

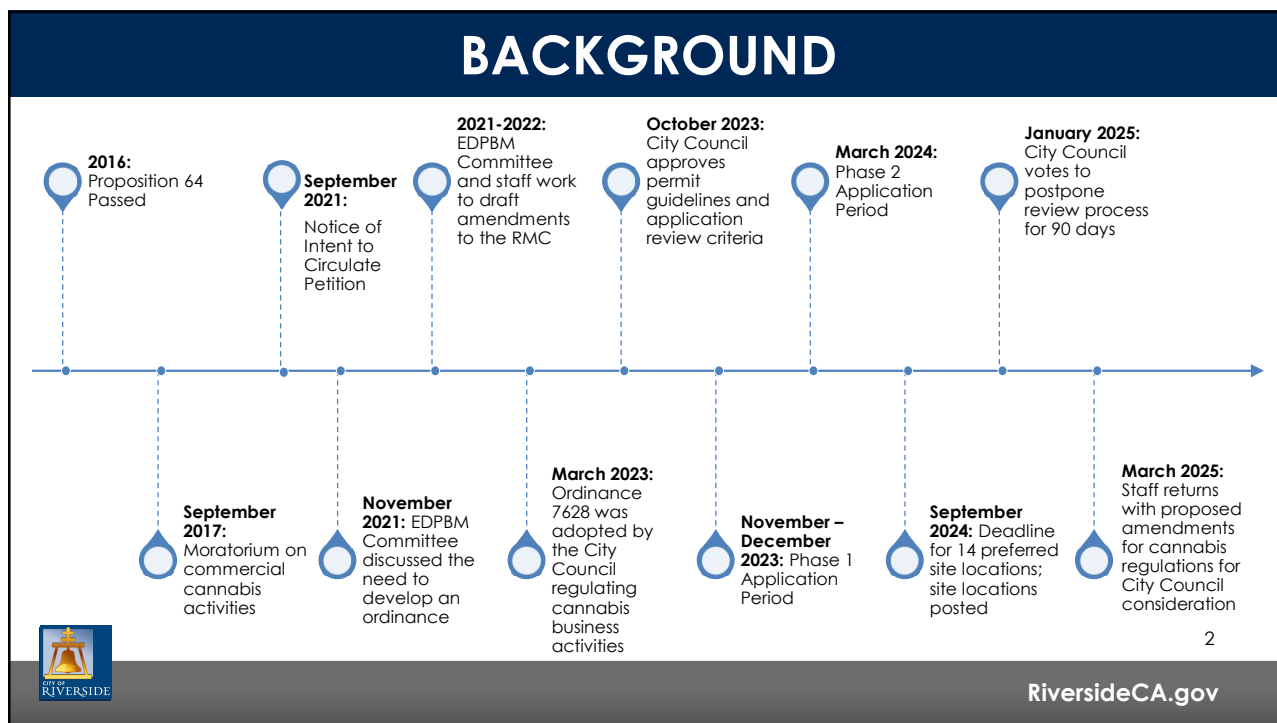
Consideration of Amendments to the Municipal Code and Cannabis Business Permit Guidelines

Community & Economic Development

City Council Meeting
March 25, 2025

RiversideCA.gov

1



2

JANUARY 7TH CITY COUNCIL DIRECTION

POSTPONEMENT

- Postpone the permitting process by up-to 90 days

RESEARCH

- Effects of concentration
- Proximity to sensitive receptors
- Crime impacts
- Health and safety concerns

PROPOSED AMENDMENT TOPICS

- Crime and community safety
- Permit transfer/sale process
- Allow CCB in Industrial and Manufacturing Zoning Only
- Establish New Sensitive Use Categories
- Establish a minimum distance between Cannabis Storefronts
- Evaluate the total number of Permits per ward
- Evaluate the total number of permits within the City



