



CANNABIS REGULATION COMMISSION

March 18, 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:

- Application workflow and record statuses
- Upcoming deadlines for Applicants and Licensees
- Updated Hours/Days of Operation - Virtual Public Counter (Licensing & Information Services)
- 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)
- Renewal fee deadline extension (Ordinance 186919, CF 20-1586)

Continued on Next Page.

Report Summary



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Continued:

- Anticipated timeline for implementation of Social Equity Program eligibility verification for Phase 3 Retail Round 2
- Social Equity Program Updates
- Business, Licensing & Compliance Assistance Program
- Financial Grant Program
- Pro Bono Legal Services
- Cannabis Equity Grant for Local Jurisdictions Awards



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Activities to Date



Summary of Activities to Date

- February 4, 2021 CRC Meeting Recap
- General Administration
- Communications
- Legislative
- Licensing
- Social Equity Program

Summary of Activities to Date:

February 4, 2021, Commission Recap



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At the February 4, 2021, 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:

- 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

Summary of Activities to Date:

General Administration



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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 is conducting virtual inspections.
- DCR Licensing and Information Services are still available online at cannabis.lacity.org or by phone at 213-978-0738.

Summary of Activities to Date:

General Administration



BEGINNING APRIL 5, 2021

**DCR VIRTUAL PUBLIC COUNTER
SERVICE HOURS WILL CHANGE TO:**

**MONDAY - THURSDAY
10AM - 4PM
CLOSED ON FRIDAY**

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.
- PROGRAMMING IN DEVELOPMENT: DCR has selected a qualified contractor, has an executed contract and **the Notice to Proceed (NTP) was signed on Tuesday, March 9, 2021.**
- DCR will be engaging 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.
- DCR will be launching Stakeholder Meetings and Community Listening Sessions *in April 2021.*

Summary of Activities to Date:

Communications



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Stakeholder and Community Outreach and Engagement

On January 21, 2021, DCR joined Department of Neighborhood Empowerment (DONE) General Manager, Raquel Beltran for a presentation to the South Los Angeles Neighborhood Council Alliance on Stakeholder Participation in the Public Convenience or Necessity (PCN) Process.

Since meeting with SLAANC, the Department has drafted a communication describing this process and requested it be included in upcoming newsletters or communications to all Neighborhood Councils.



Summary of Activities to Date:

Communications

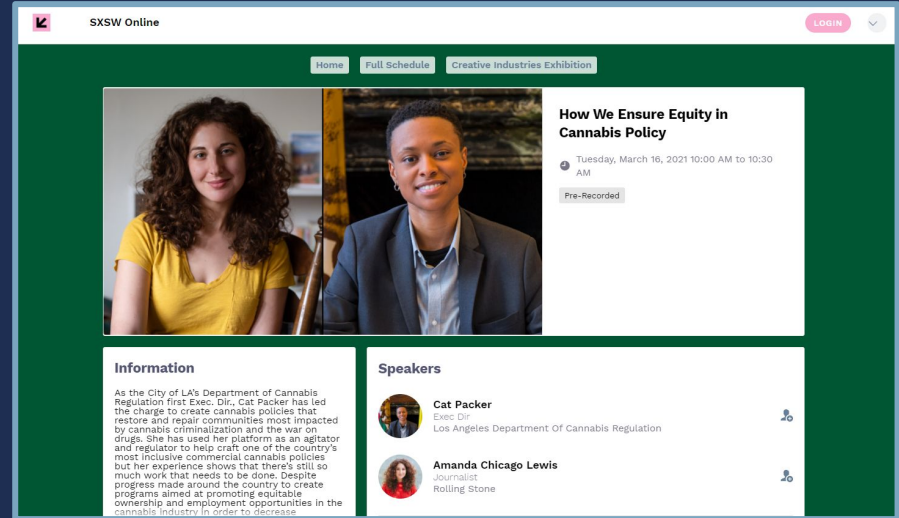


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Stakeholder and Community Outreach and Engagement

On Tuesday, March 16, 2021, Director Packer's SXSW 2021 session titled "How We Ensure Equity in Cannabis Policy," aired during the annual conference. The session was moderated by national cannabis reporter, Amanda Chicago Lewis. Both Director Packer and Amanda participated in a live chat with attendees throughout the session airing.

In addition, sections of the session will be included in Audible's Best of SXSW 2021 recap which will be available to all Audible users beginning mid-April.



