of the adopted specific plan conflict with or do not correspond with the provisions of the underlying base zone, the provisions as contained in the adopted specific plan shall apply and supersede the underlying base zone requirements ~~_, with the exception of marijuana-related uses which shall be exclusively regulated by the underlying zone and are specifically prohibited.~~ Specific plans shall be prepared and processed to Chapter 19.820 (Specific Plan/Specific Plan Amendments).

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Chapter 19.342 ~~MARIJUANACANNABIS~~ PERSONAL USES AND ACTIVITIES

19.342.010 Purpose.

~~The purpose of this Chapter is to~~ provide regulations related to personal ~~and medical~~ use ~~only pursuant to California Health and Safety Code sections 11362.1 and 11362.2.~~

19.342.020 - Prohibition.

- ~~A. All marijuana cultivation, processing, delivery, sales and dispensaries, or any similar use, shall be prohibited activities in all zones and all specific plan areas in the City. No use permit, variance, building permit, or any other entitlement, license, or permit, whether administrative or discretionary, shall be approved or issued for the activities of marijuana cultivation, processing, delivery, sales, the establishment or operation of a marijuana dispensary or retail store, or any similar use, in the City, and no person shall otherwise establish or conduct such activities in the City.~~
- ~~B. This section is meant to prohibit all activities for which a State license is required. Accordingly, the City shall not issue any permit, license, except for testing laboratories, or other entitlement for any activity for which a State license is required under the Medicinal and Adult Use Cannabis Regulation and Safety Act.~~
- ~~C. Except as set forth in Section 19.342.040 below, cultivation of marijuana for medical purposes, including cultivation by a qualified patient or a primary caregiver, is expressly prohibited in all zones and all specific plan areas in the City. No person, including a qualified patient or primary caregiver, shall cultivate any amount of marijuana in the City, even for medical purposes.~~

~~(Ord. 7431 § 5, 2018)~~

19.342.030 - Cultivation.

- A. Outdoor. No individual or entity may plant, cultivate, harvest, dry, or process marijuana plants outdoors in any zone or specific plan area of the City. No use permit, building permit, variance, or any other permit or entitlement, whether administrative or discretionary, shall be approved or issued for any such use or activity.
- B. Indoor. No individual or entity may plant, cultivate, harvest, dry, or process marijuana plants inside a private residence, or inside an accessory structure to a private residence located upon the grounds of a private residence, in excess of the limitations imposed by California Health and Safety Code section 11362.2. No individual or entity may plant, cultivate, harvest, dry, or process marijuana plants inside any enclosed structure within any zone or specific plan area of the City which is not either a private residence or an accessory structure to a private residence located upon the grounds of a private residence.

19.342.040 Personal use.

~~Pursuant to California Health and Safety Code sections 11362.1 and 11362.2, a~~An individual may cultivate marijuanacannabis for personal use only within a residential structure or other fully enclosed and locked accessory structure located entirely on residential property owned or legally possessed by him or her, pursuant to the following regulations:

- A. The cultivation of marijuanacannabis may take place only inside a lawfully existing and fully enclosed and secure private residence, or inside a lawfully existing and fully enclosed and secure accessory structure to a private residence that is located on the same parcel as the private residence. No cultivation shall occur outside of a fully enclosed structure.
- B. The primary use of the property shall be for a residence and cultivation is to be considered an incidental use.
- C. All areas used for cultivation of marijuanacannabis shall comply with all Buildings Codes and Regulations of the Riverside Municipal Code and the State of California, as well as all other applicable laws.
- D. Indoor grow lights are not allowed in any structure used for human habitation. Indoor grow lights in any other structure shall not exceed 1,000 watts per light, and shall comply with the California Building, Electrical and Fire Codes as adopted by the City.
- E. The use of gas products or volatile solvents, or dangerous poisons, toxins or carcinogens (including but not limited to CO 2 , butane, propane, natural gas, xylene, styrene, gasoline, kerosene, O2 H2, methanol, isopropyl alcohol, methylene chloride, acetone, benzene, toluene, and trichloro-ethylene,) or generators for cultivation of marijuanacannabis is prohibited.
- F. Any structure used for the cultivation of marijuanacannabis must have a ventilation and filtration system installed that shall prevent marijuanacannabis plant odors from exiting the interior of the structure and designed to prevent mold and moisture and otherwise protect the health and safety of persons residing in the residence and cultivating the marijuanacannabis. This ventilation shall at a minimum consist of a system meeting the requirements of the current, adopted edition of the California Building Code section 1203.4 (Natural Ventilation) or section 402.3 (Mechanical Ventilation), or their equivalent(s).