3

RiversideCA.gov

3

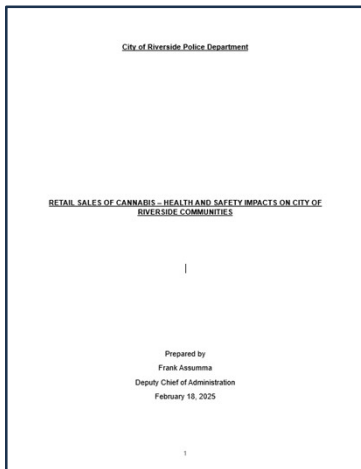
CRIME & COMMUNITY SAFETY



RiversideCA.gov

4

CRIME, HEALTH & SAFETY ANALYSIS



5

RiversideCA.gov

5

RESEARCH RESULTS

- California's Regulatory and Quality Control Measures are Inadequate
- No Clear Bright Line Division Between Legal and Illegal Cannabis Products/Sales
- Increase in Crime and Calls for Service in Neighborhoods Surrounding Businesses Selling Cannabis



6

RiversideCA.gov

6

RESEARCH RESULTS

- Use of Cannabis Leads to Adverse Health Effects
- Possible Negative Impact on ABC Licenses of Surrounding Businesses
- Cannabis Legalization Fuels the Black Market
- Marijuana Use Conflicts with the Stated Goals of the Blue Zone Project



7

RiversideCA.gov

7

CRIME, HEALTH & SAFETY ANALYSIS

Legal vs. Illegal Cannabis

- 232 licensed tobacco retailers operating in Riverside - no licensed cannabis businesses
- 30 out of 42 tobacco retailers (71%) were illegally selling cannabis products.
- Legal cannabis product being sold in both licensed and unlicensed businesses

Increase in Crime and CFS

- Studies have shown that crime increased in the neighborhoods surrounding cannabis dispensaries
- Cannabis outlets in the City of Riverside showed an average 146% increase in calls for service
- Correlation with legalization of cannabis and increase in traffic accidents and deaths

Adverse Health Effects

- Cannabis Use Disorder (Addiction)
- Brain, Lungs, Heart Health
- Mental Health
- Driving
- Unintentional Poisoning
- Increase in hospital emergency room visits
- Cannabinoid Hyperemesis Syndrome (CHS)

Impact on Surrounding Businesses

- Impact on crime
- May impact businesses governed by other state permits (ABC)

Black Market

- Mexican DTOs
- International Crime Groups
- Criminal Background
- Product cheaper on the Black Market



8

RiversideCA.gov

8

RIVERSIDE PD FINDINGS

Staff Recommendations:

1. Limit the number of permits to one per ward.
2. Due to the increase in crime establish a minimum distance between CCBs of 1,000 feet.

Additional Direction Needed:

1. Require cannabis products not to exceed 5 grams and 10% THC concentration.
2. Require Dispensaries to submit to random product testing at their own expense.
3. Universities and colleges as sensitive use.



9

RiversideCA.gov

9

2. SALE OF CANNABIS BUSINESSES



10

RiversideCA.gov

10

TRANSFER PROCESS REVIEWED

Operating Period
before Transfer

Evaluation
Criteria used in
Transfer Review

Limitations to
transfer process

Prohibition of
Permits for sale
and to buy

City Council to
Approve / Deny

Periodic review of
ownership to
prevent improper
transfers



11

RiversideCA.gov

11

TRANSFER PROCESS FINDINGS

Staff Recommendations:

1. Adding language to the transfer process to require a new owner to score equal to or higher than the originally proposed team.

