



# City of Hemet

Planning Division  
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<https://www.hemetca.gov>

## APPLICATION PROCEDURES & GUIDELINES FOR A COMMERCIAL CANNABIS BUSINESS PERMIT

**Application Period**  
**OPENS – January 10, 2022**

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 Chapter 90, Article XXVI (Zoning Code)
- Property Owner Consent/Landlord Affidavit
- Financial Responsibility, Indemnity and Consent to Inspection Terms Agreement
- Commercial Cannabis Business (CCB) Permit Application
- Background Check Portal Link Form
- Business Ownership Acknowledgement Form

The application period to apply for a Cannabis Business Permit to operate a CCB in Hemet will open on January 10, 2022 and will remain open until the City post on its website that the process will cease 30 days from when the notice is posted. Applications will be available on the City website listed on these procedures. Applications must be submitted to the Planning Division in their entirety. Incomplete applications will be returned.

*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.*

### **ORIENTATION "KICK OFF" MEETING**

The City will hold a virtual Orientation "Kick Off" Meeting on January 13, 2022 at 3:00 pm. Pre-registration for the Orientation Meeting is required however, attendance at the Orientation Meeting is not required to apply for a Cannabis Business Permit. The registration link is available on the City's website at <https://www.hemetca.gov/cannabis>.

### **LIMITATIONS**

Any Applicant wishing to conduct cannabis retail sales either storefront or nonstorefront will be required to conduct at a minimum one other cannabis activity in conjunction with the retail license such as cultivation, manufacturing, or distribution. In addition, the retail portion of the operations cannot be the primary function of the business and will be limited to utilizing no more than 40% of the total square feet of any cannabis operation conducted on the property. Please note the retail application must be under

the same ownership as one of the other cannabis licenses on the same property in order to qualify for a cannabis retail permit.

### **AMENDMENTS TO THE APPLICATION**

After the Application has been submitted should it be found to be deficient and not meeting the minimum score of 80% the Applicant will be notified of what areas of the application need to be cured. In order to receive a passing score, the Applicant will need to resubmit those sections of the required criteria deemed to be deficient and the material needs to be submitted all at the same time. Should the Applicant fail to meet the requirements at that time the application will be denied. In situations that this occurs the Applicant may reapply but will be subject to a new application fee.

### **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 submitting an application in order 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. It is not fully responsive to this request for a CCB application.

## **APPLICATION PROCESS**

This application process is adopted pursuant to Hemet Municipal Code Article XVI. Review the information regarding the application process and which documents you will need. Before submitting your application, review your application in its entirety to ensure that it is complete and accurate. Review the information regarding the Cannabis Business Permit application process on the City webpage provided on page one.

The following procedures outline the application evaluation and selection process, required materials, and other information necessary to apply for a Cannabis Business Permit 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." Applicants must submit all required application materials together in one complete comprehensive application package. This can be done in person, by U.S Mail, or by common carrier delivery service (e.g., FED EX, UPS, etc.) as long as it is a complete application. The application package must include all the following documents with original signatures for each document.

- (a) Cannabis Business Permit Application;
- (b) Financial Responsibility, Indemnity and Consent to Inspection Terms Agreement;
- (c) Agreement on Limitations of City's Liability and Indemnification to City;
- (d) Application fee and Background Check fee(s);
- (e) Business Owner Acknowledgement Form;
- (f) Proof of Property Owner Consent/Landlord Affidavit; and
- (g) Proof of Insurance or letter of insurability from the Insurance Company.

### **FLASH DRIVE CONTENT**

In addition, 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 Backgrounds, Proof of Capitalization, Zoning Verification Letter, and Proof of Property Ownership or Lease Agreement/Letter of Intent to Lease, Property Owner Consent/Landlord Affidavit and the Business Owner Acknowledgement Form 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 organized correctly or your application may be rejected or subject to point deductions.

PDF File #1	Cannabis Business Permit Application (pages 1-3), Financial Responsibility, Indemnity and Consent to Inspection Terms Agreement (pages F1-F3), Agreement on Limitations of City Liability, and Certification, Assurances, Warranties, and Indemnification to City (pages F4-F6); Proof of Property Ownership or Lease Agreement/Letter of Intent to Lease and Business Owners Acknowledgement Form. All copied documents shall display required signatures to be deemed complete.
PDF File #2	Evaluation Criteria (Responses to Sections 1-7 of Appendix A limited to 200 pages)
PDF File #3	Background Check documentation (All required documents for each owner). Upon submission of the online background application, Applicants will receive an email confirmation. This confirmation needs to be printed, scanned, and included within PDF File #3.
PDF File #4	Proof of Capitalization (Appropriate bank statements, loan documents, promissory notes, financial and commitment letters)
PDF File #5	Zoning Verification Letter (ZVL) which shows the correct location, unit, space, or suite number in the building being used. Proof of Insurance or a letter showing proof of insurability by a qualified insurance company which shows the location being insured in City of Hemet, the type of activity being insured, and the name of the business being insured. Copies from another business location in another city owned by the Applicant will not be accepted.

