



# CANNABIS REGULATION COMMISSION

*February 4, 2021, 2:00 p.m.*

*(877) 853 - 5257 | Meeting ID: 860-838-7310 #*



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# Roll Call



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# General Public Comment & Single / Multiple Agenda Item Comment



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# Commission Business



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# Executive Director's Report

# Report Summary



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Report from the Executive Director of the Department of Cannabis Regulation regarding the status of the City's cannabis licensing and Social Equity Program, including a summary of activities since the last meeting of the Cannabis Regulation Commission and updates on the following:

- General Overview of the Application Process
- Temporary Invoicing Procedures
- Phase 3 Retail Round 1 Application Processing
- Phase 3 Delivery, Distribution, Non-volatile Manufacturing Application Processing
- Testing Lab License Application Processing
- Processing of Public Convenience or Necessity (PCN) requests
- Notice of Local Compliance Underway (LIC-4013-FORM)
- City Council's action regarding fee extension motion (Council File No. 20-1586)
- Anticipated timeline for implementation of Social Equity Program eligibility verification for Phase 3 Retail Round 2



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# Activities to Date



# Summary of Activities to Date

- November 19, 2020 CRC Meeting Recap
- General Administration
- Communications
- Legislative
- Social Equity Program
- Licensing



# Summary of Activities to Date:

## November 19, 2020, Commission Recap



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At the November 19, 2020, Cannabis Regulation Commission Meeting, in addition to providing a summary of DCR activities since the last meeting of the Cannabis Regulation Commission, DCR shared new information including but not limited to:

- Phase 3 Retail Round 1 Updates
- Phase 3 Delivery, Distribution, Non-Volatile Manufacturing, Testing
- Processing of Public Convenience or Necessity (PCN) Requests
- Social Equity Program (SEP) Eligibility Verification

# Summary of Activities to Date:

## General Administration: COVID-19



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The Department of Cannabis Regulation is taking every precaution possible to prevent the spread of COVID-19. To help protect the health of our customers and staff, and in line with Mayor Garcetti's directives, DCR has implemented the following:

- Cannabis Regulation Commission meetings will be conducted virtually and telephonically until further notice.
- DCR's Public Service Counter is currently closed.
- DCR Licensing and Information Services are still available online at [cannabis.lacity.org](https://cannabis.lacity.org) or by phone at 213-978-0738 *from 10am to 3pm (Pacific Time)*.
- DCR is conducting virtual inspections.

# Summary of Activities to Date:

## Communications



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### Stakeholder Meetings and Community Listening Sessions Initiative

- Stakeholder meetings and community listening sessions are intended to assist DCR in developing programs and policies to better serve the community.
- The stakeholder meetings and community listening sessions seek to enlist engagement from a diverse group of thought leaders, community based organizations, non-profits, businesses, educators and others via the collection of stakeholder comments, administration of stakeholder surveys, and administration of One-on-One On-Screen Stakeholder Interviews and On-Screen Facilitated Stakeholder Discussions.
- PROGRAMMING IN DEVELOPMENT: DCR has selected a qualified contractor, has an executed contract and is in the process of issuing a Notice To Proceed (NTP).
- DCR anticipates launching Stakeholder Meetings and Community Listening Sessions *in March 2021*.

# Summary of Activities to Date:

## Communications



### Stakeholder and Community Outreach and Engagement

On January 21, 2021, DCR joined Department of Neighborhood Empowerment General Manager, Raquel Batran for a presentation to the South Los Angeles Neighborhood Council Alliance.

DCR shared information to assist key stakeholders in understanding their role in the Public Convenience or Necessity Process (PCN) for Commercial Cannabis Retail Applicants.

#### Resources Available Online:

- Video Tutorial
- Information and Procedure Bulletin
- Stakeholder Input Form



# Summary of Activities to Date:

## Communications



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### Stakeholder and Community Outreach and Engagement

On Tuesday, January 26, 2021, Executive Director Cat Packer joined the Los Angeles County Bar Association's Cannabis Section for an hour-long conversation.

- Conversation focused on current application processes.
- More than 75 participants throughout the conversation.



# Summary of Activities to Date:

## Communications



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### Applicant and Licensee Outreach and Engagement

- On Saturday, December 19, 2020, DCR hosted a Social Equity Workshop for Phase 3 Retail Round 1 Applicants Eligible for Further Processing.
- This workshop covered a number of topics related to the application process, application modifications, including application forms and documents, equity ownership, and additional programming and resources made exclusively available to Social Equity Applicants.
- Recording of presentation and presentation available online.



