

Phase 3 Retail Round 1
Social Equity Applicant Workshop
December 19, 2020



Today's Presentation Will Include:



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- **Welcome from DCR Executive Director, Cat Packer**
- **Overview of Online Licensing Resources**
- **Information Regarding Phase 3 Retail Round 1**
 - Process to determine applicants eligible for further processing
 - Temporary Approval Process
 - Resources
 - Required Forms and Documents
 - Application Modifications
 - Ownership Changes
 - Changes to Business Premises Location
 - Questions & Assistance
- **Social Equity Program Resources**

DCR's Redesigned Website

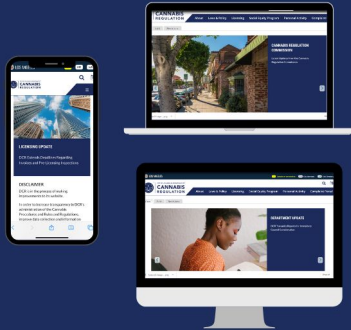


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**WEBSITE
REDESIGN**



- Sign Up for DCR's List Serve.
- Register to receive official Cannabis Regulation Commission communications.
- Learn more about the City's Licensing and Social Equity Program.

Online Licensing Resources



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A screenshot of the City of Los Angeles Cannabis Regulation website. The header includes the "LOS ANGELES" logo, a search bar, and links for "Update on coronavirus", "311 City Services", and "LA City Directory". The main navigation bar lists "About", "Laws & Policy", "Licensing", "Social Equity Program", "Personal Activity", and "Complaint Portal". The "Licensing" section is expanded, showing three columns of links: "News and Updates" (including Licensing Updates, PCN, Phase 1, Phase 2, Phase 3 Non-Retail, Phase 3 Retail Round 1, Phase 3 Retail Round 2, and Testing Labs), "Licensing Information" (including General Overview, Public Participation, Public Notice, Application Procedures & Resources, Application Forms & Documents, Fees & Fines, Licensing Map, Apply for a License, and Video Tutorials), and "Inspections and Compliance" (including Virtual Inspections and Initial Inspection (Temporary Approval)).

LOS ANGELES

Update on coronavirus 311 City Services LA City Directory

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About Laws & Policy Licensing Social Equity Program Personal Activity Complaint Portal

News and Updates

- Licensing Updates
- PCN
- Phase 1
- Phase 2
- Phase 3 Non-Retail
- Phase 3 Retail Round 1
- Phase 3 Retail Round 2
- Testing Labs

Licensing Information

- General Overview
- Public Participation
- Public Notice
- Application Procedures & Resources
- Application Forms & Documents
- Fees & Fines
- Licensing Map
- Apply for a License
- Video Tutorials

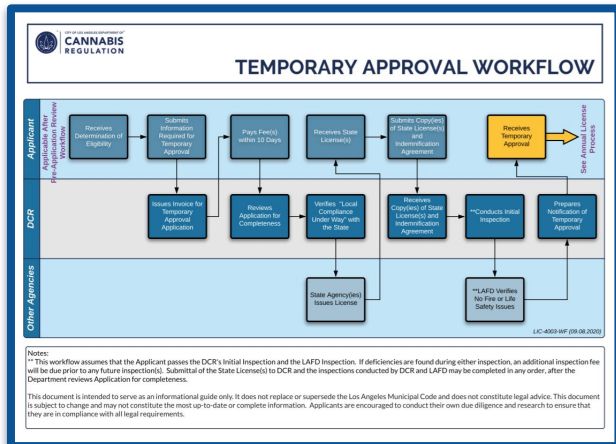
Inspections and Compliance

- Virtual Inspections
- Initial Inspection (Temporary Approval)

Online Licensing Resources



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INFORMATION AND PROCEDURE BULLETIN

TEMPORARY APPROVAL PROCEDURE

Los Angeles Municipal Code ("LAMC") Section 104.01(a)(47) defines Temporary Approval as a DCR-issued temporary license that authorizes an Applicant to engage for a limited period of time in Commercial Cannabis Activity as would be permitted under the privileges of a non-temporary license of the same type. An Applicant with Temporary Approval is required to follow all applicable Rules and Regulations as would be required if the Applicant held a non-temporary License of the same type.

This bulletin, in conjunction with the Temporary Approval Workflow ([LIC-4002-WF](#)), provides general information and the procedures and requirements for an Applicant to obtain a Temporary Approval to engage in Commercial Cannabis Activity in the City of Los Angeles¹. In order to begin the Temporary Approval Process, an Applicant must first go through the Pre-Application Review Process ([LIC-4002-IPB](#), [LIC-4002-WF](#)) and obtain a determination of eligibility from DCR.