Additional Direction Needed:

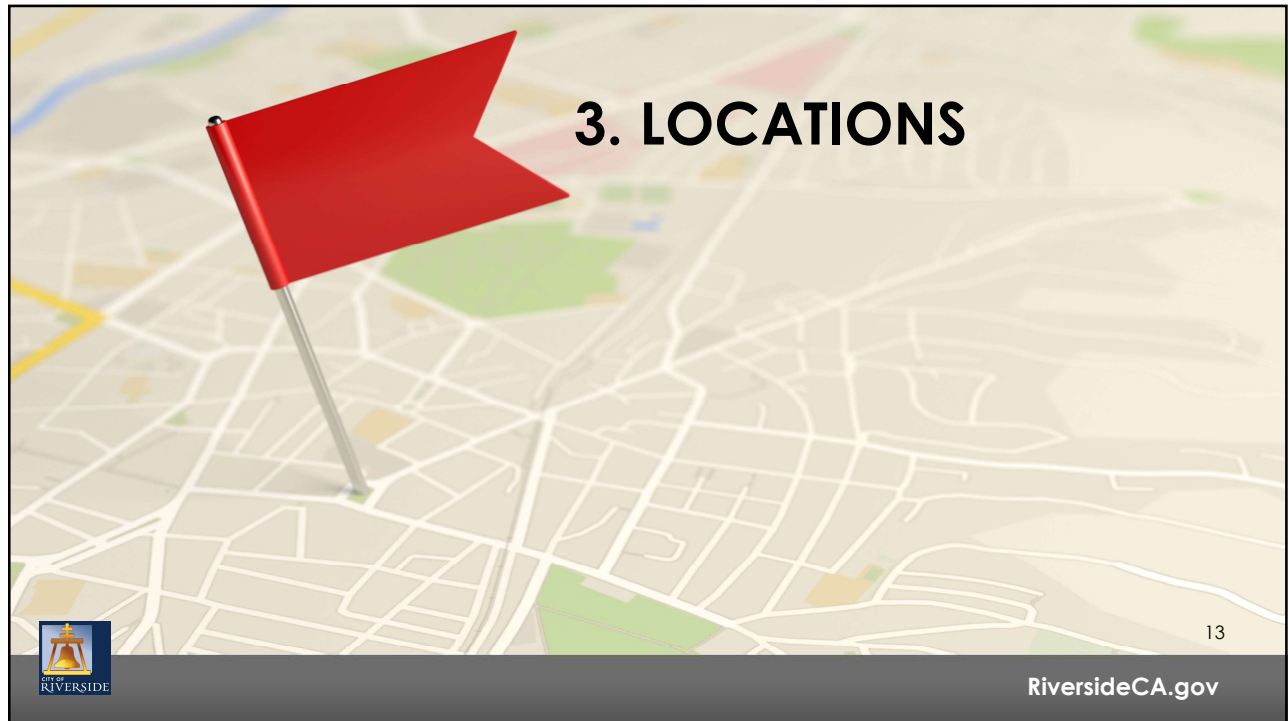
1. Consider options related to requiring transfers to include equity qualified businesses.
2. Amend the approval authority from City Manager to City Council.