- G. Any accessory structure used for the cultivation of marijuanacannabis shall be located in the rear yard area of the parcel or premises and must maintain a minimum setback equal to the greater of (1) the setback imposed pursuant to the applicable zoning provisions of this Code, or (2) ten feet from any property line. The yard where the structure is maintained must be enclosed by a solid fence at least six feet in height.
- H. Adequate mechanical locking or electronic security systems must be installed as part of the structure prior to the commencement of cultivation.
- I. MarijuanaCannabis cultivation shall be limited to six marijuanacannabis plants per private residence, regardless of whether the marijuanacannabis is cultivated inside the residence or in an accessory structure. The limit of six plants per private residence shall apply regardless of how many individuals reside at the private residence.
- J. The residential structure shall remain at all times a residence, with legal and functioning cooking, sleeping and sanitation facilities with proper ingress and egress. No room used for cooking of meals, sleeping or bathing shall be used for cultivation.
- K. Cultivation of marijuanacannabis shall take place only on impervious surfaces.
- L. There shall be no exterior evidence of marijuanacannabis cultivation occurring on the parcel.
- M. No more than one room in any structure may be used for cultivation.
- N. The marijuanacannabis cultivation area shall not exceed 32 square feet and not exceed ten feet in height per residence. This limit applies regardless of the number of individuals residing in the residence.
- O. No room or area in a structure that is used for cultivation shall be accessible to persons under 21 years of age.
- P. Written consent of the property owner to cultivate marijuanacannabis within the residential structure shall be obtained and shall be kept on the premises, and available for inspection by agents of the City.
- Q. A portable fire extinguisher, that complies with the regulations and standards adopted by the State Fire Marshal and applicable law, shall be kept in any room used for cultivation of marijuanacannabis.
- R. No one other than a full-time resident of the residence shall be involved or take part in the cultivation and said full-time resident may not participate in cultivation in any other location within the City.
- S. No chemical fertilizers, pesticides, or other chemical agents shall be used for marijuanacannabis cultivation.
- T. The marijuanacannabis cultivation area shall not adversely affect the health or safety of the nearby residents by creating dust, glare, heat, noise, noxious gases, odor, smoke, traffic, vibration, or other impacts; and shall not be conducted in a manner that is hazardous due to the use or storage of materials, processes, products or wastes, or from other actions related to the cultivation.

- U. For the protection of local groundwater resources and indoor air quality, and to avoid disposal of harmful substances into sewers or septic systems, no chemical shall be used for ~~marijuana~~cannabis cultivation that contains any substance on the list prepared pursuant to California Health and Safety Code section 25249.8; provided, that any chemical specifically approved by the California Department of Pesticide Regulation for indoor use on ~~marijuana~~cannabis may be used in amounts prescribed by the Department. No chemical used for ~~marijuana~~cannabis cultivation shall be stored in a manner visible from neighboring residences or to individuals located outside the property line or in the public right-of-way.
- V. Cultivation shall be limited exclusively for the personal use of lawful residents of the property on which the cultivation is occurring.

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ARTICLE X: - DEFINITIONS

Chapter 19.910 – DEFINITIONS

19.910.020 "A" Definitions

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Agricultural stand means, in the RA-5 Zone, a stand for the sale of agricultural products produced or raised on the same premises, excluding ~~marijuana~~cannabis and hemp.

Agricultural use means the use of land for the commercial or non-commercial purpose of planting, growing, raising, and harvesting of crops, livestock, or poultry; all of which shall be subject to any applicable state license, to a conditional use permit where required under this Code, and to the limitations and exclusions presented in this definition or as set forth for specific zones created under this Code. For the purpose of this definition, crops shall not include ~~marijuana~~cannabis or hemp.

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19.910.040 "C" Definitions

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~~Cannabis~~ shall have the same meaning as defined in ~~Title~~Section 5.77.060 of this Code.

~~Cannabis Products~~ shall have the same meaning as defined in ~~Title~~Section 5.77.060 of this Code.

