

CANNABIS BUSINESS PERMIT PROGRAM RMC AMENDMENTS

COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT

City Council
February 28, 2023

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BACKGROUND

2017

- Moratorium on commercial marijuana activity
- Adopted Ordinance No. 7398 to permit and regulate Cannabis Testing Laboratories in industrial zones

2018

- Staff directed to prepare an ordinance prohibiting cannabis businesses
- City Council approved Amendments to RMC prohibiting commercial cannabis uses within City limits



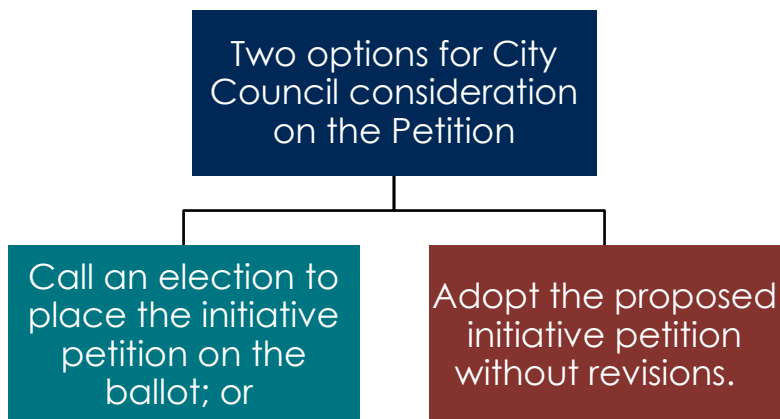
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BACKGROUND – SEPTEMBER 2021

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



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BACKGROUND – NOVEMBER 2021

Committee meeting to consider legalization

City Staff Team assembled:

- City Manager's Office
- City Attorney's Office
- City Clerk's Office
- Community & Economic Development Department
- Police Departments





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BACKGROUND - MARCH 2022	
Immediate Actions <ul style="list-style-type: none"> • Title 5 - Business Taxes, Licenses and Regulations amendments • Title 9 - Peace, Safety and Morals amendments to clean up and consistency • Title 19 - Zoning amendments related to land use regulations 	Future Actions <ul style="list-style-type: none"> • Conduct a financial analysis on potential revenue • Cannabis tax ballot measure in 2024



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BACKGROUND - OCTOBER 2022
<div>Draft Amendments completed (Title 5, Title 9 and Title 19)</div> <div style="text-align: center;">  </div> <div>Direction from Committee</div>


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DISCUSSION – MUNICIPAL CODE CHANGES

Title 5 -
Business
Taxes,
Licenses
and
Regulations

- Regulates the commercial sale, delivery and testing
- Implements the provisions of the Medicinal and Adult Use Cannabis Regulations and Safety Act ("MAUCRSA")



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DISCUSSION –MUNICIPAL CODE CHANGES

- Application procedures
- Background checks
- Sets limit of 14 Retail Cannabis Business permits
 - Store-front retail businesses are allowed to have a delivery service component
- Allows Cannabis Warehousing or Manufacturing with no limit on number of permits
- Community Benefits
- Issued and Enforced by City Manager



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DISCUSSION – MUNICIPAL CODE CHANGES

- Appeal process
- Security measures
- Operational regulations
 - Odor Control
 - Legal age allowed on the premise
 - Background checks
- Proximity to sensitive uses