12

RiversideCA.gov

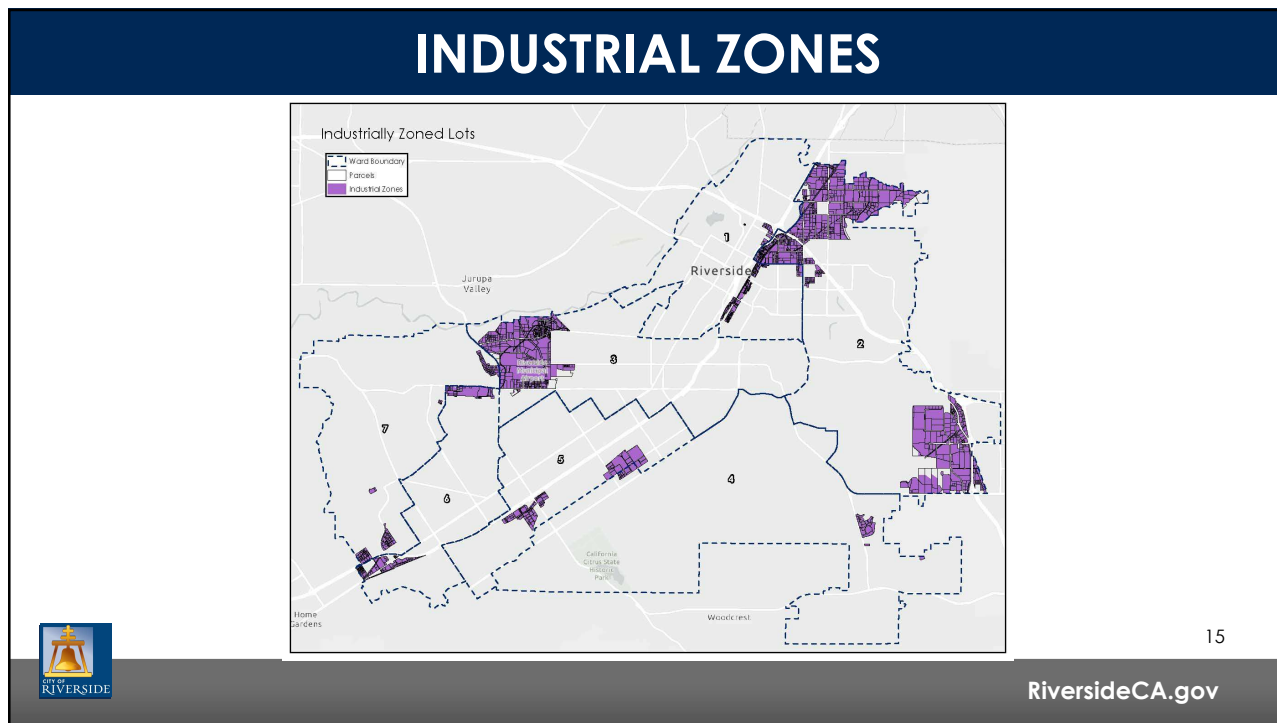
12



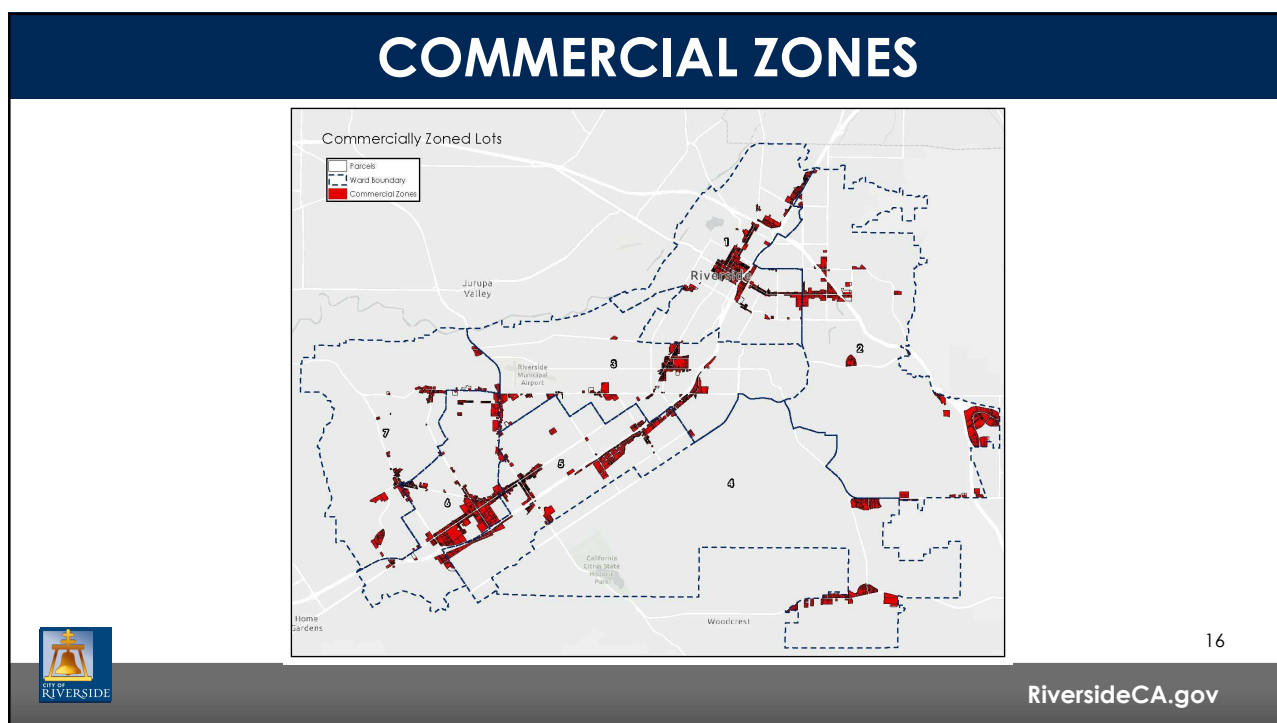
13

LOCATIONS				
City	Retail	Industrial	Manufacturing	Professional
Corona	X	X	X	X
Costa Mesa	X			
Jurupa Valley	X			
Long Beach	X			
Moreno Valley	X	X	X	X
Perris	X	X	X	
San Bernardino	X	X	X	X
Santa Ana		X	X	X
West Hollywood	X			
Riverside	X			

14



15

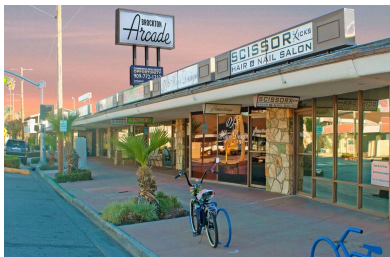


16

PLACEMAKING AREAS