Summary of Activities to Date:

Communications



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Stakeholder and Community Outreach and Engagement

On Thursday, March 4, 2021, Director Packer spoke to law students at The Ohio State University Moritz College of Law on Professional and Personal Perspectives on Law School and Life. The conversation focused on:

- Director Packer's law school experiences that remain meaningful
- Life after law school, and
- Professional/personal tips for remaining healthy in trying times.



**THE OHIO STATE
UNIVERSITY**



Summary of Activities to Date:

Communications



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Applicant and Licensee Outreach and Engagement

DCR will be joining LA Sanitation (LASAN) on Tuesday, March 23, 2021 for their 2021 Cannabis Symposium.

The Symposium is targeted toward commercial cannabis business applicants and licensees. DCR's session will provide updates on current applications processes and resources.



Summary of Activities to Date:

Legislative



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Local, State, and/or Federal

- On Thursday, February 18, 2021, the Mayor signed ordinances granting an extension on renewal fee deadlines and allowing the padlocking, barricading, or fencing of properties where unlicensed commercial cannabis activity occurs. The renewal fee extension ordinance contained an emergency clause and is currently in effect. The padlock ordinance will become effective on March 27, 2021
- DCR is currently reviewing proposed state legislation to advise this Commission and City Council on potential legislation to support.

Summary of Activities to Date:

Legislative



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Enforcement

On January 29, 2021, the Department submitted an application for an enforcement grant funded by Proposition 64 and administered by the Board of State and Community Corrections. If awarded, the one million dollar grant will be used over three years to coordinate cannabis enforcement efforts, administer a public information campaign, and produce an enforcement equity analysis. Award announcements are expected in early April.



Licensing:

Updated Hours/Days of Operation -
Virtual Public Counter (Licensing & Information Services)



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Licensing Program Updates

Updated Hours/Days of Operation -

Virtual Public Counter (Licensing & Information Services)



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BEGINNING APRIL 5, 2021

**DCR VIRTUAL PUBLIC COUNTER
SERVICE HOURS WILL CHANGE TO:**

**MONDAY - THURSDAY
10AM - 4PM
CLOSED ON FRIDAY**

Licensing Program Reminders



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- DCR provides services after records are successfully submitted and all applicable fees are paid (deemed filed). Unless an eligibility determination is required by law prior to invoicing, DCR will not provide feedback and/or review a record until it has been deemed filed.
 - For example, if a modification request is submitted through the DCR Licensing Portal on January 15th and applicable fees are paid on February 10th, the modification request enters the DCR processing workflow on February 10th.
- The duration of time a request has been in the DCR workflow is based on the date the request was deemed filed.
 - Using the example above and today's date, the modification request has been in the DCR workflow for 36 days.
- Fees are associated with a single record or request for service; if an Applicant submits five modification requests and pays one modification fee, only one modification request is deemed filed.

Licensing Program Reminders



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- 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.
- If a commercial cannabis business has not received licenses from both the State and the City for a proposed location, the proposed business premises may still be found in violation of the distancing and sensitive use restrictions.
- DCR cannot 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).

Licensing:
City Council's Action Regarding
Fee Extension Motion (Council File No. 20-1586)
Ordinance No. 186919



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Licensing Program Updates:

Ordinance No. 186919 - Effective February 24, 2021

- Establishes a one-time extension to 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. Extends the 10-day payment deadlines to 30 days;
- Authorizes the submission of late renewal applications and/or late renewal fee payments, subject to Expedited Services Fees in LAMC Section 104.19;
- Authorizes mailed payments to be considered timely paid if enclosed in a properly addressed envelope with sufficient postage, deposited in the mail, and postmarked by the payment deadline; and,
- Authorizes the Office of Finance to schedule a payment appointment after the due date provided the payment appointment request is confirmed by the due date.
 - If a payment appointment request is not confirmed and fees are not paid by the due date, the request will be deemed abandoned due to unpaid fees.



Licensing Program Updates:

Ordinance No. 186919

On Wednesday, February 24, 2021, DCR began generating invoices for records with outstanding balances regardless of payment appointment status in accordance with the new ordinance (Ordinance No. 186919).

- PCN Request invoices were created on February 24, 2021, and all generated invoices are due on or before March 26, 2021.
- Late 2020 and/or 2021 renewal fee invoices were generated on March 1, 2021 and are due on or before March 31, 2021.
- Invoices for unpaid Pre-Application Reviews and Modification Requests were generated on or after March 1, 2021 and payment is due within 30 days. For invoices generated on Monday, March 1, 2021, payment is due on or before March 31, 2021.