# Summary of Activities to Date:

## Legislative



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### Local, State, and/or Federal

- On January 27, 2021, the City Council voted to approve a motion that would allow:
  - The late payment of 2020 and 2021 cannabis renewal fees until March 31, 2021.
  - Extend fee payment deadlines from 10 days to 30 days. The City Attorney is currently drafting an ordinance to effectuate the ordinance which will be submitted to Council as soon as it is complete.
  - Allow cannabis businesses to submit late renewal application or fee payments between January 1, 2021 and February 28, 2021 after the expiration of a License or Temporary Approval.

# Summary of Activities to Date:

## Legislative



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### Local, State, and/or Federal

In January, 2021, both the State and Federal legislatures reconvened for the new 2021/2022 legislative session. DCR will work with the Mayor, City Council, and this Commission to support any and all legislation on the state or federal level that furthers the goal of developing a more equitable, sustainable, and successful commercial cannabis market in Los Angeles.





# Social Equity Program Updates



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# Summary of Activities to Date: Social Equity Program



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The Mission of the Social Equity Program is “to promote equitable ownership and employment opportunities in the cannabis industry in order to decrease disparities in life outcomes for marginalized communities, and to address the disproportionate impacts of the War on Drugs in those communities.”



# Summary of Activities to Date:

## Social Equity Program



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### Social Equity Program Benefits and Resources

- Application Processing
- Business, Licensing, and Compliance Assistance
- Fee Deferral Program
- Financial Grant Program
- Pro Bono Legal Services
- California Social Equity Resources



# Summary of Activities to Date:

## Social Equity Program



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In 2019, DCR was allocated \$5 million from the City's General Fund Budget for use by the Department for the Social Equity Program and related outreach initiatives. The \$5 million consists of:

- \$3 million for Business, Licensing, and Compliance (BLC) Assistance
- \$1.1 million for Education and Outreach
- \$750,000 for a Fee Deferral Program
- \$150,000 for an Expanded Social Equity Program Criteria Analysis (Completed)
- California Equity Grant Resources

# Summary of Activities to Date:

## Social Equity Program



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## California Local Equity Grant and the Cannabis Equity Grant Program for Local Jurisdictions

- On December 1, 2020, the Governor's Office of Business and Economic Development (GO-Biz) released the fiscal year 2020-21 Grant Solicitation for the Cannabis Equity Grants Program for Local Jurisdictions. DCR prepared the CEG Grant Application for Local Jurisdictions and it was submitted on February 1, 2021.
- DCR submitted annual and periodic reports to the Bureau of Cannabis Control and the Governor's Office of Business and Economic Development in accordance with the terms of the California Cannabis Equity Grants Program for Local Jurisdictions. The demographic survey distributed from November 24, 2020, to December 18, 2020, was included in the reports.
- In October 2019, the first California Equity Grant (CEG) Award was Announced
  - The City was awarded approximately \$1.8 Million from this grant which will be used for a Financial Grant Program.
  - In April 2020, Second CEG Award Announced (4/2020) Funds received \$6,042,000 (8/2020)
  - The City has dedicated \$5 Million from this grant which will be used for a Financial Grant Program.



# Summary of Activities to Date:

## Social Equity Program



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### Application Processing

The SEP provides Social Equity Applicants with Priority Processing and other Application Processing Benefits as provided in the LAMC.

License Type	License CAP	Are Applications Currently Being Accepted?	Application Processing Restrictions	Comments
Testing	No	No	No	Application processing will open on October 20, 2020 at 2:00 p.m.
Distribution	No	No	No	Application processing will open on October 20, 2020 at 2:00 p.m.
Non-Volatile Manufacturing	No	No	No	Application processing will open on October 20, 2020 at 2:00 p.m.
Volatile Manufacturing	Yes	No	No	
Cultivation	Yes	No	No	
Delivery	No	No	Yes. Limited to Social Equity Applicants until January 1, 2025 (Phase 3)	SEAs must be verified. SEAs may be verified under the original eligibility criteria or the expanded eligibility criteria. Application processing will open on October 20, 2020 at 2:00 p.m.
Retail	Yes	No	Yes. Limited to Social Equity Applicants until January 1, 2025 (Phase 3 Round 2)	Licenses are limited per CPA. To apply in a CPA that has reached Undue Concentration, eligibility must be verified pursuant to LAMC Sections. 104.20(b) and 104.06.1(c)(3) before submitting a PCN Request. A lottery will be administered to determine which eligible SEAs are selected to apply for a License in a CPA that has not reached Undue Concentration. SEAs must be verified pursuant to LAMC Sections 104.20(b) and 104.06.1(c)(3) before being determined eligible to participate in the lottery.