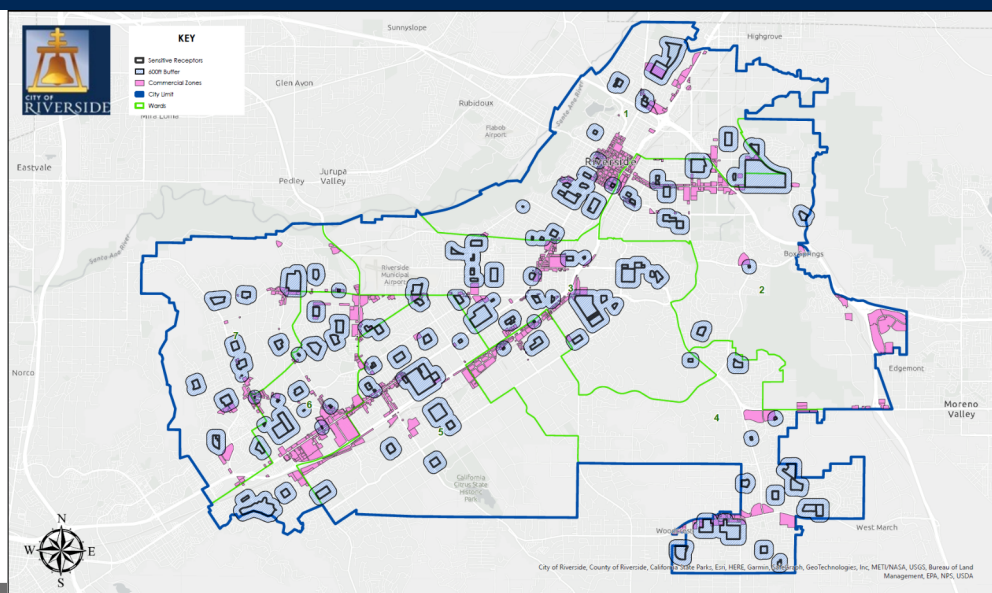


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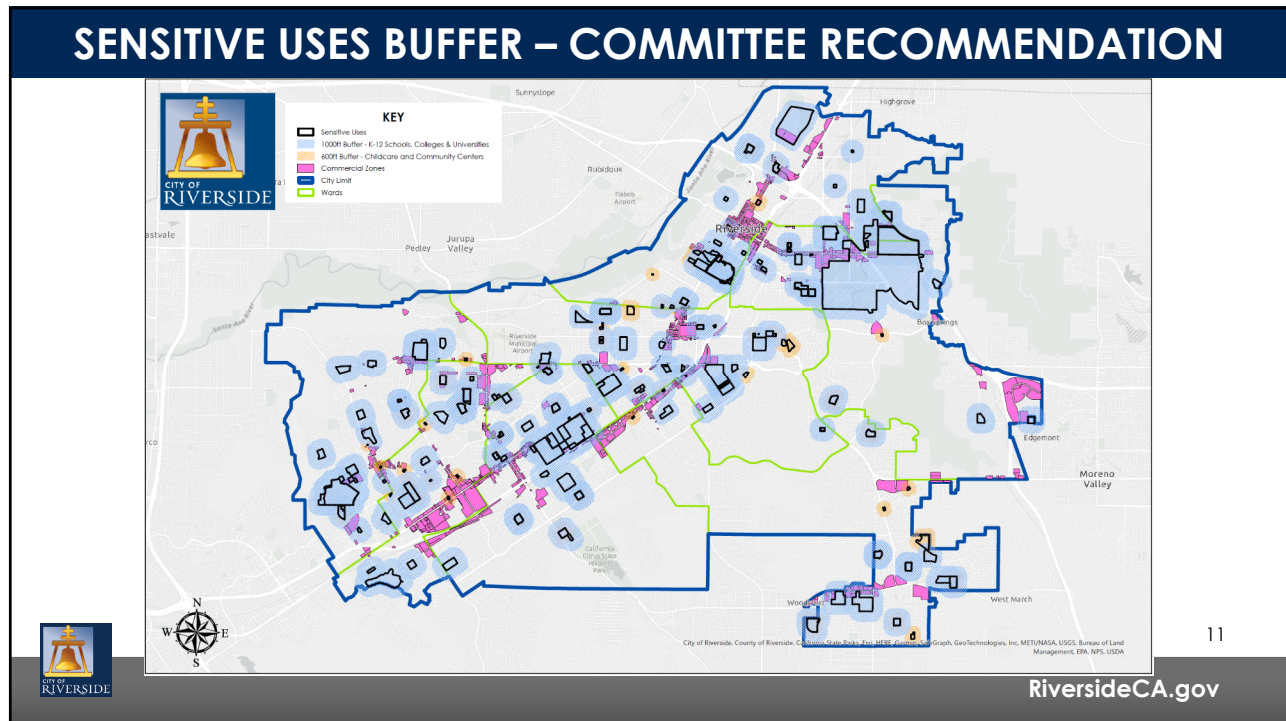
SENSITIVE USES BUFFER – STAFF RECOMMENDATION



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EQUITY STUDY

Option 1	Option 2	Option 3
<ul style="list-style-type: none"> • 18-month pause • Pursue GO-Biz Cannabis Equity Grant (Dec. 2023) • Conduct study • Update Program 	<ul style="list-style-type: none"> • 6-month pause • Procure consultant to perform equity study (no grant) • Conduct study • Update Program 	<ul style="list-style-type: none"> • Adopt Program • Hold some permits in reserve • Pursue equity study (Option 1 or 2) • Issue remaining permits

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DISCUSSION – RMC CHANGES

Title 9 – Peace, Safety and Morals

- Modified to be consistent with Title 5

Title 19 – Zoning

- Modified to be consistent with Title 5
- Revised Land Use Table
 - No new uses were introduced
- Planning Commission recommended approval on January 19, 2023



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NEXT STEPS

March – June 2023

- Develop application Procedure Guidelines and Review Criteria (CMO/Consultant)
- Conduct fee study (Finance)
- Council adoption – Guidelines and Criteria (CMO)