Licensing Update



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Summary of Activities to Date:

Licensing Data

- DCR has issued 1,000 Temporary Approvals
- DCR is processing more than 850 active application records:
 - 188 Phase 2 Applications
 - 200 Phase 3 Retail Round 1 Applications
 - 113 Phase 3 Social Equity and General Applications
 - 350 Pre-Application Records
- DCR is processing more than 275 modification requests
- DCR has transmitted 38 PCN Requests to the City Council for further consideration
 - Up to, 15 additional PCN Requests may be transmitted upon payment of applicable fees.



Licensing Program Updates:

Phase 3 Retail Round 1 Application Processing Update

Phase 3 Retail Round 1

60 businesses have uploaded one or more Temporary Approval documents.

36 of the **60** businesses have uploaded the minimum number of completed Temporary Approval documents and are eligible for a status of "Local Compliance Underway".

20 of the **36** businesses have scheduled an Initial DCR Inspection.

12 of the **20** have passed an Initial DCR Inspection.

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



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Licensing Program Updates:

Processing of Public Convenience or Necessity (PCN) Requests

Public Convenience or Necessity (PCN) Requests

- DCR began transmitting PCN requests to the City Clerk on February 26, 2021. Thus far, the Department has transmitted 38 PCN requests to the Clerk.
- All transmitted requests have been referred to the PLUM Committee by the Clerk. PLUM has not yet set a date when they will begin to consider these requests.
- Pending PCN Requests by Community Plan Areas: Central City (22), Central City North (4), Harbor Gateway (3), Sherman Oaks/Studio City (5), Sun Valley/La Tuna Canyon (3), and Venice (1).
- Notice of Public Convenience or Necessity (PCN) Application Filing can be found on the DCR website: <https://cannabis.lacity.org/licensing/licensing-information/public-notice#PCN>



Licensing Program Updates:

