

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: May 23, 2024

PREPARED BY: Richard D. Cannone, AICP, Director of Development Services

REQUEST: UPDATE ON PROPOSED BUNDLE TEXT AMENDMENTS TO TITLE 25,
ZONING, OF THE PALM DESERT MUNICIPAL CODE

RECOMMENDATION:

Provide feedback on the proposed bundle (clean-up) amendments to Title 25, Zoning of the Palm Desert Municipal Code (PDMC).

BACKGROUND/ANALYSIS:

Just like infrastructure needs maintenance to stay in top condition, the PDMC also needs regular maintenance to continue to respond to the needs of the city, while providing clear and consistent regulations. In accordance with PDMC 25.02.040.B.3 Development Services is proposing amendments to the Zoning Code to better implement the General Plan goals and objectives, increase its effectiveness, and to make the code clearer and more user-friendly. Those changes include:

1. Allow auto sales in Freeway Commercial Overlay Zone (FCOZ)

In January 2016 adopted Ordinance No. 1302 and subsequently Ordinance No. 1303 which amended the overlay district to allow automotive sales as a use allowable by conditional use permit (CUP). However, in November 2016, the City Council adopted Ordinance No. 1324 which amended the zoning ordinance by, among other changes, removing automotive sales as an allowable land use in the overlay; there was no discussion as to the reason for this change and staff believes it was a scrivener's error.

To remain consistent with existing zoning allowances, indoor automotive sales will be allowed with the approval of an Administrative Use Permit (AUP) by the Zoning Administrator, and outdoor automotive uses will be allowed with a Conditional Use Permit (CUP) by the Planning Commission. This amendment will also "clean up" the commercial, industrial and office zone table by separating indoor and outdoor auto sales in the land use table (PDMC 25.16.030) and the land use definitions (PDMC 25.99.020).

Allowing automotive sales within the FCOZ is consistent with General Plan Land Use Policy 2.10 as it allows uses that are auto oriented in an area that is clearly auto-oriented due to the proximity of areas with this overlay designation to the Interstate-10 freeway.

2. Architectural Review Commission (ARC) review of two-story homes

Correct a typo in the headings to clarify the original intent of Ordinance 1383 as it relates to Architectural Review Commission approval of two-story single-family homes.

3. Commercial Cannabis Zoning

Consistent with City Council direction on January 11, 2024 PDMC 25.34.120 and the applicable use tables would be amended to:

A. Prohibit the following types of cannabis businesses:

- Cannabis testing or research laboratories (no CUPs approved)
- Commercial cultivation businesses (no CUPs approved)
- Distribution businesses (no CUPs approved).
 - Exception for “accessory” distribution associated with a licensed retail business for on-site sales only through a CUP.
 - Royal Highness has a distribution license through a CUP amendment in addition to the retail license, to package and relabel “cannabis flower” to buy in bulk and package on-site, reducing costs.
 - Sales not limited to the Highway 111 location and would be “grandfathered.”
- Manufacturing businesses (one CUP approved, however their state cannabis license is expired, and a CUP revocation hearing is scheduled with the Planning Commission for May 21, 2024.

B. Define Microbusiness and allow one (1) conditionally permitted in the SI district.

- *Cannabis microbusiness means a business that engages in at least three (3) of the following commercial cannabis activities:*
 1. *Indoor cultivation of cannabis in an area less than 10,000 square feet on the same licensed premises.*
 2. *Distribution.*
 3. *Manufacturing, limited to packaging and labeling.*
 4. *Non-storefront retailer (delivery only). [NOTE: Cannabis retail is prohibited in SI]*
- West Coast Cannabis was approved as a microbusiness and has storefront retail and Type 6 (non-volatile) manufacturing and would be “grandfathered.”

Policy Consideration:

The California Department of Cannabis Control (DCC) has two retail licenses:

- 1) Type 9: non-storefront retailer (delivery only) - A non-storefront retailer sells cannabis goods to customers only through delivery.
- 2) Type 10: storefront retailer - A storefront retailer has a physical location where cannabis goods are sold. Storefront retailers can also deliver cannabis goods.

The zoning code defines "retail cannabis business" as a business that sells and/or delivers cannabis or cannabis products to customers, and limits retail businesses to a maximum of six (6).

Delivery only businesses (non-storefront retailer) are conditionally permitted in the SI zoning district with no limitations other than a 1,500-foot separation from another cannabis business or school, daycare, or youth center.

Policy Question:

- *Is the intent to allow an unlimited number of delivery (non-storefront retailer) businesses or should this type of retail be subject to the six-retail business maximum?*

Currently there are no licensed delivery-only retailers in the city and existing retail cannabis businesses can provide deliveries in accordance with state law.

Legal Review:

This report has been reviewed by the City Attorney's office.

FINANCIAL IMPACT:

There is no financial impact related to the item.

ATTACHMENTS:

1. Presentation