Arts & Culture District



Midtown



Arlington Village



17

RiversideCA.gov

17

4. CONCENTRATION OF CANNABIS STOREFRONTS



18

RiversideCA.gov

18

CONCENTRATION

- New Sensitive Uses
- Minimum Distance between CCBs
- Maximum Permits per ward
- Total number of Permits



19

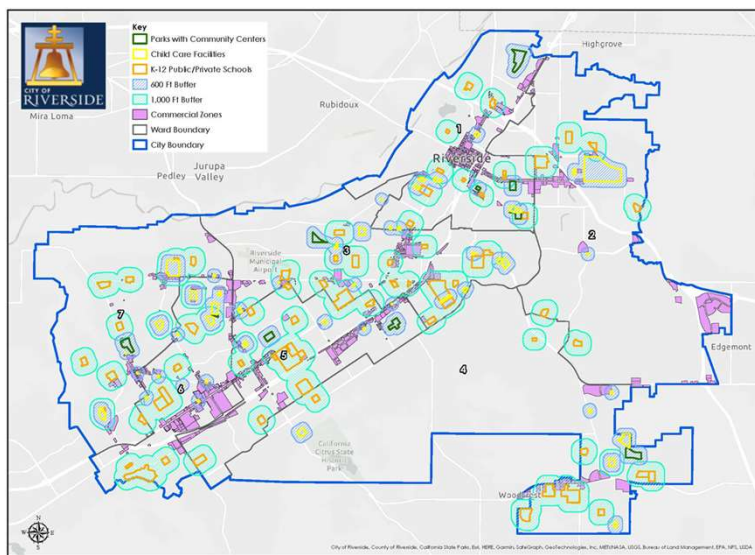


RiversideCA.gov

19

CURRENT SENSITIVE USES

- Schools K-12, 1,000 ft.
- Daycare, 600 ft.
- Community Center, 600 ft.