**BACKGROUND CHECK**

Each Owner 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). Owners 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](https://hdlcompanies.formstack.com/forms/bc_hemet_2).

In addition, each successful applicant will be asked to submit to a Live Scan as part of the background check as determined by the Chief of Police. Prior to being issued a permit the Applicant’s primary contact will be notified by email with the instructions on how to schedule the Live Scan appointment.

**ZONING VERIFICATION LETTER (ZVL)**

Prior to submitting a CCB application (Phase I), an Applicant must obtain a Zoning Verification Letter from the Planning Division. To secure this letter, an Applicant must make a written request which should specify the intended use of the building (cultivation, manufacturing, distribution, or retail), and the proposed building location. Please advise the City if you currently occupy the premises or if there is a tenant currently occupying the premises.

The issuance of a ZVL 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. This is a separate application that will be made only after the awarding of the permit at the conclusion of Phase III.

## **FEES**

All applicants will be required to submit a fee of \$8,500.00. This amount will be charged against time spent by City staff and the Consultant in reviewing applications and administrating 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 \$175.00 per site and the Background Check Fee of \$300 per person.

Payment 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 and application fees are non-refundable.

## **APPLICATION REVIEW, SCORING, AND APPROVAL PROCESS**

### **PHASE I: DETERMINATION OF ELIGIBILITY**

Applications must be submitted in their entirety in order to move forward in the review process. Upon receiving a completed application City staff and the Consultant will review the application in its entirety using the Application Submittal checklist outlined in these procedures and as described in Appendix A. However, the criteria will be evaluated and scored with the process adopted in these procedures in accordance with HMC Sections 18-509, 18-510 and 18-542 A & C in writing for clarification to application submittals questions which will be posted in the FAQ section of the Cannabis Information webpage and shall go into effect immediately upon being posted on the website.

### **PHASE II: APPLICATION EVALUATION AND REVIEW (2,000 points)**

Applications will be evaluated and scored on a pass/fail bases on the criteria listed below. See APPENDIX A for a description of the evaluation criteria:

- Section 1. Business Plan (300 points)
- Section 2. Labor and Local Enterprise Plan (300 points)
- Section 3. Neighborhood Compatibility Plan (200 points)
- Section 4. Safety Plan (300 points)
- Section 5. Security Plan (400 points)
- Section 6. Location (200)
- Section 7. Community Benefit and Investment (300)

Those applications which score a minimum of 80% (1,600 points) in Phase II will move on to Phase III of the application process. Those Applicants which do not meet the minimum requirement score will be provided the opportunity to cure the deficiencies and resubmit the requested information to the City. However, please note this supplemental will only be permitted one time therefore, Applicants are encouraged to provide a quality application when resubmitting the requested information.

### **PHASE III: FINAL REVIEW BY CITY MANAGER AND AWARDING OF PERMIT**

Upon the completion of Phase II, the City Manager or their designees will award the permit(s) in accordance with HMC Section 18-510. However, prior to doing so issuance of the Commercial Cannabis Permit shall require the Applicant to certify that all information in the application remains accurate and that the Applicant agrees to abide by all laws, rules, ordinances, resolutions, and codes applicable to the business. The issuance of a permit shall allow the applicant to proceed to apply for both a land use permit and a business license and related approvals.

Any Applicant wishing to appeal the City Manager's or their designee's final decision may appeal to the City Council or an appointed hearing officer within ten (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 18.516 and 18.517.

**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 Division 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 CCB application process meet the standards or requirements in Article XVI and any other permit requirements from other City departments or agencies.

### **CONTACT**

If you have any questions or would like an update on the status of your application, please contact the City of Hemet 951.765.2375 or by email at [Cannabis@hemetca.gov](mailto:Cannabis@hemetca.gov).

## APPENDIX A: EVALUATION CRITERIA

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The City is a public agency subject to the California Public Records Act (“CPRA”). In the event a request for information under the CPRA seeks disclosure of application materials marked by Applicant as “Confidential Information,” the City will make reasonable efforts to provide notice to Applicant prior to such disclosure to allow Applicant to seek a protective order, injunctive relief, or other appropriate remedy. If Applicant contends any designated application materials are exempt from the CPRA and wishes to prevent disclosure, it is required, at its own cost, liability, and expense to obtain a protective order, injunctive relief or other appropriate remedy from a court having jurisdiction over the matter at least two (2) days before City’s deadline to respond to the CPRA request. If Applicant fails to obtain such a remedy before the deadline for the City’s response to the CPRA request, the City will disclose the requested information and shall not be liable or responsible for such disclosure.