~~Cannabis means the term "cannabis" shall mean all items included in the California Health and Safety Code sections 11018 and 11018.1.~~

~~Cannabis cultivation, commercial~~ shall have the same meaning as defined in Section 5.77.060 of this Code.

~~means the planting, growing harvesting, drying, trimming, clipping or processing of any kind, number, or size of cannabis plants or any part thereof. Cannabis shall be synonymous with cannabis, hemp, and any other cannabis derivatives.~~

~~Cannabis cultivation, personal means cannabis cultivation inside a lawfully existing and fully enclosed and secure private residence, or inside a lawfully existing and fully enclosed and secure accessory structure to a private residence that is located on the same parcel as the private residence for the exclusive personal use of a resident of the residence who is 21 years of age or older, as permitted by California Health and Safety Code sections 11362.1 and 11362.2.~~

~~Cannabis Distribution shall have the same meaning as defined in Section 5.77.060 of this Code.~~

~~Cannabis Non-storefront Retail shall have the same meaning as defined in Section 5.77.060 of this Code.~~

~~Cannabis Storefront Retail shall have the same meaning as defined in Section 5.77.060 of this Code.~~

~~Cannabis Testing Laboratory shall have the same meaning as defined in Section 5.77.060 of this Code.~~

~~Cannabis, Microbusiness means~~

~~Cannabis cultivation, delivery means the transport, shipment, conveyance, delivery, or transfer of cannabis for any purpose.~~

~~Cannabis, mobile dispensary. See definition in Chapter 9.65— Mobile Cannabis Dispensaries~~

~~Cannabis, primary caregiver. See the definition for primary caregiver set forth in California Health and Safety Code Sections 11362.5 and 11362.7 et seq.~~

~~Cannabis, qualified patient. See the definition for qualified patient set forth in California Health and Safety Code Sections 11362.5 and 11362.7 et seq.~~

~~Cannabis, medical dispensary means a facility where cannabis is made available for medical purposes in accordance with Health and Safety Code Section 11362.5 (Proposition 215).~~

~~Cannabis. See "marijuana."~~

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19.910.090 "H" Definitions.

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Home occupation means any use of a dwelling unit and related property for employment or occupational purposes that is incidental to the residential use of the dwelling unit. The cultivation, manufacturing, distribution, transport, or sale of ~~marijuana~~cannabis or ~~marijuana~~cannabis products is not a permitted home occupation.

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19.910.140 "M" Definitions.

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Marijuana – See Cannabis.

~~Marijuana means the term "marijuana" shall mean all items included in the California Health and Safety Code sections 11018 and 11018.1.~~

~~Marijuana cultivation means the planting, growing harvesting, drying, trimming, clipping or processing of any kind, number, or size of marijuana plants or any part thereof. Marijuana shall be synonymous with cannabis, hemp, and any other cannabis derivatives.~~

~~Marijuana cultivation personal means marijuana cultivation inside a lawfully existing and fully enclosed and secure private residence, or inside a lawfully existing and fully enclosed and secure accessory structure to a private residence that is located on the same parcel as the private residence for the exclusive personal use of a resident of the residence who is 21 years of age or older, as permitted by California Health and Safety Code sections 11362.1 and 11362.2.~~

~~Marijuana cultivation, delivery means the transport, shipment, conveyance, delivery, or transfer of marijuana for any purpose.~~

~~Marijuana, mobile dispensary. See definition in Chapter 9.65 – Mobile Marijuana Dispensaries~~

~~Marijuana, primary caregiver. See the definition for primary caregiver set forth in California Health and Safety Code Sections 11362.5 and 11362.7 et seq.~~

~~Marijuana, qualified patient. See the definition for qualified patient set forth in California Health and Safety Code Sections 11362.5 and 11362.7 et seq.~~

~~Massing means the unified composition of a structure's volume, affecting the perception of density and bulk. See definition in the Downtown Specific Plan.~~

~~Material processing facility (MPF) means a facility where source separated (presorted) recyclable materials are further sorted and separated, then bulked or converted for reprocessing, by hand or by use of machinery.~~

~~Material recovery facility (MRF) means a solid waste facility where mixed municipal solid waste is sorted or separated, by hand or by use of machinery, for the purpose of recovering recyclable materials.~~

~~Medical marijuana dispensary means a facility where marijuana is made available for medical purposes in accordance with Health and Safety Code Section 11362.5 (Proposition 215).~~

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December 23, 2022

Riverside Planning Commission,

My name is Matthew Nathaniel, and I am both a resident of downtown Riverside and a business professional in the cannabis industry, currently serving as Director with the Shryne Group. I would like to begin by thanking you for the recent discussion on December 8th in an effort to put forth the best ordinance for the City of Riverside. While this is a lengthy process, it's exciting to be moving closer to legal, regulated cannabis in order to provide safe access to local consumers.