PCN Requests Transmitted to City Council

Applicant Name (Legal Entity)	Application No.	Business Premises Address	CD	CPA	Council File Number**	Date of Transmittal to Council
Brian Sanders, Sole Proprietor	LA-P-19-310291-R-APP	4325 N WOODMAN AVE, SHERMAN OAKS, CA 91423	CD 4	Sherman Oaks - Studio City - Toluca Lake - Cahuenga Pass	21-0420-S7	03/02/2021
1051 S Broadway and Hope, LLC	LA-P-19-310325-R-APP	1051 S BROADWAY, LOS ANGELES, CA 90015	CD 14	Central City	21-0420-S13	03/04/2021
High Heels, LLC	LA-P-19-310473-R-APP	818 N SPRING ST, UNIT 11, LOS ANGELES, CA 90012	CD 1	Central City North	21-0420-S37	03/09/2021
1628 Lincoln and Hope, LLC	LA-P-19-310480-R-APP	1628 S LINCOLN BLVD, LOS ANGELES, CA 90291	CD 11	Venice	21-0420-S2	02/25/2021
Imperial Project, LLC	LA-P-19-310550-R-APP	2043 S IMPERIAL ST, LOS ANGELES, CA 90021	CD 14	Central City North	21-0420-S36	03/09/2021
Underground Legends, LLC	LA-P-19-310552-R-APP	924 S SANTEE ST, LOS ANGELES, CA 90015	CD 14	Central City	21-0420-S22	03/04/2021
Tokyo Greens, LLC	LA-P-19-310577-R-APP	339 E 1ST ST, LOS ANGELES, CA 90012	CD 14	Central City	21-0420-S23	03/04/2021
Cal Green Gate	LA-P-19-310592-R-APP	737 S STANFORD AVE, BLDG , LOS ANGELES, CA 90021	CD 14	Central City	21-0420-S33	03/09/2021
California Kind, LLC	LA-P-19-310596-R-APP	954 S BROADWAY, LOS ANGELES, CA 90015	CD 14	Central City	21-0420-S19	03/04/2021
Green for Health, LLC	LA-P-19-310615-R-APP	11285 W GOSS ST, LOS ANGELES, CA 91352	CD 6	Sun Valley - La Tuna Canyon	21-0420-S10	03/02/2021
LA 11th Market, LLC	LA-P-19-310642-R-APP	1058 S MAIN ST, LOS ANGELES, CA 90015	CD 14	Central City	21-0420-S26	03/04/2021
Harmony Holistic, LLC	LA-P-19-310644-R-APP	922 E 12TH ST, LOS ANGELES, CA 90021	CD 14	Central City	21-0420-S16	03/04/2021
SH Management, LLC	LA-P-19-310646-R-APP	1043 S LOS ANGELES ST, LOS ANGELES, CA 90015	CD 14	Central City	21-0420-S31	03/04/2021
Universe Vitality Corporation	LA-P-19-310677-R-APP	219 W 4TH ST, LOS ANGELES, CA 90013	CD 14	Central City	21-0420-S32	03/04/2021
J. Dole Group, LLC	LA-P-19-310722-R-APP	1126 S SANTEE ST, LOS ANGELES, CA 90015	CD 14	Central City	21-0420-S17	03/04/2021
LA Leaf Industries	LA-P-19-310735-R-APP	1600 E OLYMPIC BLVD, LOS ANGELES, CA 90021	CD 14	Central City	21-0420-S24	03/04/2021
LACC, LLC	LA-P-19-310744-R-APP	1316 S LOS ANGELES ST, LOS ANGELES, CA 90015	CD 14	Central City	21-0420-S18	03/04/2021
Sunlight Medical, LLC	LA-P-19-310749-R-APP	1616 S LOS ANGELES ST, LOS ANGELES, CA 90015	CD 14	Central City	21-0420-S27	03/04/2021
PNPLXPRESS I, Inc.	LA-P-19-310773-R-APP	1509 S MAPLE AVE, LOS ANGELES, CA 90015	CD 14	Central City	21-0420-S14	03/04/2021
D3 Green Holdings, LLC	LA-P-19-310779-R-APP	809 S FLOWER ST, LOS ANGELES, CA 90017	CD 14	Central City	21-0420-S20	03/04/2021
Medical Cure Compassion Collective	LA-P-19-310784-R-APP	7674 N SAN FERNANDO RD, SUN VALLEY, CA 91352	CD 2	Sun Valley - La Tuna Canyon -	21-0420-S12	03/02/2021
High AF Studio City, Inc.	LA-P-19-310787-R-APP	4233 N COLDWATER CANYON AVE, STUDIO CITY, CA 91604	CD 2	Sherman Oaks - Studio City - Toluca Lake - Cahuenga Pass	21-0420-S5	03/02/2021
Torrance Healing Center, Inc.	LA-P-19-310788-R-APP	1513 W SEPULVEDA BLVD, TORRANCE, CA 90501	CD 15	Harbor Gateway	21-0420-S4	02/25/2021
LA Project, Inc.	LA-P-19-310800-R-APP	1228 S MAIN ST, LOS ANGELES, CA 90015	CD 14	Central City	21-0420-S34	03/09/2021
Fam Bam Cannabis, LLC	LA-P-19-310808-R-APP	10970 V VENTURA BLVD, SHERMAN OAKS, CA 91604	CD 2	Sherman Oaks - Studio City - Toluca Lake - Cahuenga Pass	21-0420-S8	03/02/2021
Blazen Budds, LLC	LA-P-19-310818-R-APP	12159 VENTURA BLVD, STUDIO CITY, CA 91604	CD 2	Sherman Oaks - Studio City - Toluca Lake - Cahuenga Pass	21-0420-S6	03/02/2021
Flight 420 Cooperative Corporation	LA-P-19-310822-R-APP	1210 - 1214 S SAN JULIAN AVE, LOS ANGELES, CA 90015	CD 14	Central City	21-0420-S21	03/04/2021
MedEx Flowers Cooperative Corporation	LA-P-19-310823-R-APP	4500 N FORMAL AVE, TOLUCA LAKE, CA 91602	CD 4	Sherman Oaks - Studio City - Toluca Lake - Cahuenga Pass	21-0420-S9	03/02/2021
City of Angels Patient Group Cooperative Corporation	LA-P-19-310827-R-APP	2124 E VIOLET ST, LOS ANGELES, CA 90021	CD 14	Central City North	21-0420-S38	03/09/2021
Mr. Knucklez, Inc.	LA-P-19-310828-R-APP	11332 W GOSS ST, SUN VALLEY, CA 91352	CD 6	Sun Valley - La Tuna Canyon	21-0420-S11	03/02/2021
ARMLA Two, Inc.	LA-P-19-310831-R-APP	1133 S LOS ANGELES ST, LOS ANGELES, CA 90015	CD 14	Central City	21-0420-S29	03/04/2021
Gompers Socca, Inc.	LA-P-19-310832-R-APP	1437 S LOS ANGELES ST, LOS ANGELES, CA 90015	CD 14	Central City	21-0420-S30	03/04/2021
Duke Brothers, LLC	LA-P-19-310850-R-APP	13222 S ESTRELLA AVE, LOS ANGELES, CA 90248	CD 15	Harbor Gateway	21-0420-S1	02/25/2021
1658 W 227th, LLC	LA-P-19-310852-R-APP	1658 W 227TH ST, LOS ANGELES, CA 90501	CD 15	Harbor Gateway	21-0420-S3	02/25/2021
Shivas Gardens Holdings, LLC	LA-P-19-310873-R-APP	1343 S HILL ST, LOS ANGELES, CA 90015	CD 14	Central City	21-0420-S25	03/04/2021
Arcadia Land, LLC	LA-P-19-310874-R-APP	1020 S WALL ST, LOS ANGELES, CA 90015	CD 14	Central City	21-0420-S28	03/04/2021
Colyton Street, LLC	LA-P-19-310875-R-APP	418 S COLYTON ST, LOS ANGELES, CA 90013	CD 14	Central City North	21-0420-S35	03/09/2021
Green Queen, LLC	LA-P-20-310916-R-APP	1051 S BROADWAY, LOS ANGELES, CA 90015	CD 14	Central City	21-0420-S15	03/04/2021