# Summary of Activities to Date: Social Equity Program



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## Business, Licensing, and Compliance Assistance

DCR is establishing curriculum & training made available to Social Equity Applicants.

Selected firms will develop DCR's Business, Licensing, and Compliance programming related to the following Scopes of Services:

- Cannabis Licensing & Regulation and Business Permitting Education & Training Services
- General Business Development Services
- Cannabis Specific Business Development Services
- Cannabis Technology Business Development Services
- Workforce Development, Job Outreach and Job Placement Service
- Related Services

# Summary of Activities to Date:

## Social Equity Program



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### Fee Deferral Program

- Los Angeles Municipal Code Section 104.20.4(ii) establishes a Fee Deferral Program that is available to Social Equity Applicants.
- \$750,000 made available from the City's General Fund.
- \$ 250,000 : Phase Two – Non Retail –Manufacturing, Cultivation & Distribution
- \$500,000: Phase Three



# Summary of Activities to Date:

## Social Equity Program



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### Financial Grant Program / SEED

- DCR is establishing programming that will make \$5 million dollars available to Social Equity Applicants with resources made available through the California Equity Grant.
- DCR is working to establish requirements to participate in the Financial Grant Program which will be published in the Department's Rules and Regulations.
- PROGRAMMING IN DEVELOPMENT: DCR has selected a qualified contractor, has an executed contract and is in the process of issuing a Notice To Proceed (NTP).
- **DCR has named the Financial Grant Program: SEED (Social Equity Entrepreneur Development) Grant Program.** The Department hopes to launch this program in March 2021.

# Summary of Activities to Date:

## Social Equity Program



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### Pro Bono Legal Assistance

- The Los Angeles County Bar Association's Cannabis Section, in partnership with DCR, has created a Pro Bono Legal Assistance program which will operate through the Bar Association's **Smart Law Referral Service** for Phase 3 Retail Round 1 applicants determined eligible for further processing.
- Pro Bono Legal Services Survey + Legal Services Authorization Agreement.
- These services are open to all 200 Phase 3 Retail Round 1 Applicants, a communication with additional information was sent to Applicants on January 28, 2021.
- LACBA is still recruiting attorneys interested in participating.

# Summary of Activities to Date: Social Equity Program



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## State of California Social Equity Resources

- The Bureau of Cannabis Control has an Equity Unit.
- DCR held a joint workshop the Bureau's Equity-Local Liaison Unit, the CalCannabis Cultivation Licensing Division, the Manufactured Cannabis Safety Branch, in December 2020 for Phase 3 Retail Round 1 Applicants.
- Additional BCC Equity Unit contact information and information regarding resources made available to Social Equity Applicants can be found on DCR's website under Social Equity Program.

### California Social Equity Resources

On November 20, 2020, the Department of Cannabis Regulation joined the Bureau of Cannabis Control for a Social Equity Joint Workshop.

The workshop included social equity applicant information and resources from the Bureau of Cannabis Control, the CDFA CalCannabis Cultivation, and the Manufactured Cannabis Safety Branch. The Bureau of Cannabis Control also provided information about their Equity-Local Liaison Unit, the State Cannabis Licensing Process, and Unified License Search.

For additional information on these resources, click [here](#), visit the BCC's [website](#), or contact the BCC's Equity Unit utilizing the contact information below.

#### Bureau of Cannabis Control (BCC) Equity Unit Contact Information



BCC Website: [www.bcc.ca.gov](http://www.bcc.ca.gov)  
California Cannabis Portal:  
[www.cannabis.ca.gov](http://www.cannabis.ca.gov)



Equity Unit Email Address:  
[BCCEquity@DCA.ca.gov](mailto:BCCEquity@DCA.ca.gov)



Equity Unit Phone: (833) 493-0583

# Licensing Update



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# Licensing Data



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- DCR has more than 850 applications, 375 pre-applications, 275 modification requests, and over 50 PCN requests currently under review.
- DCR has nine personnel, six licensing analysts and three administrative personnel, processing approximately 1,500 records, answering phone calls, and responding to emails.
- DCR strives to improve response times to emails and phone calls, as well as decrease processing times despite these resource constraints.



# Licensing: Communications



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# Summary of Activities to Date: Licensing Communications

## Applicant and Licensee Communications

DCR is continuing to implement strategies for proactive and regular communications with Applicants and Licensees, including but not limited to following:

- DCR's preferred method of communication with Applicants and Licensees is through email via [DCRLicensing@lacity.org](mailto:DCRLicensing@lacity.org). Applicants and Licensees should email related questions to this account and reference their application number in the subject line.
- Every applicant and licensee has an assigned analyst. Applicants and Licensees should direct application specific questions to their analyst. Analysts send an introductory email to Applicants after an initial application review is completed.
- Four DCR staff monitor DCR's main phone line during regular business hours to ensure coverage. If the four staff members are unavailable, calls are routed to the remaining seven members of the licensing team. DCR staff return missed calls and voicemail messages within 72 hours to all individuals who leave appropriate contact information.