Overview of Responsibilities

Applicant Responsibilities:

- After receiving a determination of eligibility from DCR, upload the Temporary Approval application information and, if applicable, follow the procedures in the Social Equity Program - Entity Verification Information and Procedure Bulletin.
- Pay the Temporary Approval Application Fee.
- Pay additional fees, if any, for DCR to review documents that must be re-submitted.
- Obtain authorization from the applicable [State licensing authority](#) to conduct the Commercial Cannabis Activity(ies).
- Prepare for and schedule the Initial Inspection with DCR.
- Prepare for the LAFD Inspection.
- Resolve any deficiencies which may be discovered during an inspection, and/or schedule a follow-up inspection.
- Pay the Standard Inspection Fee if an additional inspection is necessary by DCR.

DCR Actions:

- Issue invoice for the Temporary Approval Application Fee and any other fees associated with additional document review or additional inspection fees, if applicable.
- Review application for completeness and communicate any deficiencies to the Applicant for resubmittal.
- Perform the Initial Inspection and communicate any deficiencies to the Applicant in writing.
- Communicate with LAFD regarding inspection.
- Verify local authorization with the applicable State licensing authority.
- Grant or deny Temporary Approval authorization.

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www.cannabis.lacity.org

Temporary Approval Application Document Upload

Phase 3 Retail Round 1 - Temporary Approval Application Document Upload

Video Tutorial:

Phase 3 Retail Round 1 Temporary Approval Application Document Upload

Phase 3 Retail Round 1



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Phase 3 Retail Round 1

- DCR was authorized to identify a total of 200 Social Equity Applicants eligible for further processing.
- DCR concluded its eligibility review of Phase 3 Retail Round 1 applications.
- 200 Social Equity Individual Applicants have been determined eligible for further processing.
- A list of Phase 3 Retail Round 1 applications with their corresponding status is available on the DCR website.

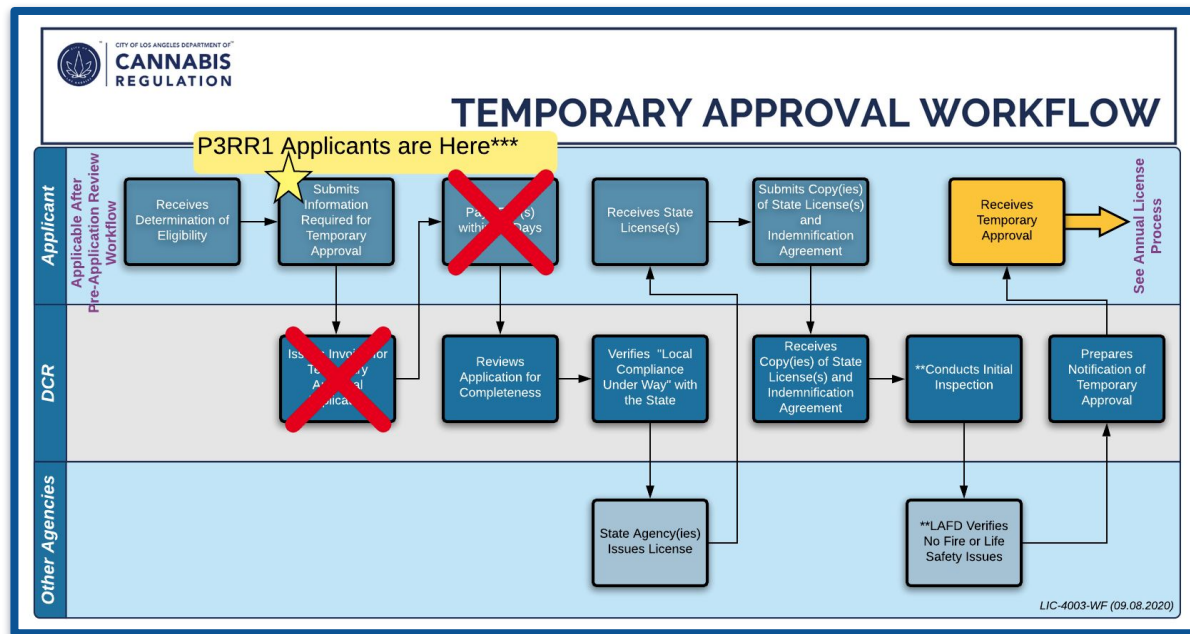
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Temporary Approval Procedure



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INFORMATION AND PROCEDURE BULLETIN

LIC-4003-09B September 22, 2020

TEMPORARY APPROVAL PROCEDURE

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- Pay additional fees, if any, for DCR to review documents that must be re-submitted.
- Obtain authorization from the applicable State licensing authority to conduct the Commercial Cannabis Activity(ies).
- Prepare for and schedule the Initial Inspection with DCR.
- Prepare for the LAFD Inspection.
- Resolve any deficiencies which may be discovered during an inspection, and/or schedule a follow-up inspection.
- Pay the Standard Inspection Fee if an additional inspection is necessary by DCR.

