



APPLICATION PROCEDURES & GUIDELINES FOR A STOREFRONT RETAIL COMMERCIAL CANNABIS BUSINESS PERMIT

Application Period
OPENS – March 17, 2025
CLOSES – April 14, 2025

Information regarding the Commercial Cannabis Business (CCB) Application process can be found on the City's website at <https://www.hemetca.gov/cannabis> and includes the following:

- Application Procedures & Guidelines and Review Criteria
- Hemet Municipal Code (HMC) Chapter 18 Article XVI
- Hemet Municipal Code (HMC) Chapter 90 Article XXVI (Zoning Code)
- Property Owner Consent/Landlord Affidavit
- Financial Responsibility, Indemnity and Consent to Inspection Terms Agreement
- Commercial Cannabis Business (CCB) Application
- Background Check Portal Link
- Cannabis Website FAQ

APPLICANTS SHOULD MONITOR THE CITY'S WEB PAGE FOR ANY ADDITIONAL INFORMATION, FAQ'S, OR UPDATES. IT IS THE RESPONSIBILITY OF THE APPLICANT TO STAY INFORMED OF THIS INFORMATION.

The application period for a Storefront Retail Cannabis Business Permit to operate a Storefront Retail CCB in the City of Hemet ("City") will open on March 17, 2025 and will April 14, 2025. Prior to closing the application period, the City will post a Notice of Application Deadline on the website link above. The Notice of Application Deadline will advise that the application period will close not later than 28 days from when the notice is posted. Applications and all related documents will be available on the City website link above along with these procedures. Applications must be submitted to the Planning Department in their entirety. Any incomplete application will be returned. Applications submitted before the deadline will be reviewed consistent with these guidelines and the HMC.

NUMBER OF BUSINESSES

Pursuant to Hemet Municipal Code Section 18-508 the maximum number of Storefront Retail CCBs in the City is limited to five (5). The locational restrictions on Storefront Retail CCBs are listed in Hemet Municipal Code Section 18-525.

AMENDMENTS TO THE APPLICATION

If the City determines that a submitted application is incomplete or does not otherwise meet any or all of the requirements pursuant to any and all State and Local laws or regulations, the City shall send a Notice of Deficiency to the applicant generally describing the manner in which the application is incomplete or deficient. The applicant may resubmit omitted application material in order to correct any incompleteness or deficiencies. The applicant will not need to pay a new application fee. If an applicant fails to correct those sections deemed incomplete or deficient upon submission of the amendment, the application shall be rejected.

CITY'S RESERVATION OF RIGHTS

The City reserves the right to reject any and/or all applications, with or without cause or reason. The City may modify, postpone, or cancel the request for a Cannabis Business Permit without liability, obligation, or commitment to any party, firm, or organization. In addition, the City reserves the right to request and obtain additional information from any applicant to conduct a complete review of the application or an investigation into the truthfulness of the statements set forth in the application or provided at any stage of the application process.

The City reserves the right for the City Manager to waive minor informalities or irregularities, which are merely a matter of form and not of substance, or immaterial defect in an application or variation of an application from the exact requirements of the process that can be corrected or waived without being prejudicial to other applicants. The City Manager shall give the applicant an opportunity to cure any deficiency resulting from a minor informality or irregularity in an application or waive the deficiency.

APPLICATION PROCESS

This application process is delineated in Hemet Municipal Code Chapter 18, Article XVI. It is incumbent upon the applicant to review and comply with all State and Local applicable laws and regulations regarding the application process. Before submitting your application, review your application in its entirety to ensure that it is complete and accurate. Review the information regarding the Storefront Retail Cannabis Business Permit application process for a CCB on the City webpage provided on page one.

The following procedures generally outline the application evaluation and selection process, required materials, and other information necessary to apply for a Cannabis Business Permit to operate a Storefront Retail facility in the City of Hemet.

APPLICATION SUBMITTAL REQUIREMENTS

Applications must respond to all requirements outlined in the "Application Procedures & Guidelines for a Cannabis Business Permit." This can be found at <https://www.hemetca.gov/cannabis>. Applicants must submit all required application materials together in one complete comprehensive application package. This can be done in person, or can be sent to the City via FED EX, UPS or any other common carrier delivery service as long as it is a complete application. Electronic submissions such as Email, Dropbox, Google Docs, etc will not be accepted. Complete applications also must be submitted prior to the close of the application deadline.

The application package must include all the following documents with original wet signatures and notaries for each document (where applicable).