Having a great deal of experience with cannabis licensing, I want to express the importance of establishing the foundation for a smooth and efficient process. This begins with decisions regarding zoning and sensitive receptors. Cannabis businesses are heavily taxed, have stringent regulations, and limited traditional marketing options. This is why it's essential for cannabis retail stores to be located in commercial zones in areas with high foot and vehicle traffic.

First there is the consideration of sensitive receptors, and how they should be defined. I encourage the city to be clear on the definitions of sensitive uses. When searching for properties, it is difficult for operators to make decisions if the definitions are ambiguous and not clearly stated. Typically, sensitive uses include schools (K-12), registered day care centers, and youth centers. Schools (K-12) and licensed day care centers are easily identifiable. However, "youth centers" are difficult to define. To maintain clarity, only locations that cater specifically to youth under the age of 18 are generally considered sensitive receptors. For example, churches aren't considered a sensitive receptor, unless it has a licensed daycare or preschool that operates daily on premises. Other locations such as universities and hospitals simply don't cater specifically to youth under 18 years old, and are not considered sensitive receptors.

Next, distance separation, or buffers, from sensitive receptors need to be examined. California state law requires a 600 ft separation from sensitive receptors. And while the city has discretion to modify the distance to more than 600 feet, it's vitally important to consider the amount of properties in commercial areas that will actually be available to a cannabis retail store and also be a viable location for a successful business. Looking at a map, one might think that if there are only 14 businesses allowed, there are plenty of locations. However, as you can see on the map provided by staff, the vast majority of compliant commercial properties are located along the Riverside Freeway (91) on Magnolia and Indiana, as well as downtown. There are a few spots at Van Buren Blvd and Arlington, at University and the 215, and at Canyon Springs and the 215. There are also other ways to measure these separation distances, such as path of travel from door to



door, which more accurately represents reality than property line to property line in a straight line.

This is a narrow market already, and as anyone experienced in this industry will tell you, most of the locations that appear available on a map aren't actually available. Most already have a business on site, while others simply prefer not to work with a cannabis business. This greatly reduces the real options for cannabis retail stores, and creates a predatory real estate market for landlords, making it exponentially more expensive to secure and hold a property for an applicant. With these market conditions, I encourage the city to allow the 14 proposed retail stores to be allowed across the city and not place limits by ward. I also encourage you to consider the impact of sensitive receptors, separation distances on the real estate market, and how location can either set a business up for success, or condemn it to failure.

Riverside needs to have a good mix of businesses with strong, proven track records of success to ensure that the businesses can open in a timely manner, and will be able to follow through on community benefits, as well as deliver strong tax revenue to the city. These are the type of businesses that will have the highest standards of product safety and on-site security to ensure safe access for consumers, and improved safety in the neighborhood.

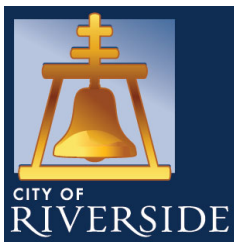
I am happy to answer any questions at your convenience, and invite you to a tour of the Shryne Group's flagship facility. This is a unique opportunity to see full vertical integration in a single location including tissue culture, cultivation, manufacturing, distribution, and retail. The behind-the-scenes perspective illustrates the different safety aspects of the product life cycle. Feel free to reach out if you have any questions, and would like to schedule a brief call or tour.

I look forward to continuing to work toward the creation of an ideal licensing process for the City of Riverside. Thank you for your time and consideration.