DCR Actions:

- Issue invoice for the Temporary Approval Application Fee and any other fees associated with additional document review or additional inspection fees, if applicable.
- Review application for completeness and communicate any deficiencies to the Applicant for resubmission.
- Perform the Initial Inspection and communicate any deficiencies to the Applicant in writing.
- Communicate with LAFD regarding inspection.
- Verify local authorization with the applicable State licensing authority.
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www.cannabis.lacity.org

Available at cannabis.lacity.org under the Licensing Menu- Licensing Information Sub-Menu.

Temporary Approval Procedure



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Available at cannabis.lacity.org
under the Licensing Menu-
Licensing Information
Sub-Menu, Video Tutorials Page.

Temporary Approval Procedure: Submitting a Complete Application



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Forms Associated with the Temporary Approval Process:

- Financial Information Form (BCC Form)
- Indemnification Agreement (LIC-4005-FORM)
- Labor Peace Agreement (LIC-4006-FORM)
- Landowner Attestation (LIC-4007-FORM)
- **Ownership and Financial Interest Holder Form (LIC-4008-FORM) ***
- Radius Map Attestation (LIC-4009-FORM) *
- Statement of Intended Use (LAFD Form)
- Security Plan (BCC Form)
- Temporary Approval Attestation (LIC-4010-FORM)
- **Social Equity Program - Owner Compliance Attestation (LIC-4011-FORM)**

Documents Required:

- **Business Formation and Organization Documents**
- **Equity Share Documents****
- Business Premises Diagram*
- Business Tax Registration Certificate (BTRC)
- Certificate of Occupancy
- Dated Radius Map*
- Executed Lease Agreement or Property Deed
- Site Plan*

Available at cannabis.lacity.org under the Licensing Menu- Licensing Information Sub-Menu, Application Forms & Documents Page.

Submitting a Complete Temporary Approval Application includes :



SEP-6001-IPB

INFORMATION AND PROCEDURE BULLETIN

September 08, 2020

SOCIAL EQUITY PROGRAM ENTITY ELIGIBILITY VERIFICATION PROCEDURE

The Department of Cannabis Regulation ("DCR") is responsible for administering the City's Social Equity Program ("Program" or "SEP") pursuant to Los Angeles Municipal Code ("LAMC") Section 104.20. The program, originally established in 2017, has been since comprehensively re-organized, with the relevant ordinance amended to, among other things, provide clarity related to the eligibility verification of the Individual and the entity. In order to receive or renew a License, Applicants and Licensees subject to LAMC Section 104.20 shall follow the procedure outlined below and provide all business records and agreements necessary to demonstrate that the Social Equity Individual Applicant owns at least the minimum Equity Share required under Section 104.20(a)(2).

This bulletin provides general information about the procedure and requirements for a Social Equity Individual Applicant to comply with Equity Share requirements as established in LAMC Sections 104.20(a) or 104.20(b) before a License is issued or renewed. The full text of LAMC Section 104.20 is provided at the end of this bulletin.

Overview of Responsibilities

Applicant Responsibilities:

- Read and become familiar with Article 4, Chapter X of the LAMC, with close attention to LAMC Section 104.20.
- Apply for Social Equity Individual Applicant eligibility verification.
- Submit required information to show compliance with at least the minimum ownership percentage Equity Share in the Person to whom the License is issued.
- Comply with additional Equity Share requirements.
- Comply with ownership and disclosure requirements.
- Seek legal counsel if necessary.
- Apply for entity eligibility verification.
- Sign and submit the "SEP - Owner Compliance Attestation."

DCR Actions:

- Review information for Social Equity Applicants for DCR's licensing purposes only.
- DCR may send an email notification to the Social Equity Applicant informing them if the application is deficient and/or incomplete.

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Equity Share Compliance



Provide any information necessary to demonstrate
Equity Share Compliance

SEP Owner Compliance Attestation

Compliance w/ Ownership Percentage Requirements

Ownership & Disclosure Requirements

Equity Share Addendum

Keep Records Regarding Equity Share Compliance



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SOCIAL EQUITY PROGRAM
OWNER COMPLIANCE ATTESTATION

LIC-4011-FORM

Instructions: All Owners of a Social Equity Applicant are required to sign and submit the following attestation. "Owners" is defined in Los Angeles Municipal Code (LAMC) Section 104.01(a)(36).

Applicant Entity Name:

Business Premises Location:

License or Application No.:

I, _____, attest that I have read LAMC Section 104.20, et seq., and I understand that I am required to comply with its requirements, including, but not limited to, the following:

In order to participate in the Social Equity Program ("SEP" or "Program"), Individuals and entities must comply with requirements as established in LAMC Sections 104.06.1 and 104.20 in order to receive the certain Program benefits and resources.

All Owners shall comply with the Ownership Percentage requirements in either LAMC Sections 104.20(a)(2)(i) or (b)(2)(i), which require that a Social Equity Individual Applicant own no less than a specific percentage Equity Share in the Person to whom the License is issued.