July – October 2023

- Potential application period (CMO)
- Prepare Fiscal Impact Analysis for sales tax measure (Finance)
- Develop language for sales tax measure (Clerk)

November 2023 – 2024

- 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

1. **DETERMINE** the proposed Amendments exempt from further California Environmental Quality Act (CEQA) review pursuant to Section 15061(b)(3) (General Rule),
2. **APPROVE** Planning Case PR-2022-001435 to amend Title 19 of the Riverside Municipal Code related to the proposed Cannabis Business Permit Program; and
3. **INTRODUCE** and subsequently adopt the attached Ordinances amending Titles 5, 9, and 19 related to cannabis business activities
4. **PROVIDE DIRECTION** on future actions to implement a Cannabis Business Permit Program including a Cannabis Equity Program.

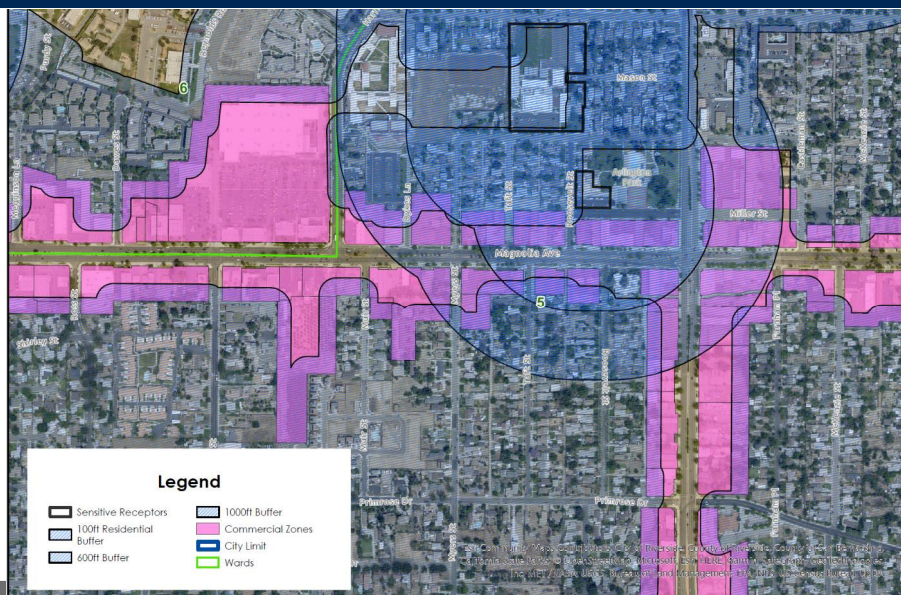


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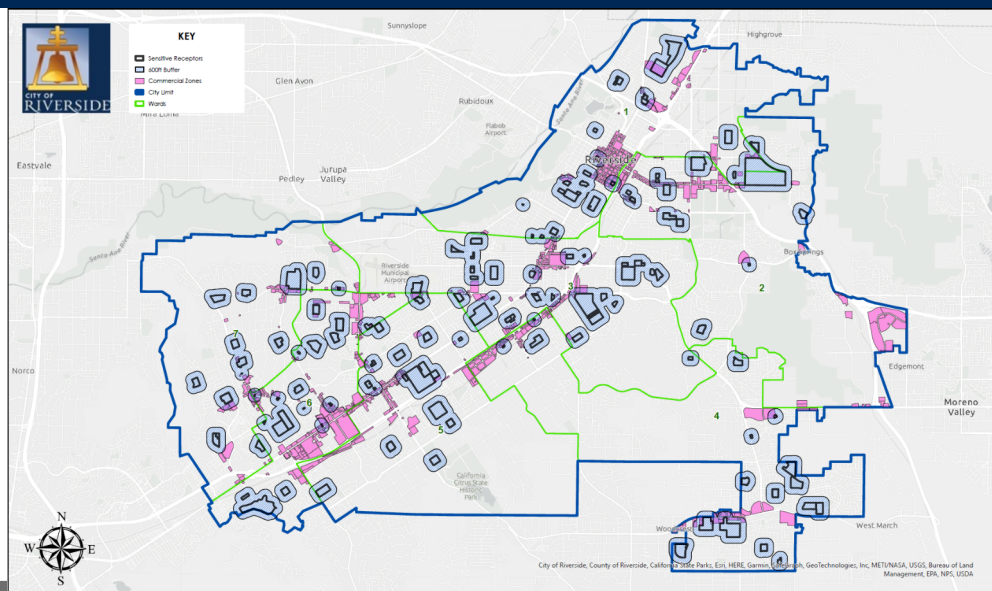


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