Sincerely,

Matthew Nathaniel

Matthew Nathaniel
Director: Shryne Group
323.420.1091
Matthew@ShryneGroup.com



CANNABIS BUSINESS PERMIT PROGRAM

PR-2022-001453 – Zoning Code Amendment

COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT

Planning Commission

Agenda Item: 4

January 19, 2023

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BACKGROUND

2017

- Moratorium on commercial marijuana activity (excluding testing laboratory facilities)
- Adopted Ordinance No. 7398 to amend Title 5 of the Riverside Municipal Code (RMC) to permit and regulate Cannabis Testing Laboratories in industrial zones

2018

- Continued discussion of a regulatory framework for cannabis businesses
 - Staff directed to prepare an ordinance prohibiting cannabis businesses (except for testing laboratories) and amended RMC
- City Council voted to approve the amendments to RMC codifying a prohibition of commercial cannabis uses within City limits



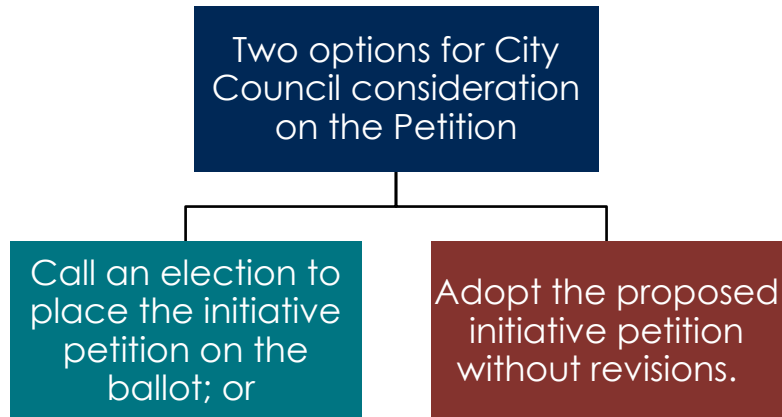
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BACKGROUND – SEPTEMBER 2021

City receives Notice of Intent to Circulate Petition for the Riverside Cannabis Taxation and Regulation Act



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BACKGROUND – NOVEMBER 2021

EDPBM Committee meeting to consider legalization

City Team assembled:

- a. City Manager's Office
- b. City Attorney's Office
- c. City Clerk's Office
- d. Community & Economic Development Department
- e. Police Department



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BACKGROUND - 2022

Prepare Amendments for the Riverside Municipal Code (RMC)

- Title 5 - Business Taxes, Licenses and Regulations
- Title 9 - Peace, Safety and Morals
- Title 19 - Zoning

Future Actions

- Conduct a financial analysis on potential revenue
- Develop Application Procedure Requirements and Review Criteria
- Prepare an Equity Study
- Cannabis sales tax ballot measure in 2024 (type of tax, language, and percentage determined at a later date)