All Owners are required to comply with Equity Share requirements as established in LAMC Section 104.20(a)(2)(i) before a License is issued or renewed, regarding:

- Unconditional ownership of the Equity Share
- Profits, dividends, and distributions
- Voting rights and control
- Surviving Spouse

All Owners are also required to comply with the additional Equity Share requirements as established in LAMC Section 104.20(a)(2)(ii) before a License is issued or renewed, including, but not limited to, incorporating the following addendum into their operating agreement documents to evidence compliance with Equity Share requirements:

To the extent that any provision of this agreement, or part thereof, is or may be construed to be inconsistent with or in violation of the "Equity Share" requirements set forth in Los Angeles Municipal Code section 104.20, such provision(s) shall be ineffective, unenforceable, and null and void.

Equity Share Compliance



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The following addendum must be incorporated into operating agreement(s) or other relevant documents to evidence compliance with Equity Share Requirements:

“To the extent that any provision of this agreement, or part thereof, is or may be construed to be inconsistent with or in violation of the “Equity Share” requirements set forth in Los Angeles Municipal Code section 104.20, such provision(s) shall be ineffective, unenforceable, and null and void.”

DCR may send an email notification to the Social Equity Applicant informing them if the application is deficient and/or incomplete.

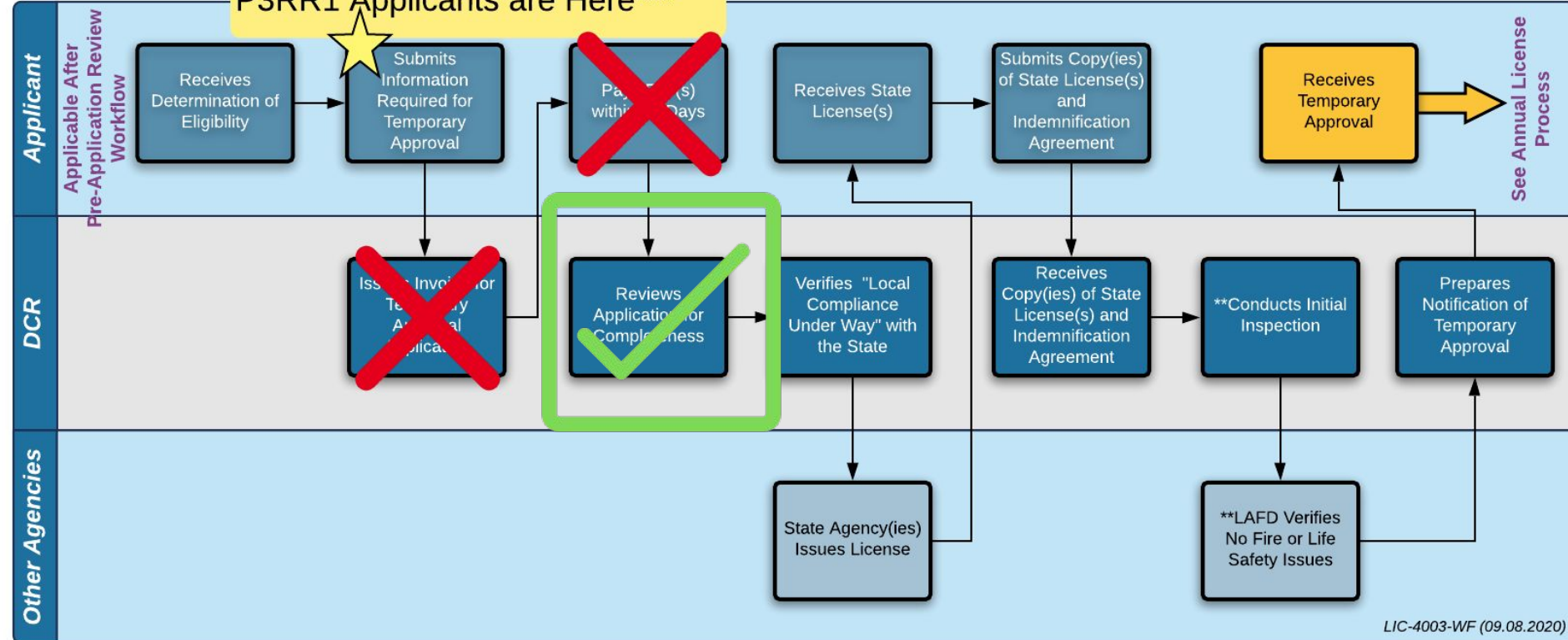
DCR will review all the information submitted for licensing purposes only.

DCR’s review shall not constitute or be construed to be any official form of certification and/or legal proclamation concerning parties and/or their rights between and amongst each other.



TEMPORARY APPROVAL WORKFLOW

P3RR1 Applicants are Here***



'BCC Licensing@DCA' via DCR local authorization <dcrlocalauthorization@lac... Dec 15, 2020, 3:32 PM (2 days ago)



to DCRLocalAuthorization@lacity.org ▾

Good afternoon,

The Bureau of Cannabis Control (Bureau) has received an application from **Applicant** for an annual or provisional commercial cannabis **adult use and medicinal retailer** license. The applicant's information is provided below.

