

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 3.51
(ID # 11256)

MEETING DATE:

Tuesday, December 10, 2019

FROM : SUPERVISOR JEFF HEWITT AND SUPERVISOR KAREN SPIEGEL :

SUBJECT: SUPERVISOR JEFF HEWITT AND SUPERVISOR KAREN SPIEGEL: CANNABIS AD HOC COMMITTEE; Receive and file report on the activity of the Cannabis Ad-Hoc Committee AND Authorize the Cannabis Ad-Hoc Committee to expand their scope. (Continued from November 5, 2019)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file this report on the activity of the Cannabis Ad Hoc Committee, and;
2. Authorize the Cannabis Ad Hoc Committee to expand their scope to include the following items:
 - a. Implementation of 2nd year of the Cannabis Business Program.
 - b. Policy recommendations on options to potentially expand zones where Cannabis is allowed to include Rural Residential (R-R), Rural Agriculture (R-A), and Controlled Developed (W-2) including minimum parcel size.
 - c. Work with TLMA staff on other items that may require Board direction regarding the cannabis regulatory program and vet it through the Ad Hoc Committee before recommendations are brought before the Board.
 - d. Obtain periodic updates on criminal and civil enforcements efforts of illegal cannabis operations.
 - e. Work with TLMA staff to develop regulations for industrial hemp.

ACTION:Policy


Supervisor Karen Spiegel

12/6/2019


Supervisor Jeff Hewitt, Supervisor

12/6/2019

MINUTES OF THE BOARD OF SUPERVISORS

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$0	\$0	\$0	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: N/A			Budget Adjustment: No	
			For Fiscal Year: 19/20	

C.E.O. RECOMMENDATION: [CEO use]

BACKGROUND:

Summary

On January 29, 2019, the Board approved an implementation process for accepting Requests for Proposals (RFP's) for Cannabis Retail Sales, Cultivation and Microbusinesses. On Tuesday February 26, 2019, the Chairman of the Board created a Commercial Cannabis Ad Hoc Committee, and Appointed Supervisors Spiegel and Hewitt to serve on the Ad Hoc Committee for the 2019 calendar year. The Ad Hoc Committee was specifically established to study and report back on the following items.

- 1) The social equity aspects of the program, and;
- 2) The RFP scoring framework, and;
- 3) Evaluate other options for Interested Parties who missed window of opportunity to apply.

The Commercial Cannabis Ad Hoc Committee met on two occasions, including TLMA staff, to review these items.

The Committee reviewed the RFP scoring framework that had been developed by TLMA staff and approved by the Board (Item 2 above), and determined that there wasn't a need to recommend revisions to the scoring criteria for this initial 1st year of the program at this time. The Committee also reviewed if it would be appropriate to provide options for interested parties who missed the window of opportunity to apply (Item 3 above). Given the high number of proposals that were submitted within the RFP (119 submittals) and followed the rules of the process, and that just one RFP was received right after the window close, it was determined that a further extension of the RFP period was not appropriate in order to safeguard the integrity of the RFP process. It should be noted that the RFP submittal deadline, as well as the entire RFP submittal procedures, were well-publicized and directly provided to all applicants who submitted an Interested Parties Form to participate in the selection process.

The Committee also held discussion regarding the social equity aspects of the program. Various jurisdictions have formal social equity programs. Although the general rules of these programs differ, most have in common practices that give preferential treatment to those applicants that have former marijuana criminal convictions, have a competitive economic

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disadvantage in submitting applications through the standard planning development review process, those who promote local hiring or investment in disadvantaged communities, or face other social or economic barriers to entry into the legal, regulated market-place.

Although we do not currently have a formal social equity program, the competitive RFP process that our County has adopted included providing additional, voluntary points for local hiring, local ownership, labor provisions for paying above minimum wage, labor agreements, and other provisions that TLMA staff considers to be in keeping with other social equity programs. It should be noted that the County's requirements to provide Additional Public Benefits through a Development Agreement also provides a mechanism for direct reinvestment into the communities where the cannabis businesses are located. It should also be noted that TLMA staff did not receive any concerns from potential applicants, either in the public crafting of our RFP process or during the submittal period, identifying any barriers in the County's RFP process that would have been addressed through a formal social equity program. The recommendation from the Committee was that we continue to evaluate this issue over time as the regulatory program matures.

The Commercial Cannabis Ad Hoc Committee is now seeking the Board's approval to expand the role of the Ad Hoc Committee, to include reviewing and providing recommendations to the Board on:

1. Potentially expanding the zones where cannabis businesses are allowed in the R-A, R-R, and W-2 zones. This item was discussed by the Planning Commission and the Board during the adoption of the ordinance, and it was determined that this would be evaluated at a later time. This would require an Ordinance change that would involve opportunities for public input through hearings before the Planning Commission and Board of Supervisors, as well as the appropriate level of CEQA environmental review.
2. Work with TLMA staff to conduct an evaluation of the 1st year of the program implementation, and provide recommendations to the Board with how to proceed in 2020. The second year of the program is set to start in February 2020. This could include reviewing whether to continue with the Request for Proposal process for retail and cultivation uses, or other options.
3. Work with TLMA staff on other items that may require Board direction regarding the cannabis regulatory program and vet it through the Ad Hoc committee before recommendations are brought before the Board.
4. Obtain periodic updates on criminal and civil enforcement efforts of illegal cannabis operations.
5. Work with TLMA staff to develop regulations for industrial hemp.

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Impact on Citizens and Businesses

Providing an opportunity for Board members to review the ordinance and implementation process together will help identify opportunities for further refinement of our process moving forward, in order to protect residents, property owners, and businesses in Riverside County, and to provide opportunities for commercial cannabis business to successfully participate in our regulatory program.

Additional Fiscal Information

N/A

Contract History and Price Reasonableness

N/A

ATTACHMENTS