Licensing: Application Workflow and Record Status



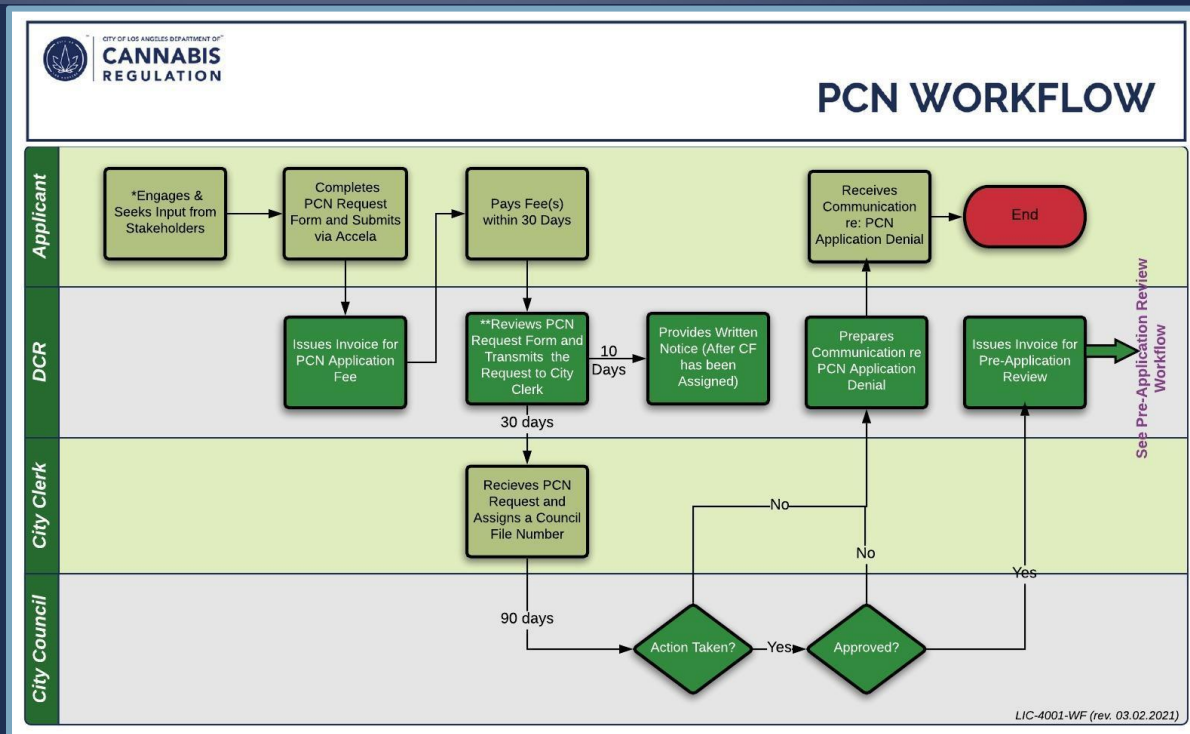
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DCR Licensing Program Updates