Applicant Info

Based on the information provided above, please confirm whether the Bureau may issue an annual or provisional license to the applicant.

☐ **In Compliance:** The local jurisdiction has determined that the applicant is compliant with local ordinances and regulations and that the applicant is authorized to engage in the requested commercial cannabis activity. Please be aware that this response may result in the Bureau's issuance of an annual or provisional license if all other state licensing requirements are met.

☒ **Local Compliance Underway:** The local jurisdiction is working with the applicant; the local jurisdiction authorizes the applicant to continue with the state licensure process. Please be aware that this response may result in the Bureau's issuance of provisional license if all other state licensing requirements are met.

☐ **Not in Compliance:** The local jurisdiction has determined that the applicant entity is not in compliance with local ordinances and regulations. **Please be aware that selecting this response will result in the denial of an application for licensure (BPC 26055(g)(2)(B)).**

If the Bureau does not receive a response within 60 business days from the date of this notification, the Bureau may issue an annual or provisional commercial cannabis license to the applicant entity listed above.

Thank you,



Licensing Staff

www.bcc.ca.gov

<https://cannabis.ca.gov>



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Temporary Approval Procedure: Complete Required Inspections



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INITIAL INSPECTION WORKSHEET

LIC-4002-WS

Instructions: Applicants may use this checklist in preparation for the Initial Inspection conducted by the Department of Cannabis Regulation. Items that do not pass inspection may require DCR to conduct an additional inspection for which an additional inspection fee will be charged pursuant to Los Angeles Municipal Code (LAMC) Section 104.19(b). **This checklist is for informational and convenience purposes only, and should not be submitted to DCR.**

Applicant Entity Name: _____

Business Premises Location: _____

License or Application No. _____ Inspection Date: _____

A. Business Premises:

- ☐ All entry points to the Business Premises are accurately reflected on the Business Premises Diagram.
- ☐ All interior doorways, rooms, and walkways are accurately reflected on the Business Premises Diagram.
 - ☐ Changes were made to the Business Premises Diagram initially submitted to DCR, and these changes received written approval from DCR.
- ☐ The Business Premises is properly ventilated, and the exhaust air is filtered to neutralize the odor from the Business Premises so that the odor cannot be smelled from the exterior.
- ☐ The property and all associated parking under the control of the Licensee and any sidewalk/alley are well maintained and kept free of obstruction, trash, litter and debris.
- ☐ There are no exterior mounted devices, including security bars, grates, grills, barricades, and similar devices. All rooftop equipment is screened from view of the public.
- ☐ All exterior portions of the Business Premises are adequately illuminated in the evening.

Initial Inspection Worksheet

- ☐ Cannabis goods are stored in a manner to permit control of temperature and humidity and prevent the entry of environmental contaminants such as smoke and dust. Employee break rooms, changing facilities, and bathrooms are completely separated from storage areas.

B. Security and Video Surveillance System:

- ☐ Licensee has hired/contracted security personnel, who are not employees of the Licensee, to provide security services.
- ☐ All security personnel are in compliance with state requirements and maintain active American Red Cross First Aid cards.
- ☐ Limited-access areas are securely locked utilizing commercial-grade, nonresidential door locks, including points of entry and exit to the Business Premises.
- ☐ Licensee has a functioning alarm system which is permitted by LAPD, and alarm information is provided upon request if not displayed.
- ☐ The Business Premises has a digital video surveillance system with a minimum camera resolution of 1280 x 720 pixels with each camera permanently mounted and in a fixed location.
- ☐ Video surveillance cameras record 24 hours per day with a minimum of 15 frames per second. The storage device for the recordings is secured in a manner to prevent tampering or theft. Surveillance recordings are kept for a minimum of 90 days.
- ☐ All entrances and exits to the Business Premises are recorded by the video surveillance system from both the indoor and outdoor vantage points.
- ☐ All limited access areas, including security rooms, areas of storage, etc., are recorded by the video surveillance system from both interior and exterior.
- ☐ If applicable, point-of-sale areas and areas where cannabis goods are displayed for sale are recorded by the video surveillance system.
- ☐ All security operations comply with the security plan submitted to DCR.