# Licensing: General Overview of the Application Process



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# Licensing Program Updates

## Application and Licensing Processing Restrictions



License Type	License CAP	Are Applications Currently Being Accepted?	Application Processing Restrictions	Comments
Testing	No	Yes	No	Application processing opened on October 20, 2020.
Distribution	No	Yes	No	Application processing opened on October 20, 2020.
Non-Volatile Manufacturing	No	Yes	No	Application processing opened on October 20, 2020.
Volatile Manufacturing	Yes	No	No	
Cultivation	Yes	No	No	
Delivery	No	Yes	Yes. Limited to Social Equity Applicants until January 1, 2025 (Phase 3)	SEAs must be verified.  SEAs may be verified under the original eligibility criteria or the expanded eligibility criteria.  Application processing opened on October 20, 2020.
Retail	Yes	No	Yes. Limited to Social Equity Applicants until January 1, 2025 (Phase 3 Round 2)	Licenses are limited per CPA.  To apply in a CPA that has reached Undue Concentration, eligibility must be verified pursuant to LAMC Sections. 104.20(b) and 104.06.1(c)(3) before submitting a PCN Request.  A lottery will be administered to determine which eligible SEAs are selected to apply for a License in a CPA that has not reached Undue Concentration.  SEAs must be verified pursuant to LAMC Sections 104.20(b) and 104.06.1(c)(3) before being determined eligible to participate in the lottery.

# General Licensing Information



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Today's presentation will cover the following processes:

- Pre-Application Review
- Temporary Approval Application
- Modification Requests
- Request for a finding of Public Convenience or Necessity

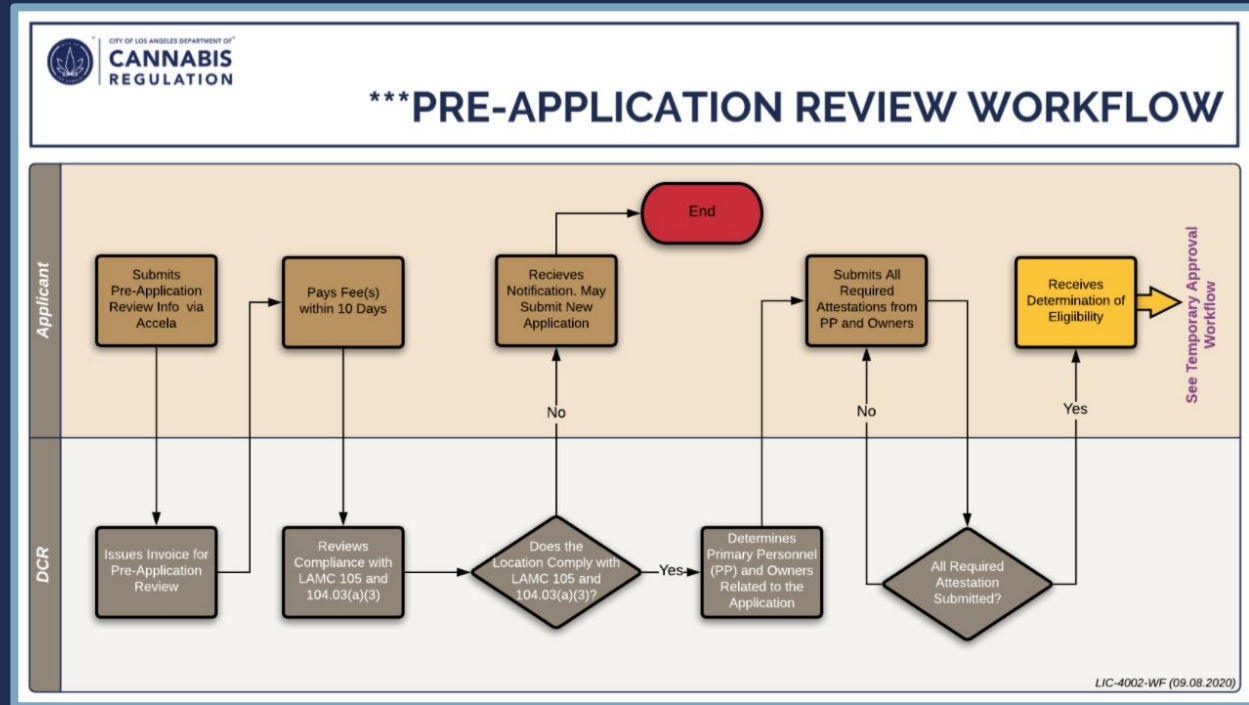
# Licensing Program Updates

## Pre-Application Review Procedure



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Associated Fee:  
\$597 per application