1. Commercial Cannabis Business Application;
2. Financial Responsibility, Indemnity and Consent to Inspection Terms Agreement;
3. Agreement on Limitations of City's Liability, and Certifications, Assurances, Warranties, and Indemnification to City;
4. Property Owner Consent/Landlord Affidavit;
5. Proof Property Ownership or Lease Agreement/Letter of Intent to Lease;

6. Proof of insurability from an Insurance Company;
7. Zoning Verification Application;
8. Application Zoning Verification Letter;
9. USB Flash Drive;
10. Application fee.

FLASH DRIVE CONTENT

All applicants must submit a USB flash drive containing one complete copy of the application submittal requirements as outlined in the below format. The application package and application fees must be received by the Planning Division at the same time.

Responses to the Evaluation Criteria (Sections 1-7 found in Appendix A of the Application Procedures & Guidelines) shall be limited to 200 pages. Responses pertaining to Financial Responsibility, Indemnity and Consent to Inspection Terms, Agreement on Limitations of City Liability, and Certifications, Assurances, Warranties, and Indemnification to City, Proof of Capitalization, Zoning Verification Application/Letter (ZVL), and Property Owner Consent/Lease Agreements, Property Owner/Landlord Affidavit, shall not be included in the 200 page limitation. Those responses should be saved in PDF files that are separate from the Evaluation Criteria (see below).

All materials must be submitted on a USB flash drive in a PDF format in the following files. Please submit the files in the correct format and organize correctly. Improper organization of your application may ground for rejection.

PDF File #1	Commercial Cannabis Business Application (pages 1-3), Financial Responsibility, Indemnity and Consent to Inspection Terms Agreement (pages F1-F2,) Agreement on Limitations of City Liability, and Certifications, Assurances, Warranties, and Indemnification to City (pages F3-F8), Property Owner Consent/Landlord Affidavit, Proof of Property Ownership or Lease Agreement/Letter of Intent to Lease, Proof of insurability, Zoning Verification Application, Application Zoning Verification Letter (ZVL), and Proof of Application Fee; and with required signatures and notaries for all documents (where applicable).
PDF File #2	Evaluation Criteria (Responses to Sections 1-7 of Appendix A limited to 200 pages).
PDF File #3	Proof of Capitalization (All bank statements, loan documents, promissory notes, financial and commitment letters).

BACKGROUND CHECK

Any person who is an owner, operator, manager and/or employee (collectively “Cannabis Business Person(s)”) must undergo a criminal history background check to demonstrate they do not provide “good cause” for denial per HMC Sections 18-506 and 18-531(k). Cannabis Business Person(s) who do not meet the criminal history eligibility requirements of Section 18-531(k) will be disqualified. The background form can be found online at https://hdlcompanies.formstack.com/forms/bc_hemet_2.

The initial background check fee for each Cannabis Business Person(s) shall be \$300.00. This process will be required to meet the minimum threshold qualifications pursuant to HMC Section 18-531(k).

ZONING VERIFICATION LETTER (ZVL)

Prior to submitting a Cannabis Business Permit Application, an Applicant must obtain a Zoning Verification Letter from the Planning Department. To secure this letter, an Applicant must apply for the Zoning Verification Letter, and pay all associated fees therewith. The Zoning Verification Letter must specify the intended use of the building (storefront retail), and the proposed building location. Applicants must submit a Retail Cannabis Business Zoning Verification Application prior to March 31, 2025.

The issuance of a Zoning Verification Letter does not constitute written evidence of permission given by the City or any of its officials to operate a cannabis business, nor does it establish a “permit” within the meaning of the Permit Streamlining Act, nor does it create an entitlement under the Zoning or Building Code. A regulatory permit for a CCB does not constitute a permit that runs with the land on which the cannabis business is established. Please note that the cannabis business will require a discretionary permit.

FEES

All applicants shall be required to submit a fee of \$10,227.00. This amount will be charged against time spent by City staff and any consultant reviewing applications and administering the application process. Applicants are advised that they may be required to pay additional amounts as required for the sole purpose of the City’s completion of the application review process. However, there will also be a separate fee for the Zoning Verification Letter (ZVL) of \$313.00 per site and the Background Check Fee of \$300.00 per Cannabis Business Person(s).

Payment of all fees and monies must be made by a certified check, cashier’s check or money order made payable to the City of Hemet. Please note the City will not accept cash or credit cards. All application fees are non-refundable.

SUBMITTAL DEADLINE

Completed applications must be received by the Planning Division by 4:00 p.m. on April 14, 2025. Late applications will not be accepted.