Initial Inspection Worksheet

C. Administrative

- ☐ The Commercial Cannabis Activities onsite are consistent with the Commercial Cannabis Activities on the Application.
- ☐ No recommendations or approvals by a physician to use medical cannabis or medical cannabis products are issued at the Business Premises.
- ☐ There are alcohol or tobacco products on the Business Premises, outdoor speakers, or pool/billiard tables, dart games, video games, etc.
- ☐ All licenses and certificates (DCR, BTRC, State, etc.) are prominently displayed onsite where they can be viewed by State and/or local agency staff.
- ☐ All agents, officers, or other persons acting for or employed by the Licensee have a laminated or plastic-coated identification badge displayed on their person which identifies the business name and license number, the employee's name and identification number, and a color photograph of the employee.
- ☐ There is an electronic age verification device to determine the age of any individual attempting to purchase Cannabis goods.
- ☐ No portion of the Business Premises has been sublet without written approval from DCR.
- ☐ A records retention system is in place.
- ☐ A Track and Trace Inventory system is in place.
- ☐ Procedures are in place to notify DCR within 24 hours of any of the following:
 - ☐ Inventory discrepancy
 - ☐ Suspicion of theft/loss
 - ☐ Suspicion of change or alteration of records
 - ☐ Suspicion of any breach in security
- ☐ No recommendations or approvals by a physician to use medical cannabis or medical cannabis products are issued at the Business Premises.
- ☐ Management or person(s) in charge grant DCR inspectors unrestricted access to Business Premises to conduct the inspection. No Licensee, agent or employees shall interfere with, obstruct or impede DCR's inspection.

Temporary Approval Procedure: Complete Required Inspections



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DCR is beginning to schedule Initial Inspections for Phase 3 Retail Round 1 Applicants which have uploaded all of the required forms and documents.

- Initial Inspections may be scheduled and completed prior to the communication of “Local Authorization Underway” to the State provided that DCR has determined that all required forms and documents have been submitted. **This may take place before DCR determines that documents and information related to Equity Share Compliance are complete.**
- DCR will contact applicants who have completed and submitted all TA documents and forms, other than those specifically required to verify Equity Share Compliance to inform the applicant that a Initial Initial Inspection may be requested.

Once an initial inspection is completed with DCR, DCR will refer the applicant to the The Los Angeles Fire Department who will contact the application to schedule a LAFD inspection.

Temporary Approval Procedure: Local Permitting



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Certificate of Occupancy / Building Permit

Prior to the issuance of the Temporary Approval license, the Applicant will need to : 1) verify with the Los Angeles Department of Building and Safety (LADBS) that the existing (i.e. per City records) occupancy and/or use of the Business Premises is consistent with the proposed Commercial Cannabis Activity, or 2) Obtain a building permit as required by LADBS. A Building Permit is required for:

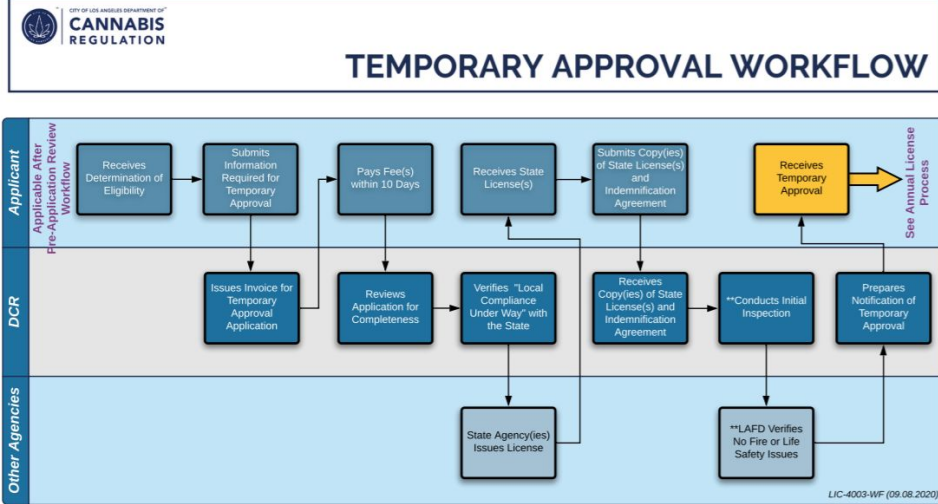
- Any tenant Improvement (i.e. remodeling) to the Business Premises
- A Change of use or occupancy to the Business Premises
- An addition or expansion to the Business Premises

In addition, LADBS may require that other agencies “sign-off” or provide a clearance on the application prior to the issuance of the building permit. To provide a permit clearance, some of these agencies will also have a plan review process: Agencies such as LA County Department of Public Health and Los Angeles Fire Department have their own permit review process.

Temporary Approval



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Notes:

** This workflow assumes that the Applicant passes the DCR's Initial Inspection and the LAFD Inspection. If deficiencies are found during either inspection, an additional inspection fee will be due prior to any future inspection(s). Submittal of the State License(s) to DCR and the inspections conducted by DCR and LAFD may be completed in any order, after the Department reviews Application for completeness.