# Licensing Program Updates

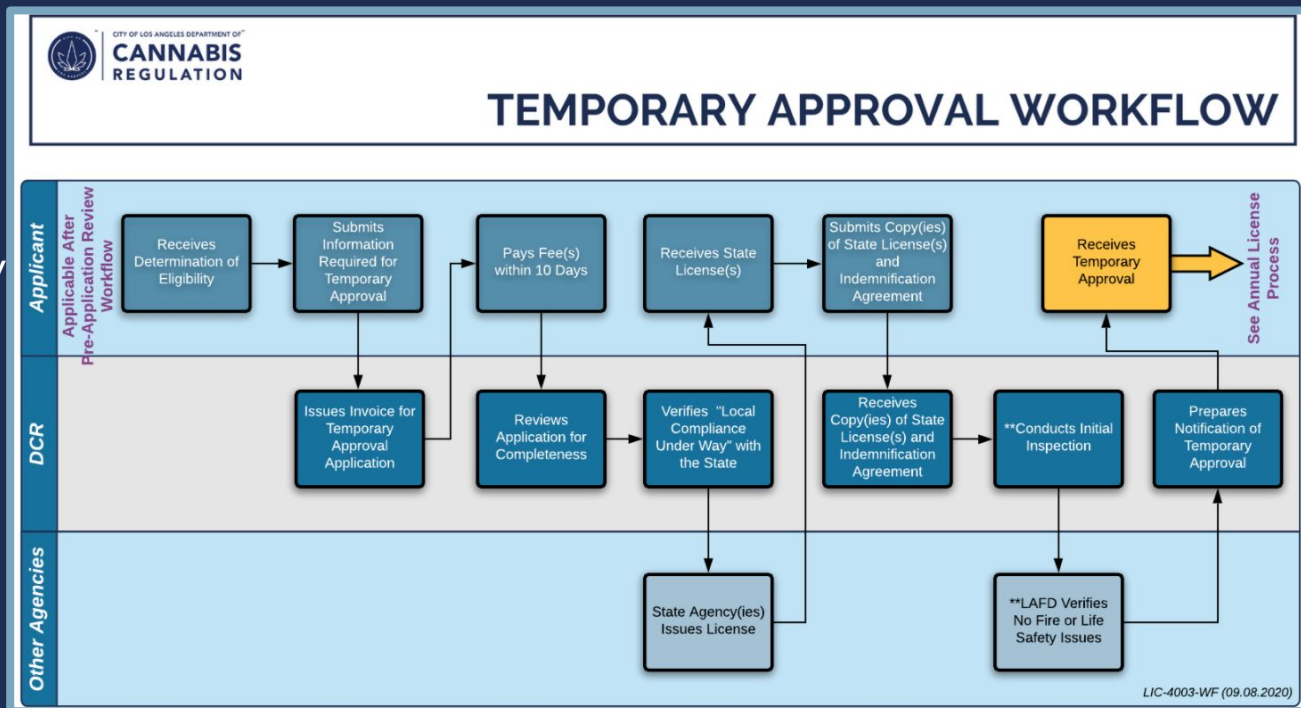
## Temporary Approval Procedure



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Associated Fee:  
\$5,720 per activity  
(General)

\$6,969 per activity  
(Social Equity)





# Business Premises Location Vesting

- Pursuant to LAMC Section 105.00, et seq., an Applicant does not vest at its proposed Business Premises location until both a State license and a City license are issued, respectively, for the location. Under LAMC Section 105.02(c), once a commercial cannabis business receives licenses from the State and the City, respectively, for its proposed location, and otherwise meets all other restrictions and requirements, it is not in violation of the City of Los Angeles' distancing and sensitive use restrictions. DCR will not be able to issue a license, including a Temporary Approval, if a sensitive use is created prior to license issuance.