RiversideCA.gov

20

POTENTIAL SENSITIVE USES

- Parks
- Places of Worship
- Residential Zoned Properties
- Hospitals
- Hotels
- Businesses with an ABC License



21



RiversideCA.gov

21

SENSITIVE USES BY AGENCY

City	Schools	Daycare	Community Center	Place of Worship	Park	Library	Residential	Youth Center	Hospital
Corona	1000'	1000'	0'	0'	1000'	0'	1000'	0'	0'
Costa Mesa	1000'	1000'	0'	0'	0'	0'	250'	600'	0'
Jurupa Valley	600'	600'	0'	0'	0'	0'	0'	0'	0'
Long Beach	600'	600'	600'	0'	600'	600'	0'	0'	0'
Moreno Valley	600'	600'	600'	600'	0'	600'	0'	600'	0'
Perris	1000'	1000'	1000'	1000'	1000'	0'	0'	1000'	0'
San Bernardino	600'	600'	0'	0'	600'	0'	600'	600'	0'
Santa Ana	1000'	600'	0'	0'	1000'	0'	1000'	0'	0'
West Hollywood	600'	600'	0'	0'	0'	0'	0'	600'	0'
Riverside	600'	600'	600'	0'	0'	0'	0	0'	0'

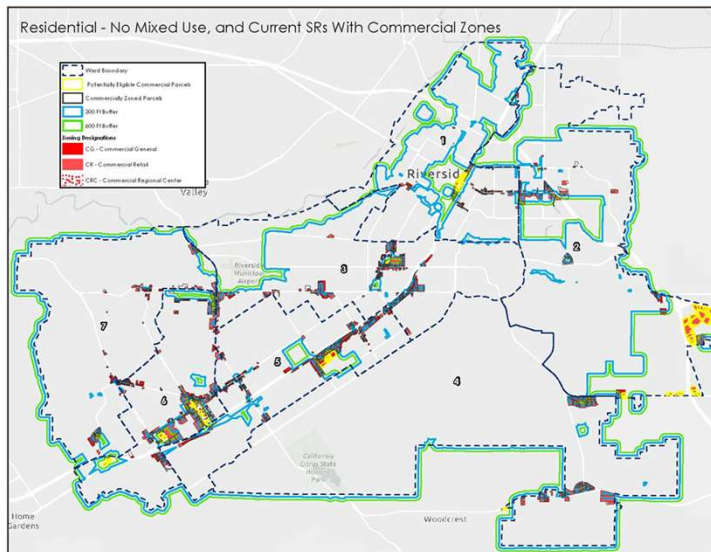
22



RiversideCA.gov

22

RESIDENTIAL ZONES



23

RiversideCA.gov

23

ABC LICENSE COMPATIBILITY



CALIFORNIA DEPARTMENT OF

Alcoholic Beverage Control

Prohibits a cannabis licensee from selling alcohol or tobacco on or at any premises licensed by ABC

A "CCB" and ABC Business shall not have a Common Access Point

The code also prohibits drinks or products from one business type being passed to another if they share a common wall.