Public Convenience or Necessity (PCN)



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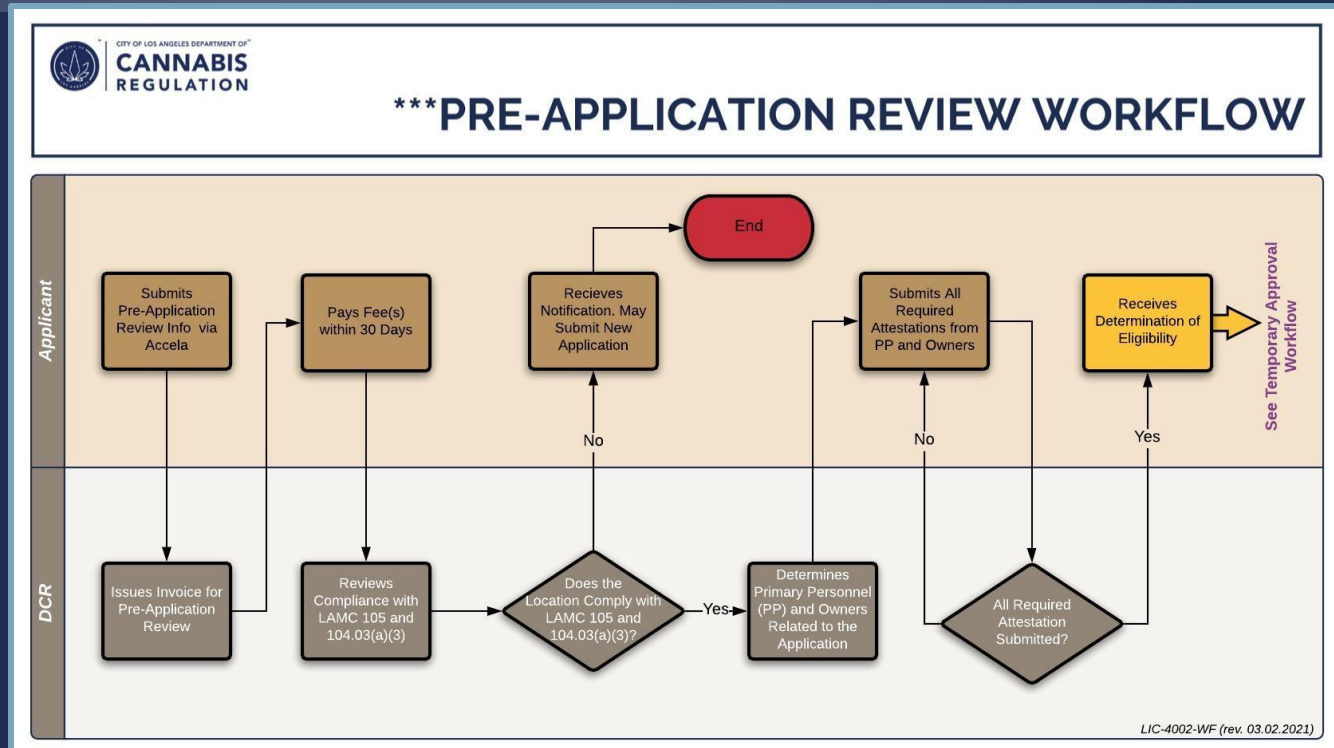


