

## REPORT TO THE CITY COUNCIL

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**DATE:** January 16, 2018

**TITLE:** Resolution Setting Forth Certain Regulations Pertaining to Dispensaries

**Prepared by:** Jennifer Mizrahi, City Attorney

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### **RECOMMENDATION**

**Adopt a Resolution of the City Council of the City of Desert Hot Springs setting forth certain regulations pertaining to dispensaries.**

### **BACKGROUND:**

Currently the City regulates marijuana dispensaries primarily in Chapters 17.180 (related to land use regulation) and in 5.50 (related to regulatory permits) of the Desert Hot Springs Municipal Code ("DHSMC"). Pursuant to the DHSMC, a marijuana dispensary must, at minimum, obtain a conditional use permit and a regulatory permit to legally operate in the City.

In a manner as to control land use, the City Council deemed that nineteen (19) persons could apply for a marijuana dispensary conditional use permit, listed in Exhibit 2. Of those nineteen (19) persons, three (3) persons withdrew their applications; sixteen (16) persons remain.

For purposes of this Staff Report, the sixteen (16) persons who were approved by the City Council to apply for a marijuana dispensary conditional use permit collectively shall be referred to herein as "Subject Dispensary Applicants", and individually as "Subject Dispensary Applicant." Currently there are a number of the Subject Dispensary Applicants who have been duly issued a marijuana dispensary conditional use permit by either the Planning Commission or the City Council. Further, there are also a number of Subject Dispensary Applicants who have yet to apply or be issued a marijuana dispensary conditional use permit by either the Planning Commission or the City Council.

On October 3, 2017, the City Council during its Study Session discussed the issues pertaining to the Subject Dispensary Applicants and, in particular, whether such persons can transfer their applications. The attached Resolution sets forth the fact that 1) the right to apply for a conditional use permit is non-transferable, 2) that if a City Council approved listed Dispensary is lawfully operating, the Dispensary can move locations in a manner so as provided by law, subject to obtaining all entitlements, licenses and permits, and that the City shall not issue greater than sixteen (16) entitlements for dispensaries.

### **FISCAL IMPACT:**

None.

### **EXHIBITS:**

- 1) Draft Resolution
- 2) List of Dispensaries