24

RiversideCA.gov

24

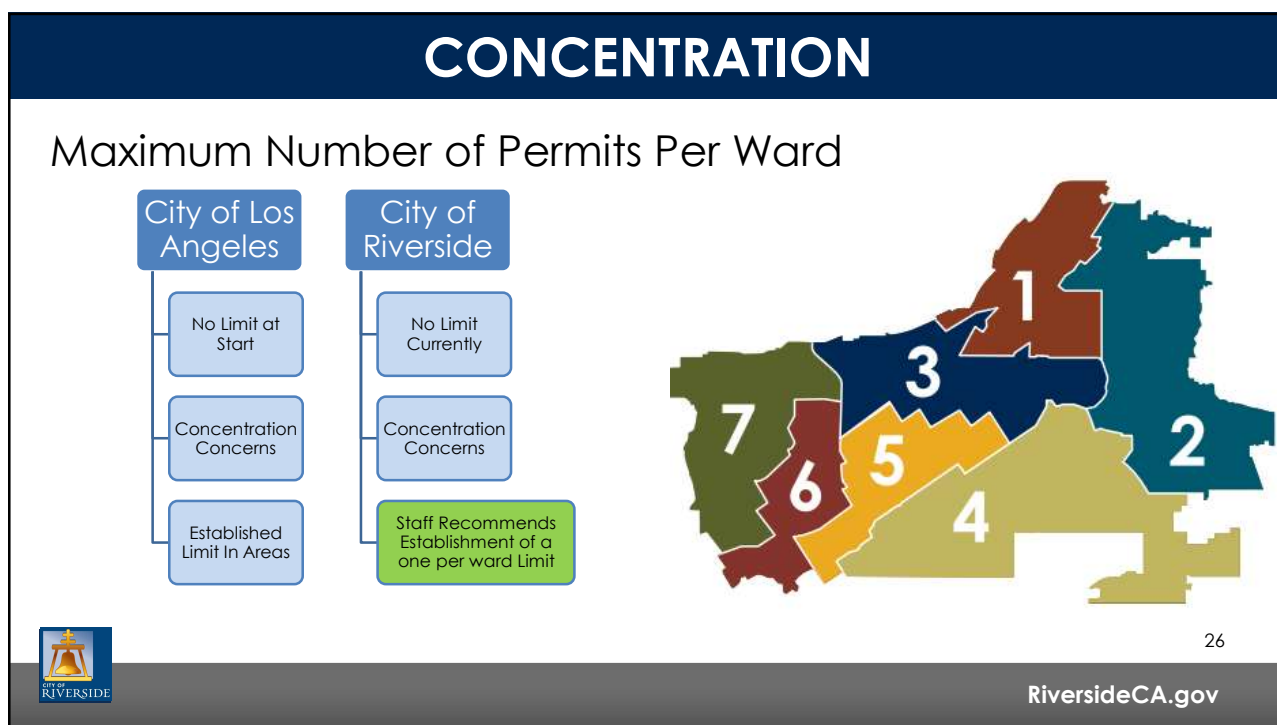
MINIMUM DISTANCE BETWEEN CCBS

City	Minimum Distance between CCBs
Corona	None
Costa Mesa	None
Long Beach	1000 feet
Moreno Valley	600 feet
Perris	None
San Bernardino	None
Santa Ana	500 feet
West Hollywood	None
Riverside	None


25

RiversideCA.gov


25



26

CONCENTRATION

City	Maximum Permits	Population	Permit to Population Ratio	Area
Corona	12	161,161	13,430	39.96 mi ²
Costa Mesa	35	108,354	3,096	15.81 mi ²
Jurupa Valley	7	107,321	15,332	43.51 mi ²
Long Beach	32	444,095	13,878	50.7 mi ²
Moreno Valley	25	214,196	8,568	51.51 mi ²
Palm Springs	26	54,500	2,096	94.98 mi ²
Perris	No Limit	80,603	N/A	31.68 mi ²
San Bernardino	17	222,101	13,065	78.15 mi ²
Santa Ana	30	310,304	10,343	27.52 mi ²
West Hollywood	8	34,349	4,294	1.88 mi ²
Riverside	14	319,190	22,799	77.99 mi ²


27


RiversideCA.gov

27

CLEAN UP ITEMS

Resubmittal
Process for Zoning
Failure

Failure to perform
in Phase 2, Step
2.3


28

RiversideCA.gov

28

CLEAN UP ITEMS

Annual Renewal Process

```


    graph LR
      A[CCB Permit Issued] --> B[New Sensitive Use]
      B --> C[Annual Renewal]
      C --> D[Potential Issue]
  
```

Recommendation: Add an exception for the renewal of an established cannabis business to not subject to the minimum separation distances to sensitive uses established after the CCB Permit was operational

```

    graph LR
      A[CCB Permit Issued] --> B[New Sensitive Use]
      B --> C[Annual Renewal exemption]
      C --> D[Permit Renewed]
  