# Licensing: Temporary Invoice Procedures



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# Summary of Activities to Date:

## Licensing: Temporary Invoice Procedures



Effective January 4, 2021, the invoice issuance process will be as follows:

1. Applicant/Licensee submits an application or request requiring payment via DCR's Licensing Portal, such as a Pre-Application, Temporary Approval Application, Public Convenience or Necessity (PCN) request, or modification request.
2. On a weekly basis, DCR notifies the Office of Finance which specific applications or requests are eligible to schedule a payment appointment.
3. The Applicant/Licensee must request a payment appointment with the Office of Finance.
4. The Office of Finance confirms a payment appointment has been scheduled with both the Applicant/Licensee and DCR.
5. DCR issues an invoice to the Applicant/Licensee. The invoice due date will fall on or after the scheduled appointment date.
6. The Applicant/Licensee pays the invoice at the scheduled appointment.



Licensing:  
City Council's Action Regarding  
Fee Extension Motion  
(Council File No. 20-1586)



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# Summary of Activities to Date:

## Licensing: City Council's Action Regarding Fee Extension Motion



On February 3, 2021, the City Attorney transmitted a draft ordinance for City Council consideration. If adopted, the Los Angeles Municipal Code will be updated to:

- Extend 10-day payment deadlines to 30 days;
- Add alternative methods of payment, such as payment by mail;
- Allow the submission of late renewal applications and/or late renewal fee payments, subject to Expedited Services Fees in LAMC Section 104.19; and,
- Establish one-time extensions (March 31, 2021) for the late submission of 2020 and/or 2021 renewal applications and late payment of 2020 and/or 2021 renewal fees due to the COVID-19 pandemic.

HOLLY L. WOLCOTT  
CITY CLERK

PETTY F. SANTOS  
EXECUTIVE OFFICER

City of Los Angeles  
CALIFORNIA

Eric Garcetti  
MAYOR

OFFICE OF THE  
CITY CLERK

Council and Public Services Division  
200 N. SPRING STREET, ROOM 305  
LOS ANGELES, CA 90012  
GENERAL INFORMATION: (213) 978-1133  
FAX: (213) 978-1040

PATRICE Y. LATTIMORE  
DEPUTY CLERK

CLERK.LACITY.ORG

When making inquiries relative to this matter, please refer to the Council File No.: 20-1586

**OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL**

January 27, 2021

**Council File No.:** 20-1586

**Council Meeting Date:** January 27, 2021

**Agenda Item No.:** 2

**Agenda Description:** PLANNING AND LAND USE MANAGEMENT COMMITTEE REPORT relative to allowing commercial cannabis businesses to provide late payments of renewal fees due to the City's ongoing fiscal crisis and the Office of Finance's operational changes.

**Council Action:** PLANNING AND LAND USE MANAGEMENT COMMITTEE REPORT - ADOPTED FORTHWITH

**Council Vote:**

YES	BOB BLUMENFELD
YES	MIKE BONIN
YES	JOE BUSCAINO
YES	GILBERT A. CEDILLO
YES	KEVIN DE LEON
YES	MARQUEECEE HARRIS-DAWSON
YES	PAUL KORETZ
YES	PAUL KREKORIAN
YES	JOHN LEE
YES	NURY MARTINEZ
YES	MITCH O'FARRELL
YES	CURREN D. PRICE
YES	NITHYA RAMAN
YES	MARK RIDLEY-THOMAS
ABSENT	MONICA RODRIGUEZ

HOLLY L. WOLCOTT  
CITY CLERK

AN EQUAL EMPLOYMENT OPPORTUNITY - AFFIRMATIVE ACTION EMPLOYER

# Licensing: Phase 2 Processing Update



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## Phase 2 Application Temporary Approval Deadline:

- Phase 2 Applicants must receive Temporary Approval by September 30, 2021; Applications that have not met this processing milestone will be deemed abandoned.
- Phase 2 Applicants who fail to submit proof of an active State application or State license by February 28, 2021 will lose their local authorization provided under LAMC Section 104.08(a);
- Phase 2 Applicants who fails to submit proof of an active State license by May 31, 2021, will lose their local authorization provided under LAMC Section 104.08(a);
- Phase 2 Applicants who fail to receive Temporary Approval by June 30, 2021, will lose their local authorization provided under LAMC Section 104.08(a); and,
- Phase 2 Applicants with site control and a complete Temporary Approval application may request a Notice of Local Compliance Underway if they lose local authorization.

# Licensing: Phase 3 Retail Round 1 Application Processing Update



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# Summary of Activities to Date:

## Licensing:

### Phase 3 Retail Round 1

**45** businesses have uploaded one or more Temporary Approval documents.

**30** of the **45** businesses have uploaded the minimum number of completed Temporary Approval documents and are eligible for a status of "Local Compliance Underway". Letters will be issued on Tuesday, January 26, 2021 to these businesses.

