



STAFF REPORT
11/12/2025

TO: Honorable Mayor and City Council Members

FROM: Anahi Fernandez, Management Analyst

SUBJECT: Adopt Ordinance No. 1226 (second reading) amending Chapters 5.68 and 5.69 of the Coachella Municipal Code pertaining to cannabis business regulatory permit regulations.

STAFF RECOMMENDATION:

Staff recommends that the City Council adopt Ordinance No. 1226 for second reading, by title only, to amend Chapters 5.68 and 5.69 of the Coachella Municipal Code pertaining to cannabis business regulatory permit regulations.

BACKGROUND:

Chapters 5.68 and 5.69 of the Coachella Municipal Code govern commercial and retail cannabis activity regulatory permits, including but not limited to cultivation, manufacturing, testing, distribution, retail sale, and delivery of cannabis within the City of Coachella.

The City's current background check procedures and certain definitions under these chapters have not been substantially updated since adoption in 2017 and require amendments to better align with current best practices, legal standards, and operational needs. As a result, staff conducted a comprehensive review of these chapters and identified a need to:

- Modernize and clarify key definitions to ensure consistency and legal defensibility;
- Streamline and strengthen the background check process to promote public safety and align with state and federal guidelines;
- Improve internal administrative procedures and inter-agency coordination.

DISCUSSION/ANALYSIS:

The proposed ordinance modifies current definitions and background check processes for cannabis businesses within Chapters 5.68 and 5.69 of the Coachella Municipal Code to reflect current practices and state regulatory standards and ensure clarity and consistency in the application of the City's cannabis laws. The proposed amendments clarify definitions; such as "commercial cannabis activity business," "retail cannabis business," and "owner" to avoid ambiguity and overly broad language. The new definitions align with California Department of Justice definition requirements

to conduct fingerprint-based criminal history records review and reporting to the City and owners completing such checks prior to issuance of a regulatory permit.

The proposed ordinance amendment establishes a standardized process for conducting criminal history background checks for a cannabis business regulatory permit, sets clear guidelines for background check requirements to evaluate suitability of the applicant to be issued a cannabis business regulatory permit, and sets forth clear guidelines for regulatory permit denial based on compliance with chapter provisions and criminal history. This ordinance is exempt from the California Environmental Quality Act (“CEQA”) under CEQA Guidelines Section 15061(b)(3), because it has no potential for resulting in physical changes to the environment, directly or indirectly.

The ordinance was introduced at the October 22, 2025 meeting and was approved with a 5-0 vote.

FISCAL IMPACT:

There is no significant fiscal impact anticipated with the adoption of this ordinance. Costs associated with background checks will be covered by applicants through the Cannabis Regulatory Permit application process.

ALTERNATIVES:

1. Adopt Ordinance No. 1226 for second reading, by title only to amend Coachella Municipal Code Chapters 5.68 and 5.69.
2. Take no action.
3. Continue this item and provide staff with direction.

RECOMMENDED ALTERNATIVE(S):

Staff recommends alternative #1.

Attachments:

1. Ordinance No. 1226 (2nd Reading)