Licensing Program Updates

Pre-Application Review Procedure



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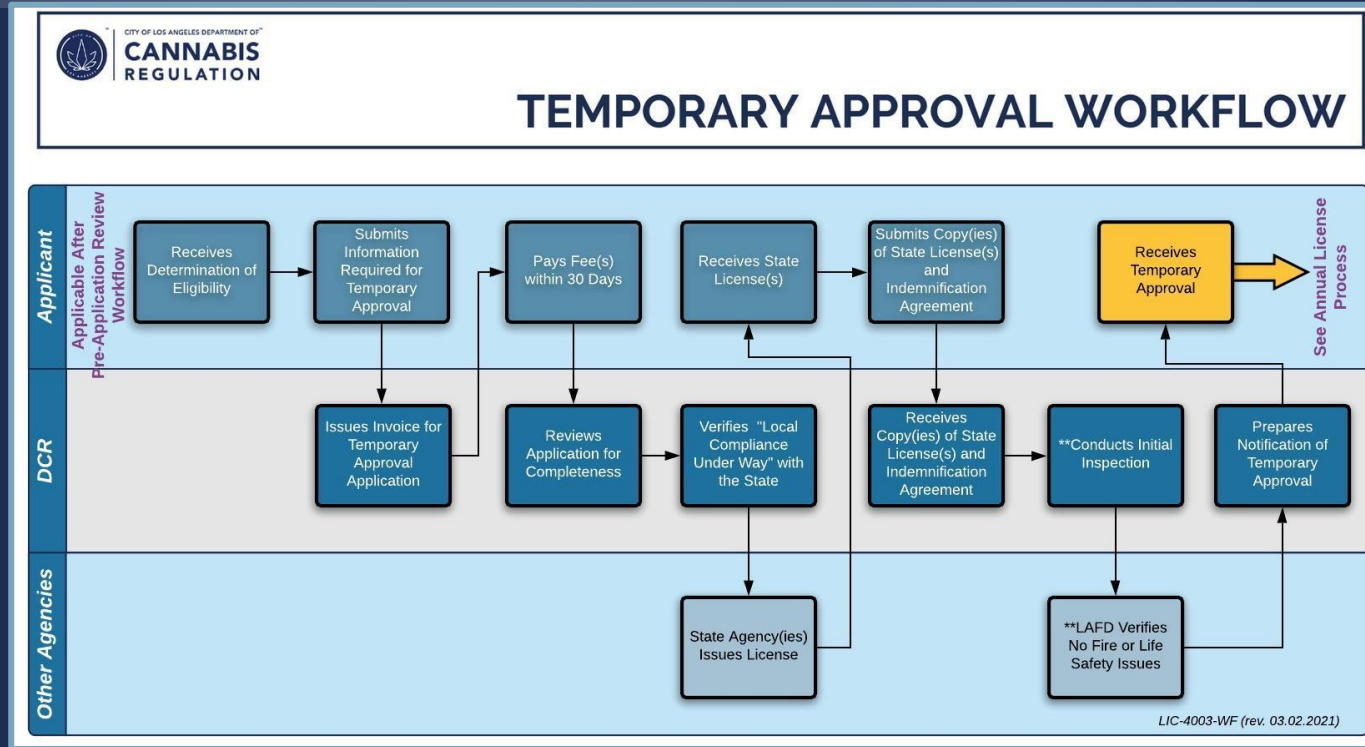


Licensing Program Updates

Temporary Approval Procedure



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Licensing: Upcoming Deadlines for Applicants and Licensees



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Licensing Program Updates:

General Upcoming Deadlines



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Since Ordinance No. 186919 became effective DCR has issued over 400 invoices.

- All invoices generated on March 1, 2021 for outstanding Modification Requests, Pre-Application Reviews, and Temporary Approval Applications must be timely paid by March 31, 2021.
- Outstanding PCN Request invoices must be timely paid by March 26, 2021.
- DCR will begin invoicing Licensees for Annual Application fee in May 2021.
- Businesses eligible to submit late 2020 and/or 2021 Temporary Approval Renewal Applications must pay all outstanding fees and submit a 2021 Temporary Approval Record through the DCR Licensing Portal by March 31, 2021.

Licensing Program Updates

Late Renewal Application Deadlines



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- Licensees that did not timely file a 2020 and/or 2021 Temporary Approval (TA) Renewal Application are required to pay the corresponding Expedited Services (Double Time Rate) Fee(s) for all commercial cannabis activities they seek to renew.
 - The 2020 TA Expedited Services (Double Time Rate) Fee is \$7,632 per activity
 - \$4,030 base fee plus \$3,602 additional
 - The 2021 TA Expedited Services (Double Time Rate) Fee is \$8,016 per activity
 - \$4,233 base fee plus \$3,783 additional
- A business that paid the 2021 TA Renewal Fee (\$4,233) in 2020, but did not submit a 2021 TA Renewal record did not timely file and is subject to the Expedited Services Fee. Therefore, the business must pay the outstanding \$3,783 per activity by the late renewal deadline.

Fee Details	Fee Code	Fee Amount
Cannabis Retail Payment (TA) 2021 Renewal	J001R21	4,233.00
Cannabis Retail Payment (TA) Late 2020 Renewal	J001R20E2	3,602.00
Cannabis Retail Payment (TA) Late 2021 Renewal	J001R21E2	3,783.00
Cannabis Retail Payment (TA) 2020 Renewal	J001R20	4,030.00

Licensing Program Updates:

Phase 2 Deadlines



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- **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 failed to submit proof of an active State application or State license by February 28, 2021 lost their local authorization provided under LAMC Section 104.08(a) and DCR will be sending emails to impacted applicants later this month;
- 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.