APPLICATION EVALUATION, REVIEW AND APPROVAL PROCESS

PHASE I: DETERMINATION OF ELIGIBILITY

Applications must be completed and submitted in their entirety to move forward in the review process. Upon receiving a completed application, the application will be reviewed in its entirety using the Application Submittal checklist on Page 1 of the CCB Application. Applications determined to be eligible will be forwarded to the Consultant for Phase II (Application Evaluation and Review).

PHASE II: APPLICATION EVALUATION AND REVIEW

Applications will be evaluated by using the criteria listed below. See APPENDIX A for a description of the evaluation criteria:

- Section 1. Business Plan
- Section 2. Labor and Local Enterprise Plan
- Section 3. Neighborhood Compatibility Plan
- Section 4. Safety Plan
- Section 5. Security Plan
- Section 6. Location
- Section 7. Community Benefits and Investments Plan

Those applications which are determined to meet the requirements in each category will move on to Phase III of the application process. If the application is incomplete or does not otherwise meet the minimum requirements, the Applicant may resubmit those sections that have been deemed incomplete or deficient. Please note that Applicants may only amend their application one time, therefore, Applicants are encouraged to provide a quality application when resubmitting the requested information.

PHASE III: LOTTERY

If five (5) or fewer applications are submitted to Phase III, then all applications will advance in the process pursuant to HMC 18-510. If six (6) or more applications are submitted to Phase III, then all six (6) submitted applications will be entered in the random lottery drawing, which will be conducted during regular business hours.

The City will announce the location, date, and time at least two (2) weeks before conducting the lottery drawing on the City's website linked above. The lottery drawing details will be emailed to the submitted six (6) or more applicants who have made it through to this phase, and any other interested person who has requested to receive cannabis lottery updates.

Results of the lottery drawing will be available immediately to those persons attending the lottery drawing in person. The City will also notify the applicants included in the lottery and post the lottery winners on the website at <https://www.hemetca.gov/cannabis>.

PHASE IV: PERMITTEE SELECTION PROCESS

In accordance with HMC 18-510 once the proposed locations of the applicants' businesses have been determined upon an initial examination by the Planning staff, and zoning verification letters have been issued to the applicants, a public meeting shall be set in which concerns of residents and affected businesses alike may be brought before the city. The hearing shall be before the Community Development Director or their designee. At least ten days prior to the public meeting, notice of the public meeting shall be sent to all property owners located within 500 feet of the proposed business locations of each applicant to be considered by the City Manager, and applicable newspaper noticing and mailing fee, as well as required noticing package as determined by the Community Development Department

At the conclusion of the vetting process, staff shall prepare a report making recommendations for approval by the City Manager. The recommendations shall include a summary of the concerns voiced by the community at the public meeting.

Official issuance of a commercial cannabis business permit, however, is conditioned upon the prevailing applicant obtaining all required land use approvals, such as obtaining building permits or site development review approval for new construction. After the awarding of the permit the City Manager shall transmit the list of permittees to the planning division. Following the City Manager's selection, the prevailing applicant(s) shall apply to the city's planning division to obtain any required land use approvals or entitlements for the permittee's location, if any. Land use approvals shall include compliance with all applicable provisions of CEQA. The City Manager or their designee(s) shall formally issue the commercial cannabis business permit(s) once the community development director or their designee(s) affirms that all of the required land use approvals have been obtained.

The City Manager is authorized to make all decisions concerning the issuance of a commercial cannabis business permit. In making the decision, the City Manager is authorized to impose additional conditions to the permit, if it is determined to be necessary to ensure compliance with state or local laws and regulations or to preserve the public health, safety or welfare. Appeals from the decision of the City Manager shall be handled pursuant to Sections 18-515 through 18-518.

Issuance of a commercial cannabis business permit does not create a land use entitlement. The commercial cannabis business permit shall only be for a term of 12 months and shall expire at the end of the 12-month period unless it is renewed as provided herein. Furthermore, no permittee may begin operations, notwithstanding the issuance of a permit, unless all of the state and local laws and regulations, including but not limited to the requirements of this article and of the permit, have been complied with, until a state license is available and obtained by the permitted operator as set forth in section 18-505.

Notwithstanding anything in this article to the contrary, the city reserves the right to reject any or all applications if it determines it would be in the best interest of the city, taking into account any health, safety

and welfare impacts on the community. Applicants shall have no right to a commercial cannabis business permit until a permit is actually issued, and then only for the duration of the permit's term. Each applicant assumes the risk that, at any time prior to the issuance of a permit, the City Council may terminate or delay the program created under this article.

If an application is denied resulting from a disqualification, a new application may not be filed for one year from the date of the denial. However, if a permit was not issued to an applicant as a result of not being selected in the initial process the applicant may apply again should the city open a future round of the application process.