**17** of the **30** businesses have scheduled an Initial DCR Inspection.

**7** of the **17** have passed an Initial DCR Inspection.

Licensing:  
Phase 3 Delivery, Non-volatile Manufacturing  
Distribution, & Testing Application Processing



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# Summary of Activities to Date:

## Licensing



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### Phase 3 Delivery, Distribution, Non-Volatile Manufacturing, and Testing Application Processing

On October 20, 2020, DCR began accepting Applications for Phase 3 delivery, distribution, non-volatile manufacturing and testing applications. To date, DCR has received 375 pre-application requests for these licensing types. 98 Pre-Applications have been processed to a status of “Eligible for Processing”.

# Licensing: Processing of Public Convenience or Necessity (PCN) Requests



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# Summary of Activities to Date:

## Licensing



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### Public Convenience or Necessity (PCN) Requests

- Approximately, 50 PCN applicants have submitted an intent to file a PCN, submitted a completed PCN form, and been authorized to schedule a payment appointment with the Office of Finance to pay PCN filing fees.
- Requests for findings of public convenience or necessity (PCN) are site specific, i.e. each request is tied only to the one location in the request. The PCN standards adopted by City Council, available [here](#), pertain to the proposed Business Premises location in the PCN request and cannot be satisfied by providing evidence of the same or similar criteria at a different location. Therefore, under Los Angeles Municipal Code section 104.03(e)(1)(iii)(1), an Applicant subject to the PCN process that does not yet have a License must submit a new PCN if the business wishes to relocate.

# Licensing: Notice of Local Compliance Underway (LIC-4013-FORM)



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# Summary of Activities to Date:

## Licensing: Notice of Local Compliance Underway



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### LOCAL COMPLIANCE LETTER

LIC-4013-FORM

#### Notice of Local Compliance Underway for State Provisional License or State Annual License

Date: January 27, 2021 Record No.: LAC-19-310002-R-APP (Test Application)

Applicant Entity Name: Department of Cannabis Regulation Business Premises Location: 221 N. Figueroa St. Suite 1245 ZIP Code: 90012

Dear Department of Cannabis Regulation:

The Los Angeles Department of Cannabis Regulation (DCR) is currently reviewing your Application to determine whether the Application meets all of the requirements for issuance of Temporary Approval. While DCR continues to review your Application, it will communicate that your Application has a status of "Local Compliance Underway" to the relevant State licensing agencies. At this time, you are not authorized to engage in Commercial Cannabis Activities in the City of Los Angeles by DCR.

"Local Compliance Underway" is a term of art used by State licensing agencies; it means only that a local jurisdiction is working with the Applicant and the Applicant may begin the State licensure process. In other words, a status of "Local Compliance Underway" allows you to apply for a provisional or annual license with the State while DCR completes its review of your Application at the local level; however, it does not, in any way, guarantee that Temporary Approval will be issued. The status of "Local Compliance Underway" also does not create, confer, or convey any vested or nonconforming right to engage in Commercial Cannabis Activity in the City of Los Angeles, and it may not be sold, assigned, or otherwise transferred to another Person or entity.

Please note that, under Los Angeles Municipal Code (LAMC) Section 105.00, *et seq.*, an Applicant does not vest at its proposed Business Premises location until both a State license and a City license are issued for the location. Under LAMC Section 105.02(c), once a commercial cannabis business receives licenses from the State and the City, respectively, for its proposed location, and otherwise meets all other restrictions and requirements, it is not in violation of the distancing and sensitive use restrictions. However, DCR will not be able to issue a license if a sensitive use is created prior to license issuance, in which case the Applicant may be able to submit a business premises relocation request pursuant to LAMC Section 104.03(e)(1).

DCR is still reviewing your Application at this time. This review may include a review of Equity Share documents submitted under Los Angeles Municipal Code section 104.20, if applicable. DCR reserves the right to deny your Application for any deficiencies, failure to pay fees, or any other reason permitted by law. If DCR determines you are not eligible for Temporary Approval, DCR will inform the State licensing agencies of such.

Finally, please note that this notice and your "Local Compliance Underway" status will expire 90 days after the date of this notice. If you do not have your State provisional license on or before that date, DCR may, but is not required to, issue another "Local Compliance Underway" notice.

Department of Cannabis Regulation  
221 N. Figueroa Ave., Suite 1245, Los Angeles, CA 90012  
(213) 978-0738 cannabis@cityofla.org  
www.cannabis.cityofla.org

"Local Compliance Underway" is a term of art used by State licensing agencies; it means that a local jurisdiction is working with the Applicant and the Applicant may begin the State licensure process. A "Notice of "Local Compliance Underway" letter (LIC-4013-FORM)" allows the Applicant to apply for a provisional or annual license with the State while DCR completes its review of their Application; however, it does not, in any way, guarantee that Temporary Approval will be issued. A DCR Licensing record status of "Local Compliance Underway" does not create, confer, or convey any vested or nonconforming right to engage in Commercial Cannabis Activity in the City of Los Angeles, and it may not be sold, assigned, or otherwise transferred to another Person or entity.