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BACKGROUND - 2022

Planning Commission Workshop – December 8, 2022

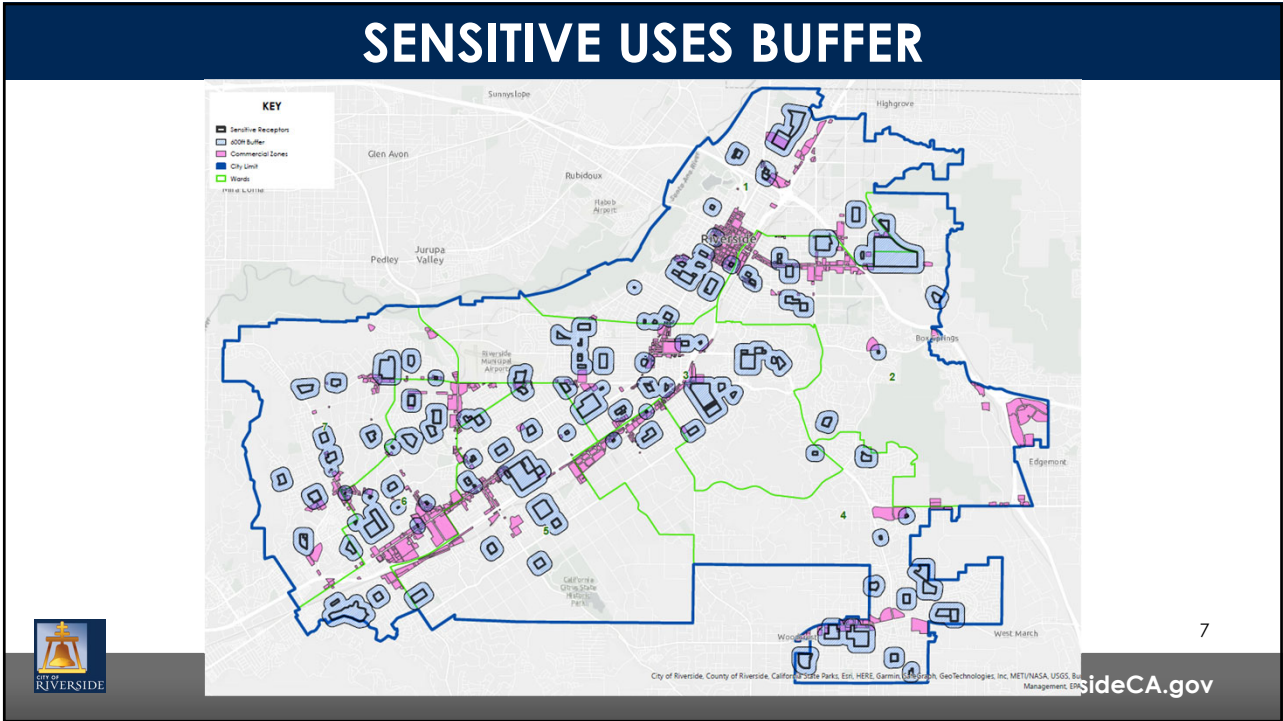
- Sensitive receptors
- Concentration of cannabis retail businesses
- Permit process cost preventative for small business
- Impacts on crime