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Equity Share Compliance

- ☒ Provide any information necessary to demonstrate Equity Share Compliance
- ☒ SEP Owner Compliance Attestation
- ☒ Compliance w/ Ownership Percentage Requirements
- ☒ Ownership & Disclosure Requirements
- ☒ Equity Share Addendum
- ☐ Keep Records Regarding Equity Share Compliance



LIC-4003-IPB

INFORMATION AND PROCEDURE BULLETIN

September 22, 2020

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Overview of Responsibilities

Applicant Responsibilities:

- After receiving a determination of eligibility from DCR, upload the Temporary Approval application information and, if applicable, follow the procedures in the Social Equity Program - Entry Verification Information and Procedure Bulletin.
- Pay the Temporary Approval Application Fee.
- Pay additional fees, if any, for DCR to review documents that must be re-submitted.
- Obtain authorization from the applicable State licensing authority to conduct the Commercial Cannabis Activity(ies).
- Prepare for and schedule the Initial Inspection with DCR.
- Prepare for the LAFD Inspection.
- Resolve any deficiencies which may be discovered during an inspection, and/or schedule a follow-up inspection.
- Pay the Standard Inspection Fee if an additional inspection is necessary by DCR.

DCR Actions:

- Issue invoice for the Temporary Approval Application Fee and any other fees associated with additional document review or additional inspection fees, if applicable.
- Review application for completeness and communicate any deficiencies to the Applicant for resubmittal.
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Application Modifications



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Applicants and Licensees are prohibited from making modification to an Application or License without obtaining prior written approval from DCR.

- Changing Ownership
 - **Removing a Social Equity Individual Applicant is Prohibited**
 - **Exception:** After a Temporary Approval license is issued, DCR may consider ownership modification requests which include the Social Equity Individual Applicant
 - Entity Substitution is Authorized; only when Applicant is authorized to make this modification on behalf of the entity.
 - Entity Substitution Form
- Changing Locations
 - **Limited to a location within Existing Community Plan Area**

Application Modifications



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Registry of Intent to Submit a Modification Request

IMPORTANT: Please note that, with certain exceptions, information



What Type of Modification Request Do You Intend to Submit?*

Please select all that apply

☐ Fictitious Business Name

☐ Legal Entity Name Change

☐ Business Premises Diagram

☐ Business Premises Relocation

☐ Ownership or Primary Changes

☐ New Cannabis Activity

☐ Other Contact Changes

☐ Remove Cannabis Activity

☐ Other Request

← PREVIOUS

NEXT →

Application Modifications



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REGULATION

APPLICATION MODIFICATION REQUEST COVER PAGE

LIC-4001-MOD

Instructions: The purpose of this form is to request a modification to a previously submitted application to the Department of Cannabis Regulation (DCR) for a license to conduct Commercial Cannabis Activities. The applicable modification fees must be paid prior to DCR's review of the requested modifications. DCR must review and approve any modifications before the changes become effective and may request supporting documentation to complete the request. Please note: a majority owner or a sufficient number of Owners to constitute a majority ownership of the business is necessary to request an Application or License modification.

This cover page must be submitted along with applicable forms the modification(s) requested. Please check the box or boxes for the requested Application modification(s):

☐ Business Premises Relocation ☐ Ownership Structure ☐ Legal Entity Name Change
☐ Business Premises Diagram ☐ Fictitious Business Name ☐ Remove Owner
☐ Remove Cannabis Activity ☐ Other _____

CURRENT BUSINESS INFORMATION (PRIOR TO REQUESTED APPLICATION MODIFICATION)

Applicant Entity Name: _____

Business Premises Location: _____

License /Application No.: _____ ☐ Phase 1 ☐ Phase 2 ☐ Phase 3

☐ Retail ☐ Delivery ☐ Cultivation ☐ Distribution ☐ Manufacturing ☐ Testing

Requested By:
Name: _____ ☐ Owner ☐ Representative
Email: _____ Phone: _____

By signing and submitting this form, you are certifying under penalty of perjury that the information you supply is true and accurate to the best of your knowledge. Submission of false or misleading information, or the failure to disclose a material fact, may result in the denial of the License, administrative action or penalties, and/or revocation of authorization to conduct commercial cannabis activities.

Signature: _____ Date: _____

DCR Use Only		
Received By:	Date:	Fees:
Completed By:	Date:	Modification Review:
Reviewed By:	Date:	Modification Fee(s):
		Total Amount Due:

Application Modification Forms and Documents

Applicants and licensees seeking to request an Application/License modification must fill out the "Application Modification Request - Cover Page" along with the specific modification request form. Modification request forms are intended for use in DCR's Licensing Portal (Accela). Please do not submit official documents via email.

LIC-4004.1-WF	Application Modification: General Modification Request Workflow
LIC-4004-WF	Application Modification: Business Premises Relocation Workflow
LIC-4004.1-IPB	Registration of Intent to File a Modification Request Information and Procedure Bulletin
LIC-4004-IPB	Application Modification: Business Premises Relocation Information and Procedure Bulletin
LIC-4001-MOD	Application Modification Request - Cover Page
LIC-4002-MOD	Application Modification Request - Business Premises Relocation
SEP-6001-MOD	Application Modification Request - Phase 3 Applicant Entity Substitution
LIC-4004-MOD	Application Modification Request - Ownership Structure
LIC-4005-MOD	Application Modification Request - Removal of Owner(s)

1. Applicant submits intent via Registry
 - a. DCR reviews to see if modification is permissible
2. Applicant submits Mod Cover Page & Form Review Fee
 - a. DCR issues invoice applicable for modification requested
3. DCR processes application modification