DCR has issued 30 'Notice of Local Compliance Underway' letters to Phase 3 Retail Round 1 Social Equity Applicants who have submitted the minimum required documents for the Temporary Approval Application process.



Licensing:  
Anticipated Timeline for Implementation of  
Social Equity Program Eligibility Verification  
for Phase 3 Retail Round 2



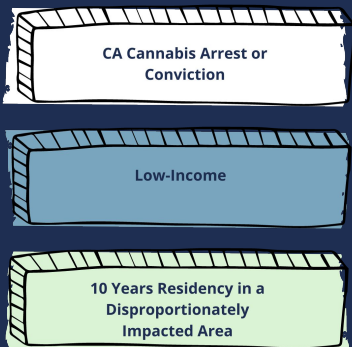
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# Licensing:

## Social Equity Program Eligibility Verification

The Social Equity Program is available to individuals verified by the Department as Social Equity Individual Applicants. To be verified individuals must meet certain criteria related to:



- Original
  - Based on Original Social Equity Analysis
  - Tier 1, Tier 2 & Tier 3\*
- Expanded
  - Based on Expanded Social Equity Analysis
  - Any 2 of 3
  - New Definitions for Low Income, DIA
- Phase 3 Retail Round 2
  - Cannabis Arrest or Conviction Required
  - New Definitions for Low Income, DIA

# Licensing:

## Social Equity Program Eligibility



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- Original
  - The application period for this criteria has closed.
  - Approx. 1,600 persons verified as Social Equity Individual Applicants based on this criteria.
- Expanded
  - Currently anticipated to begin no sooner than Q2/2021.
- Phase 3 Retail Round 2
  - Currently anticipated to begin no sooner than Q2/2021.

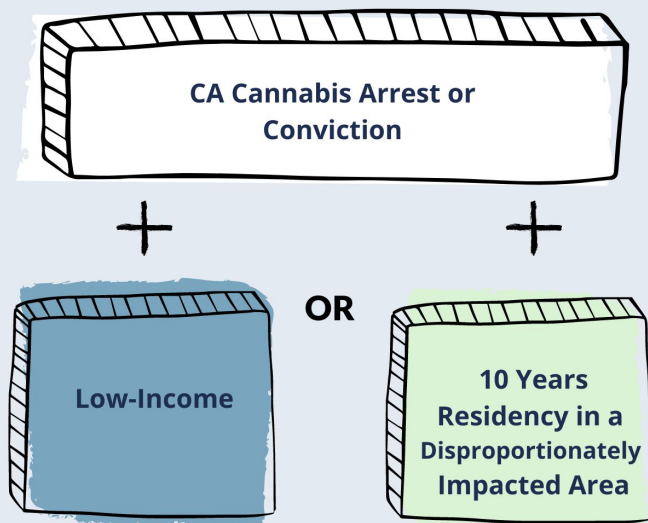
# Summary of Activities to Date:

## Social Equity Program Eligibility Verification



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## Phase 3 Retail Round 2



DCR is developing the following resources to assist individuals interest in being verified to participate in Phase 3 Retail Round 2.

- Phase 3 Retail Round 2 SEP Eligibility Verification Information and Procedure Bulletin
- Video Tutorial
- Phase 3 Retail Round 2 SEP Eligibility Verification Self-Assessment Tool
- Updated Licensing Map to identify which Police Reporting Districts are Disproportionately Impacted Areas



# Summary of Activities to Date:

## Social Equity Program Eligibility Verification

- Phase 3 Retail Round 2
  - Purpose: To determine which applicants are eligible to apply for licenses in areas that have not reached Undue Concentration
  - Step 1. Get Verified
    - Phase 3 Retail Round 2 SEP Eligibility Verification Information and Procedure Bulletin will give interested applicants further instructions on how to apply.
    - DCR will accept applications for eligibility verification for a period of 60 days.
  - Step 2: Apply to Participate in Lottery
  - Step 3: DCR to administer Phase 3 Retail Round 2 via Application Lottery ( No sooner than Q3/2021)
  - Step 4: Social Equity Applicants selected during the Application lottery shall be afforded one year to find a compliant property in any Community Plan Area that has not reached Undue Concentration.



Thank You



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