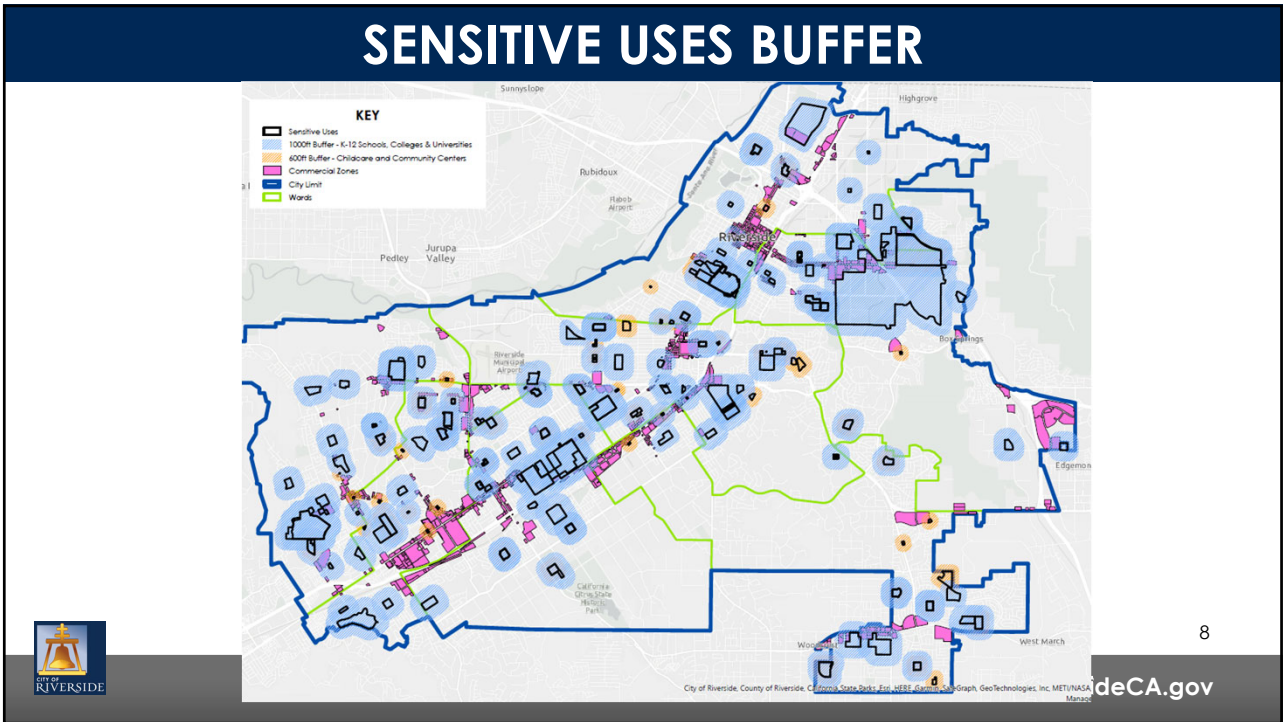
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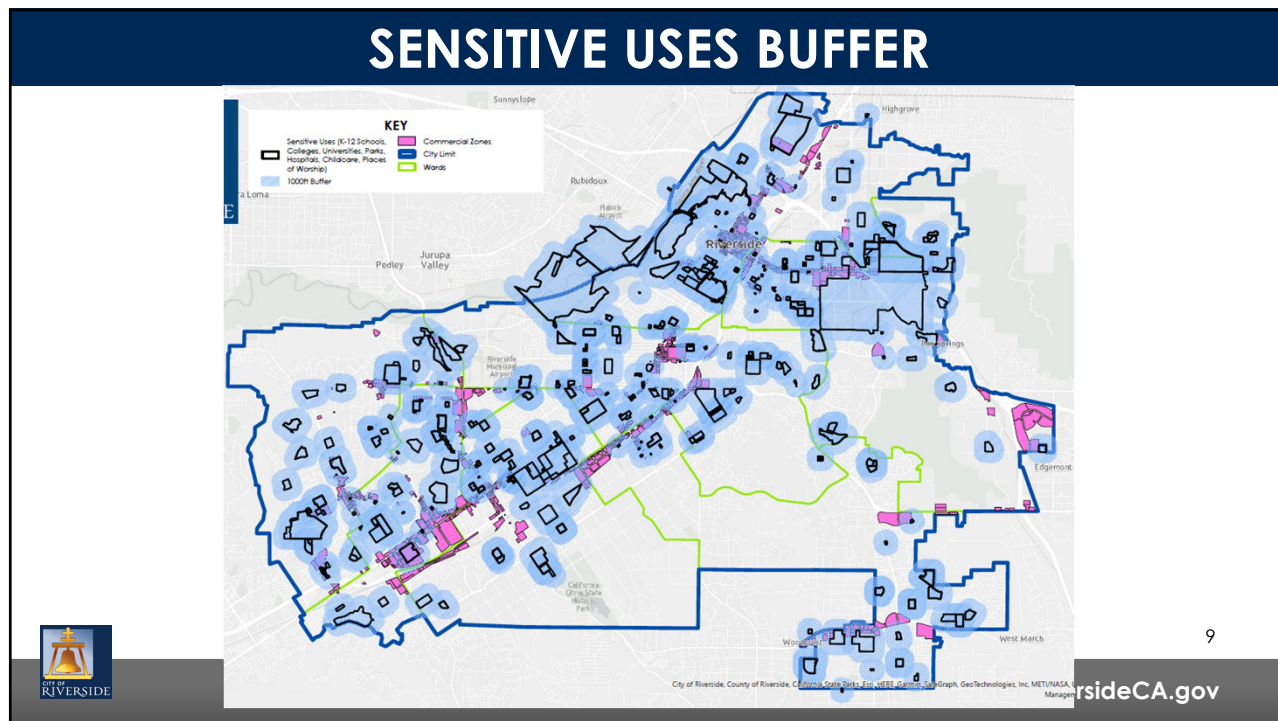


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SENSITIVE USES BUFFER



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PROPOSED TITLE 19 AMENDMENTS

1. **Eliminates** the Citywide prohibition of commercial cannabis uses in the City;
2. **Establishes** Cannabis Storefront Retail, Cannabis Warehousing/Distribution and Cannabis Testing Laboratories as permitted/conditionally permitted uses in specified Zones;
3. **Prohibits** Cannabis Cultivation and Cannabis Microbusinesses in all Zones;
4. **Amends** various Chapters of the Zoning Code for consistency with proposed amendments to Titles 5 and 9 of the Municipal Code; and
5. **Establishes** Definitions related to the proposed changes to cannabis uses.



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DISCUSSION – TITLE 19 – RMC CHANGES

19.150.020.A Permitted Uses Table This table identifies permitted uses and uses requiring approval of other permits by zoning designation. In addition to these uses, other incidental and temporary uses may also be permitted as noted in the Incidental Uses Table and the **Temporary Uses Table**.