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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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.

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



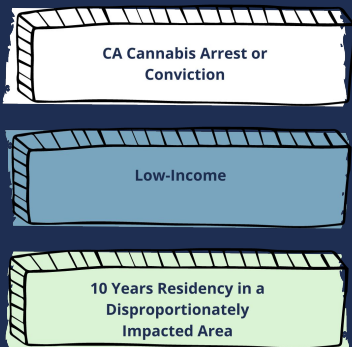
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Licensing Program Updates:

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 Program Updates:

Social Equity Program Eligibility Verification

- 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.

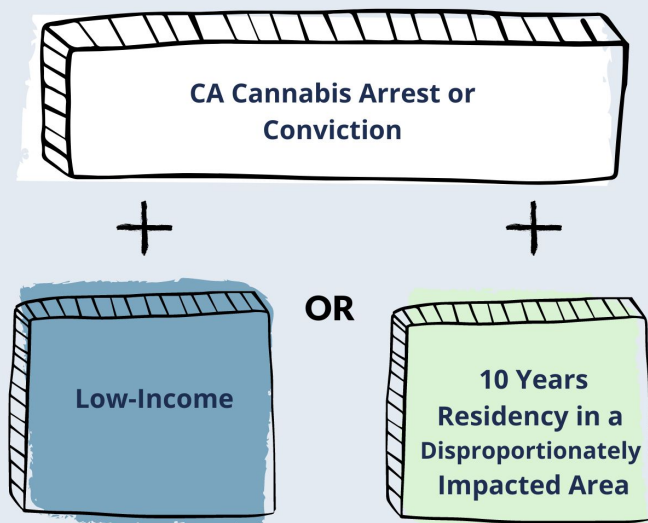
Licensing Program Updates:

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

Licensing Program Updates:

Social Equity Program Eligibility Verification



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- 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.

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

- 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 on December 31, 2020. The third Periodic Report will be submitted to GO-Biz on March 31, 2021.
- 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 August 2020, Second CEG Award Funds were received \$6,042,000
- The City has dedicated \$6 Million from these grants which will be used for the Financial Grant Program.

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 March 1, 2021, GO-Biz notified DCR it will be awarded \$2,030,997.42 in grant funding from the Governor's Office of Business and Economic Development for the 2020-21 Cannabis Equity Grants Program for Local Jurisdictions. **GO-Biz released this information to the public this week. All accepted Grant Agreements must be signed by May 14, 2021.**



Summary of Activities to Date:

Social Equity Program



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Business, Licensing, and Compliance Assistance

- Since the allocation of funding 20 months ago, the Department released two Request for Qualifications (RFQs) seeking vendors to develop and implement Business, Licensing, and Compliance (BLC) Assistance Programming
- DCR has met with first five of the selected firms and had follow-up one-on-one meetings with each consultant to develop task and deliverables for programming curricula. Notices To Proceed (NTPs) will be issued in March and April.
- DCR has also received confirmation from the Personnel Department allowing the use of Cornerstone as the Learning Management System (LMS) Platform for the Business Licensing and Compliance program. DCR has purchased 2,000 licenses for program participants.

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

- With funds awarded from the California Cannabis Equity Grant, DCR is currently working to establish a program that will distribute \$6 million in grants to local equity applicants and licensees. The contract with Elevate Impact LA to administer the Financial Grant Program has been executed by the Mayor's Office and the Department will proceed with next steps.
- **DCR and Elevate Impact LA are currently developing the Grant Application, Grant Agreement and Website with all relevant information concerning the Grant Program. DCR is also working with the Office of Finance to determine how the funds will be disbursed to program participants.**

Summary of Activities to Date:

Social Equity Program



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Pro Bono Legal Assistance

LACBA has officially launched the program and has begun matching qualified SEAs with the pro-bono legal panel.

On March 11, 2021, DCR sent a communication with instructions on how to submit the Pro Bono Legal Services Survey along with the Legal Services Authorization Agreement for Phase 3 Retail Round 1 Social Equity Individual Applicants who have been deemed eligible for further processing and who are interested in receiving limited pro bono legal services.

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.
- 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
California Cannabis Portal:
www.cannabis.ca.gov



Equity Unit Email Address:
BCCEquity@DCA.ca.gov



Equity Unit Phone: (833) 493-0583

Thank You



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