Each person granted a commercial cannabis business permit shall be required to pay the permit fee established by resolution of the city council, to cover the costs of administering the commercial cannabis business permit program created in this article prior to commencing business in the city.

APPEALS:

Any Applicant wishing to appeal any decision made in the application process, or the results of the Lottery, may appeal the decision within ten calendar (10) days of the Applicant receiving a notice that he/she would not move forward in the application process or be issued a permit. Such appeals shall comply with the requirements of Hemet Municipal Code Sections 18-515, *et seq.*

Note: Being awarded a Cannabis Business Permit does not constitute a land use entitlement and does not waive or remove the requirements of applying for and receiving permits for all construction including: electrical, plumbing, fire, Planning Department permits or reviews, and any other permits, licenses, or reviews as deemed necessary by the relevant departments or governmental entities in charge of said permits. Nor does the award of a Cannabis Business Permit guarantee that the plans submitted via the Cannabis Business Permit application process meet the standards or requirements in Article XVI and any other permit requirements from other City departments or agencies. Further, it is understood and agreed to by the Applicant that 1) the business must receive their Certificate of Occupancy, be open, and operating within 12 months of issuance of the Commercial Cannabis Business Permit. If a business does not become operational as specified, the Cannabis Business permit shall be null and void, and of no further effect; and 2) the Cannabis Business Permit shall not be transferred or otherwise sold within the first three (3) years of the date of issuance of the Cannabis Business Permit. Violation of these two issues shall deed any Cannabis Business Permit null and void.

CONTACT

If you have any questions or would like an update on the status of your application, please contact the City of Hemet Planning Division (951) 765-2375 or by email at cannabis@hemetca.gov.

APPENDIX A: EVALUATION CRITERIA

All of the following information must be submitted on a USB flash drive in PDF format (Please do not submit any documents in Word format) when the application is initially filed for consideration as part of Phase I. All responsive documentation must be saved in three (3) individual digital files as described in the APPLICATION PROCEDURES & GUIDELINES FOR A COMMERCIAL CANNABIS BUSINESS PERMIT.

1. BUSINESS PLAN

- 1.1. Owner qualifications. Resumes are not to exceed two (2) pages per owner.
- 1.2. A budget for construction, operation, and maintenance, compensation of employees, equipment costs, utility cost, and other operation costs.
- 1.3. Proof of capitalization in the form of documentation of cash or other liquid assets on hand, Letters of Credit, or other equivalent assets.
- 1.4. Pro forma for at least three (3) years of operation.
- 1.5. Fully describe hours of operation and opening and closing procedures.
- 1.6. Fully describe the day-to-day operations if you are applying for a **STOREFRONT RETAIL** permit. This should include at a minimum the following criteria.
 - A. Describe customer check-in procedures.
 - B. Identify location and procedures for receiving deliveries during business hours.
 - C. Identify the name of the Point-of-Sale system to be used and the number of Point-of-Sale locations.
 - D. Estimate the number of customers to be served per hour/day.
 - E. Describe the proposed product line to be sold and estimate the percentage of sales of flower and manufactured products.
 - F. If proposed, describe delivery service procedures, number of vehicles and product security during transportation.
 - G. How the Cannabis Business will conform to local and state laws. See HMC Section 18.33 as they pertain to storefront retail establishments in the City of Hemet.
 - H. How cannabis and cannabis products will be tracked and monitored to prevent diversion. Describe the Point-of-Sale system to be used and how it will interact with the state's mandated track and trace system.

2. LABOR AND LOCAL ENTERPRISE PLAN

- 2.1. Describe whether the Commercial Cannabis Business is committed to offering employees a Living Wage, as defined by MIT Living Wage calculator (<https://livingwage.mit.edu/>).
- 2.2. Briefly describe benefits provided to employees such as health care, vacation, and medical leave, to the degree they are offered as part of employment.
- 2.3. Describe compensation to and opportunities for continuing education and employee training.
- 2.4. Describe the extent to which the Commercial Cannabis Business will be a locally managed enterprise whose owners and /or managers reside within or own a commercial business within the City of Hemet, the Sphere of Influence for the City, or the San Jacinto Valley generally.
- 2.5. Describe the number of employees, title/position, and their respected responsibilities.