29.130.020-17-																						
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DISCUSSION – TITLE 19 – RMC CHANGES

19.150.020.B Incidental Uses Table

This table identifies uses which are generally only permitted as an incidental use to some other permitted use on the property.

Use	Zones																				Location of Required Standards in the Municipal Code		
	Residential Zones (Residential Conservation (RC), Residential Agricultural (RA-5), Rural Residential (RR), Residential Estate (RE), Single-Family Residential (R-1), Multiple Family Residential (R-3 and R-4))								Office & Commercial Zones (Office, Commercial Retail, Commercial General, Commercial Regional Center)				Mixed Use Zones (Neighborhood, Village, Urban)			Industrial Zones (Business Manufacturing Park, General Industrial, Airport Industrial, Airport)				Other Zones (Public Facilities, Railroad, Neighborhood Commercial Overlay)			
	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:																							
Commercial, Including Medical Cannabis Cultivation, (Prohibited use)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Personal - Indoor	P	P	P	P	P	P	P	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Personal - Outdoor (Prohibited Use)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
-																							
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NEXT STEPS

February 2023	February – June 2023	July – October 2023	November 2023 – 2024
<ul style="list-style-type: none">• Council Hearing – Title 19 Amendments (CEDD)	<ul style="list-style-type: none">• Develop application Procedure Guidelines and Review Criteria (CMO/Consultant)• Conduct fee study (Finance)• Council adoption – Guidelines and Criteria (CMO)	<ul style="list-style-type: none">• Potential application period (CMO)• Prepare Fiscal Impact Analysis for sales tax measure (Finance)• Develop language for sales tax measure (Clerk)	<ul style="list-style-type: none">• Place sales tax measure on ballot (Clerk)• General Election – November 5, 2024



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STRATEGIC PLAN ALIGNMENT

Envision Riverside 2025 Strategic Plan Priorities



#3 Economic Opportunity



#5 High Performing Government

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation



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RECOMMENDATIONS

That the Planning Commission **recommend the City Council:**

1. **Determine** that Planning Case PR-2022-001453 is exempt from further California Environmental Quality Act (CEQA) review pursuant to Section 15061(b)(3) (General Rule), as it can be seen with certainty that approval of the project will not have an effect on the environment; and
2. **Approve** Planning Case PR-2022-001453 (Zoning Text Amendment) as outlined in the staff report and summarized in the Findings section of the report.

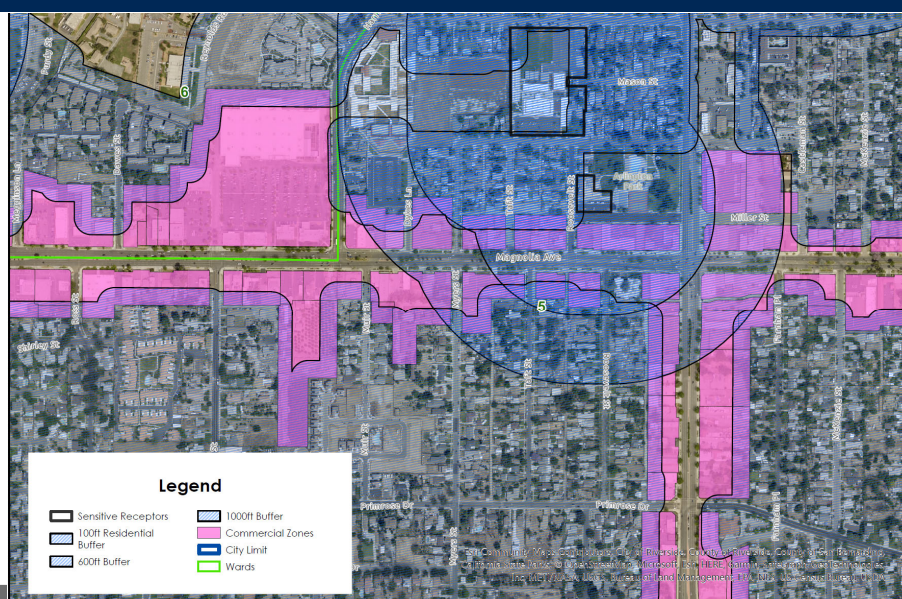


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REFERENCE ONLY SLIDE



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