### **CRITERIA**

#### **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 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 **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 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.
- 1.7. Fully describe the day-to-day operations if you are applying for a **DISTRIBUTION** permit this should include at a minimum the following criteria.
  - A. Identify the number of deliver drivers, hours of deliver and vehicles to be used.
  - B. Describe the transportation security procedures.
  - C. Describe the how inventory will be received, processed, stored, and secured in the permitted premises.
  - D. Describe the quality control procedures designed to ensure all cannabis is proper packaged, labeled and tested.
- 1.8. Fully describe the day-to-day operations if you are applying for a **MANUFACTURING** permit this should include at a minimum the following criteria.
  - A. Identify all cannabis products manufactured within the permitted premises.

- B. Describe quality control procedures.
  - C. Describe inventory control procedures.
    - a. Describe the extraction process, equipment and room in which extractions will be conducted.
  - D. Provide detail as to whether the extraction equipment has been reviewed and certified by a Professional Engineer or Certified Industrial Hygienist.
  - E. Describe the sanitation procedures.
- 1.9 Fully describe the day-to-day operations if you are applying for a **CULTIVATION** Permit this should include at a minimum the following criteria.
- A. Identify location and procedures for receiving deliveries of seedlings and immature plants.
  - B. Describe the planned square footage/acreage of the cultivation.
  - C. The estimated number of pounds produced per harvest, and number of anticipated harvests per year.
  - D. Describe whether the cultivation operation will use natural light, artificial light, or mixed light.
  - E. Identify how cultivation waste will be rendered unusable and unrecognizable, and how it will be stored and disposed of.
  - F. Describe the use of any gases used in the cultivation operation, such as CO<sub>2</sub>, including storage, location, and monitoring systems for employee safety.
- 1.10 Fully describe the day-to-day operations if you are applying for a **TESTING** permit this should include at a minimum the following criteria.
- A. Describe the sampling standard operating procedures.
  - B. Describe procedures for transporting cannabis field samples.
  - C. Describe the chain of custody for field samples.
  - D. Describe the quality control procedures.
  - E. Describe the Laboratory Supervisor/Manager responsibilities and qualifications.
  - F. Identify location and procedures for storing cannabis products.
  - G. How the Cannabis Business will conform to local and state laws. See HMC 18.38 as they pertain to testing labs 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.
- 1.11 Fully describe the day-to-day operations if you are applying for a **MICROBUSINESS** permit this should include at a minimum the following criteria.
- A. A microbusiness license engaged in **Retail** shall described all the requirements in Section 1.6 of Appendix A and in accordance with CCR §5500 and applicable requirements in Chapter 18.533
  - B. A microbusiness license engaged in **Distribution** shall described all the requirements in Section 1.7 of Appendix A and in accordance with CCR §5500 and applicable requirements in Chapter 18.537.
  - C. A microbusiness license engaged in **Manufacturing** shall described all the requirements in Section 1.8 of Appendix A and in accordance with CCR §5500 and applicable requirements in Chapter 18.539
  - D. A microbusiness license engaged in **Cultivation** shall described all the requirements in Section 1.9 of Appendix A and in accordance with CCR §5500, CCR §5501 and applicable requirements in Chapter 18.536

## 2. LABOR AND LOCAL ENTERPRISE PLAN

- 2.1. Describe whether the Commercial Cannabis Business is committed to offering employees a Living Wage.
- 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, for at least one year prior to May 1, 2021.
- 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 so as 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.

### 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 (Security) 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 16, Division 42, §5006. Premises Diagram).
  - 5.2.1. The diagram shall be accurate, dimensioned and to scale (minimum scale ¼"). 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)**
  - 5.2.2. 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.
  - 5.2.3. 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.
  - 5.2.4. 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 16, Division 42, §5000 (m) Limited-Access Area and §5042 Limited-Access Area.

5.2.5. 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:

5.5.1. Number of guards.

5.5.2. Hours guards will be on-site.

5.5.3. Locations at which they will be positioned.

5.5.4. Guards' roles and responsibilities.

## 6. LOCATION

6.1. In addition to the location-related details provided in the Commercial Cannabis Business (CCB) 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. Premises (Site) Diagram for each proposed location. In addition to diagrams submitted for other sections of the CCB 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.

6.3.1. A Premise (Site) Diagram must be accurate, dimensioned and to-scale (minimum scale of ¼"). 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 CCB 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.