```

29



RiversideCA.gov


29

SUMMARY

```

    graph LR
      A[Reduce the total number of permits from 14 to seven] --> B[Establish a one permit per ward limit]
      B --> C[Establish Minimum Distance between Cannabis Storefronts: 1,000 feet]
      C --> D[Establish Requirements to comply with ABC rules]
      D --> E[New Sensitive Use: Parks within 600 feet]
      E --> F[Avoid CCB Permit Concentration]
  
```

30



RiversideCA.gov

30

STRATEGIC PLAN ALIGNMENT

Strategic Priority 2 – Community Well-Being

- **Goal 2.4** – Support programs and innovations that enhance community safety, encourage neighborhood engagement, and build public trust.

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation


31


RiversideCA.gov

31

FISCAL IMPACT

- A Reduction in the number of permits from 14 to seven could result in a reduction of projected revenue projections.

	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
Budgeted	\$ 500,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Proposed	\$ 250,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Revenue Loss	\$ 250,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000


32

RiversideCA.gov

32

RECOMMENDATIONS

Staff Recommends City Council:

1. Adopt a Resolution postponing the permitting process under RMC 5.77.120 for an additional 30 days; and
2. Direct staff to draft an Ordinance amending the RMC to include the following items:
 - a. Amend Section 5.77.100.C to reduce the maximum number of Permits from 14 to seven, with one Permit maximum per ward.
 - b. Amend Section 5.77.270.A a requirement to operate with the full ownership/team structure as submitted for a minimum of one year before any sale or ownership transfer is considered.



33

RiversideCA.gov

33

RECOMMENDATIONS

- c. Amend Section 5.77.270.A.3 adding language to require the new owner to score equal to or higher than the current permittee/owner.
- d. Add Section 5.77.320.A.4 to maintain a minimum distance of 1,000 feet between Storefront Retail Commercial Cannabis Business (CCB) Permits.
- e. Add Section 5.77.320.A.5 to require compatibility with all Alcoholic Beverage Control (ABC) rules and regulations to ensure the location and design does not render the previously approved ABC business noncompliant.



34

RiversideCA.gov

34

RECOMMENDATIONS

- f. Amend Section 5.77.320.B.3.d to add A public and private park (600 feet).
- g. Add Section 5.77.320.B.4.c a renewal for an established cannabis business is not required to meet the minimum separation distances to sensitive uses after the CCB Permittee was established.
- h. Amend Section 5.77.340.D to require a permitted cannabis business to provide a current ownership register to the City Manager for review on April 15 and December 15 of each year.



35

RiversideCA.gov

35

RECOMMENDATIONS

- 3. Direct Staff to draft a Resolution to amend the Storefront Retail Commercial Cannabis Business Permit Procedure Guidelines and Application Review Criteria to include:
 - a. Amend Step 2.2 to clarify the failure to meet Zoning Verification Requirements requires a full resubmittal as described in Step 2.1.ii.a.
 - b. Amend Step 2.3 to clarify if an applicant fails to meet the submittal deadline for any of the processes detailed in Step 2.3, the applicant shall be deemed to have forfeited the Storefront Retail CCB application and any right to a Storefront Retail CCB permit.



36

RiversideCA.gov

36

DIRECTION/DISCUSSION

4. Provide Direction on the following items:
- a. Consider transfer of sales to equity qualified businesses.
 - b. Prohibit transfers of CCB Permits.
 - c. Amend the final authority to approve or deny the transfer process to the City Council.



37

RiversideCA.gov

37

DIRECTION/DISCUSSION

- d. Consider amending the Zoning Code to prohibit CCB permits in Placemaking or Specialty Zone/Areas (i.e. Arts and Culture District, Arlington Village, and Midtown)
- e. Review Residential Zoned Properties as a sensitive use and corresponding minimum separation distance.



38

RiversideCA.gov

38