3. NEIGHBORHOOD COMPATIBILITY PLAN

- 3.1. Describe how the CCB will proactively address and respond to complaints related to noise, light, odor, litter, vehicle, and pedestrian traffic.
- 3.2. Describe how the CCB will be managed to avoid becoming a nuisance or having impacts on its neighbors and the surrounding community.
- 3.3. Describe odor mitigation practices.
- 3.4. Identify potential sources of odor.
- 3.5. Describe odor control devices and techniques employed to ensure that odors from cannabis are not detectable beyond the licensed premises.
- 3.6. Describe all proposed system maintenance.

- 3.7. Describe the waste management plan.
- 3.8. Describe outreach efforts to sensitive uses listed in the HMC, as well as other sensitive uses such as places of worship. Provide any letters of support received from such sensitive uses.

4. SAFETY PLAN

The Safety Plan should consider all possible fire, medical and hazardous situations. Complete policy/procedures manuals are not required at this point in the application process. Please only provide a description for each criterion which incorporates the following provisions:

- 4.1. The Safety Plan shall be prepared and/or assessed by a professional fire prevention and suppression consultant.
- 4.2. Describe accident and incident reporting procedures.
- 4.3. Describe evacuation routes.
- 4.4. Location of fire extinguishers and other fire suppression equipment.
- 4.5. Describe procedures and training for all fire and medical emergencies.

5. SECURITY PLAN

The Security Plan should consider all access control, inventory control, cash handling procedures. Complete policy/procedures manuals are not required at this point in the application process. Please only provide a description for each criteria, which incorporates the following provisions:

- 5.1. The Security Plan shall be prepared and/or assessed by a professional security consultant.
- 5.2. Premises Diagram. In addition to diagrams submitted for other sections of the application, applicants are expected to submit a premises diagram (or site plan) which, focuses on the proposed security measures and how they relate to the overall business. (Pursuant to CCR Title 4, Division 19, §15006. Premises Diagram).
 - A. The diagram shall be accurate, dimensioned and to scale (minimum scale 1/4"). The scale may be smaller if the proposed location exceeds more than a 1/2-acre parcel but must not be printed on larger than an 11" x 17" sheet of paper. (Blueprints and engineering site plans are not required at this point of the application process)
 - B. The diagram must be drawn to scale and clearly identify property boundaries, entrances, exits, interior partitions, walls, rooms, windows, and doorways. The activity in each room and the location of all cameras must be identified in the diagram.
 - C. Description of cannabis activity that will be conducted in each area of the premise. Commercial cannabis activities that must be identified on the diagram/site plan may include but are not limited to the following if applicable to the business operations; storage areas, batch sampling areas, loading/unloading of shipment areas, packaging and labeling, customer sales areas, training areas, employee break room areas, extractions, infusions, processing, and testing areas.
 - D. Limited-access areas, defined as areas in which cannabis goods are stored or held and only accessible to licensees, or its employees or contractors and areas used for video surveillance monitoring and storage devices (Pursuant to CCR Title 4 Division 19, §15000 (II) Limited-Access Area).
 - E. Number and location of all video surveillance cameras.
- 5.3. Identify intrusion alarm and monitoring system including the name and contact information for the monitoring company (if the company has been selected).
- 5.4. Briefly describe cash handling procedures.
- 5.5. Discuss whether the CCB will utilize the services of on-site security guards. Include in the discussion:
 - A. Number of guards.
 - B. Hours guards will be on-site.
 - C. Locations at which they will be positioned.
 - D. Guards' roles and responsibilities.

6. LOCATION

- 6.1. In addition to the location-related details provided in the Cannabis Business Permit Application (pages 1-3), the application shall include a thorough description of the proposed location, including but not limited to the overall property, building, and floor plan.
- 6.2. The application shall include at least one (1) photograph of the front (street side) of the building or street view of the vacant parcel.
- 6.3. Site Diagram for each proposed location. In addition to diagrams submitted for other sections of the Cannabis Business Permit Application, applicants are expected to submit a premise/site diagram that focuses on the overall property, building. This diagram should show the overall parcel and adjoining or neighboring buildings that may be affected by the commercial cannabis business.
 - A. A Site Diagram must be accurate, dimensioned and to-scale (minimum scale of 1/4"). The diagram shall provide a detailed description of all available/shared parking spaces, driveway locations, and auxiliary buildings on the parcel. (Blueprints and engineering site plans are not required at this point of the application process. Security features are not required for this section.)

7. COMMUNITY BENEFITS AND INVESTMENTS PLAN

The Cannabis Business Permit Application should describe all benefits the CCB will provide to the local community. Benefits may be in the form of volunteer services, monetary donations to local non-profit organizations, financial support of City-sponsored activities or organizations, in-kind donations to the City or other charitable organizations and/or any other economic incentives to the City. (See Hemet Municipal Code Section 18-530(c)).