

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DESERT HOT SPRINGS, CALIFORNIA, AMENDING ALL VALIDLY APPROVED MEDICAL MARIJUANA CULTIVATION, MANUFACTURING, TESTING, DISTRIBUTION AND DISPENSARY DEVELOPMENT AGREEMENTS, ENTITLEMENTS, PERMITS AND LICENSES THAT ARE IN GOOD STANDING WITH THE CITY TO INCLUDE RECREATIONAL/ADULT MARIJUANA USE.

WHEREAS, the City of Desert Hot Springs ("City") is a charter city organized pursuant to Article XI of the California Constitution; and

WHEREAS, Chapter 5.50 "Medical Marijuana Facilities Regulatory Permit," of the Desert Hot Springs Municipal Code ("DHSMC") establishes standards for granting permits to Marijuana Facilities within the City; and

WHEREAS, Chapter 17.180, of the DHSMC establishes zoning regulations and development standards for Marijuana Facilities, as that term is defined, within the City;

WHEREAS, Senate Bill 94, the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), repealed the Medical Marijuana Regulation and Safety Act (California Business and Professions Code sections 19300-19360), and incorporated certain provisions of that act into the Adult Use of Marijuana Act (California Business and Professions Act sections 26000-26211); and

WHEREAS, as a result of the passage of the MAUCRSA, the State of California combined regulations for the use of medical and adult use marijuana into one regulatory scheme located under California Business and Professions Code sections 26000 to 26211; and

WHEREAS, the City adopted an ordinance, codified in Chapter 17.180 of the DHSMC to allow for manufacturing, testing, and distribution of both medical and recreational marijuana, in addition to cultivation and dispensing; and

WHEREAS, DHSMC Chapter 5.50 was amended to reflect the recent changes to Chapter 17.180 of the DHSMC; and

WHEREAS, several City- issued entitlements (including but not limited to development agreements and conditional use permits), permits and licenses (collectively "Approvals") have been issued or approved which only granted medical marijuana to be dispensed, cultivated, manufactured, tested or distributed, but not recreational marijuana; and

WHEREAS, the City would like to permit recreational marijuana as a use as part of the already-approved Approvals; and

WHEREAS, SB 94 was recently adopted which implements the voter's intent to issue state cannabis licenses beginning January 1, 2018; and

WHEREAS, the City anticipates that the State will be inundated with applications for State-mandated cannabis licenses; and

WHEREAS, as the City understands, the State has several requirements that must be met prior to issuing State cannabis licenses, which includes applicants which are currently permitted or licensed by cities to engage in cannabis business activities be in compliance with all local laws and regulations and possibly operational by January 1, 2018; and

WHEREAS, prospective applicants interested in obtaining State cannabis licenses are running against a strict timeline to get their approved cannabis-related projects qualified and operational by the January 1, 2018 deadline; and

WHEREAS, the City acknowledges that the cannabis industry will have positive effects on the City, including increased employment and a tremendous increase in City revenue that can be used for improved public safety, better parks and recreation, additional children programs designed to improve health and reduce childhood obesity, and more senior programs and activities that will lead to more active living for low-income seniors; and

WHEREAS, the City Council finds that the adoption of this ordinance is categorically exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15061(b)(3) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment; and

WHEREAS, this Ordinance protects the public health, safety and welfare.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Desert Hot Springs as follows:

Section 1. **RECITALS**

That the foregoing recitals are true and correct and are herein adopted by this reference.

Section 2. **APPROVAL OF RECREATIONAL MARIJUANA**

That the City Council of the City of Desert Hot Springs recognizes that since all City-issued entitlements (including but not limited to development agreements and conditional use permits), permits and licenses (collectively "Approvals") have been issued or approved for medical marijuana to be dispensed, manufactured, tested or distributed, all Approvals are collectively hereby amended and revised to grant all current **and future** holders of the aforementioned Approvals, in good standing with the City, to include recreational marijuana as part of their approved marijuana-related activities.

Section 3. **SEVERABILITY**

That, should any provision, section, paragraph, sentence or word of this ordinance be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences or words of this ordinance as hereby adopted shall remain in full force and effect.

Section 4. **REPEAL OF CONFLICTING PROVISIONS**

That all the provisions of the Municipal Code as heretofore adopted by the City of Desert Hot Springs that are in conflict with the provisions of this ordinance are hereby repealed.

Section 5. **AMENDING OF BAIL SCHEDULE**

That the City Attorney's Office is hereby directed to determine whether this ordinance necessitates amendment of the City's Bail Schedule and to cause such necessary amendments to be made and filed with the local branches of the Superior Court of the County of Riverside.

Section 6. **EXECUTION AND CERTIFICATION**

That the City Clerk is directed to do all things necessary to cause the execution of this ordinance upon its adoption and shall thereafter certify to the passage of this ordinance and cause the same to be published according to law.

Section 7. **EFFECTIVE DATE**

That this ordinance shall take effect thirty (30) days after its adoption.

Section 8. **CERTIFICATION**

That the City Clerk shall certify to the passage of this ordinance and shall cause the same to be published according to law.

PASSED AND ADOPTED by the City Council of the City of Desert Hot Springs at a regular meeting held on the 16th day of January, 2018 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

[SIGNATURES FOLLOW ON THE NEXT PAGE]

ATTEST:

APPROVED:

Jerryl Soriano, CMC, City Clerk

Scott Matas, Mayor

APPROVED AS TO FORM:

Jennifer A. Mizrahi, City Attorney

DRAFT