Application Modifications

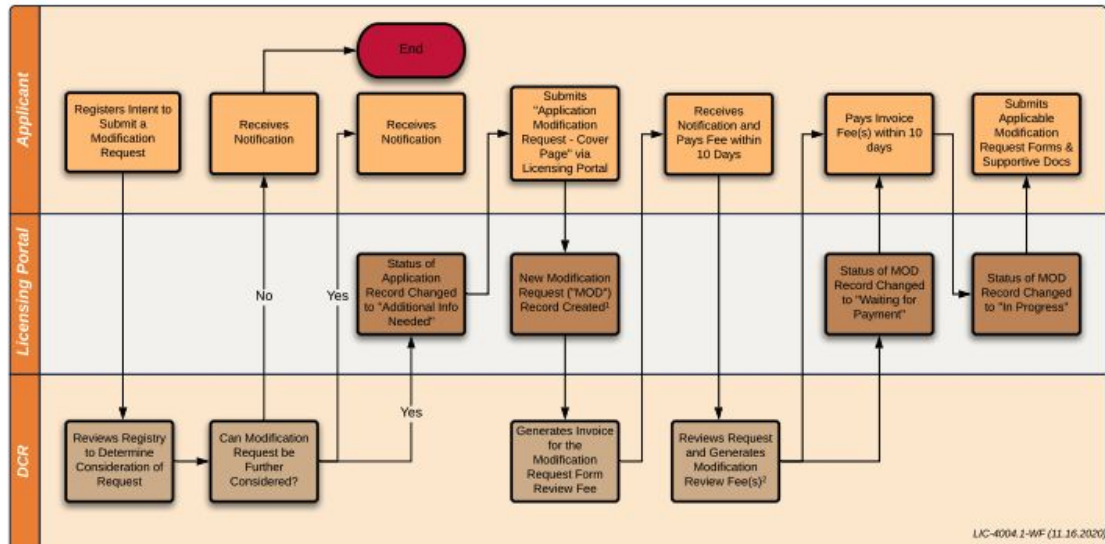


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APPLICATION MODIFICATION WORKFLOW GENERAL REQUEST



¹ When the "MOD" record is created, the status of the parent Application record will return to the status prior to the submission of the Modification Cover Page.

² This fee is dependent of the specific Application modification request.



LIC-4006-098

INFORMATION AND PROCEDURE BULLETIN

November 16, 2020

REGISTRATION OF INTENT TO FILE A MODIFICATION REQUEST

DCR is using a registry to manage modification requests from Applicants and Licensees. To begin the modification request process, all Applicants and Licensees interested in making a modification to their Application or License record must first register an intent to file a modification request. If the modification request is eligible for further consideration, DCR will inform the Applicant or Licensee, and update the record status in DCR's Licensing Portal (Acela) to "Additional Info Needed". The Applicant or Licensee shall then submit the modification request via the DCR Licensing Portal.

To submit a modification request through the DCR Licensing Portal, the application record status must first be updated by DCR staff to "Additional Info Needed." A status of "Additional Info Needed" grants access to the Modification Record in the DCR Licensing Portal.

This bulletin in conjunction with the Application Modification Workflow - General Request ([LIC-4004.1-WF](#)) outline the procedure to request a modification to an Application or License.

Overview of Responsibilities:

Applicant Responsibilities:

- Register intent to file a modification request via the [online form](#).
- After the Application record is updated to "Additional Info Needed," submit the "Application Modification Request - Cover Page" ([LIC-4001-MOD](#)) via the DCR Licensing Portal.
- Pay the Modification Request Form Review Fee within 10 days from the invoice issuance date at the Office of Finance.
- Submit additional documents if/when requested by DCR.
- Pay any additional modification review fee(s).
- Obtain approval from State and local agencies if/when necessary.

DCR Actions:

- Review the registration to assess whether the modification request can be considered.

- Update the status in Acela to "Additional Info Needed" if the request can be considered.
- Notify the requestor if the request cannot be considered.
- Notify requestor to submit "Application Modification Request - Cover Page" via the DCR Licensing Portal.
- Generate an invoice for the Modification Request Form Review Fee and any additional modification review fees that may apply.
- Request any additional documentation necessary to effectuate the modification if necessary.
- Effectuate changes in the Application record.
- Notify all Owner(s) after the changes have been made to the Application record.

Modification(s): Ownership



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APPLICATION MODIFICATION REQUEST PHASE 3 APPLICATION ENTITY SUBSTITUTION

SEP-6001-MOD

License or Application No.: _____

Instructions: This form is for Social Equity Individual Applicants who previously submitted an Application in Phase 3 Retail Round 1 only.

The purpose of this form is to substitute the Applicant business entity on a previously submitted Phase 3 Application with a different business entity. The existing Applicant business entity will be removed from the Application. The new business entity will become the Applicant or Licensee, if a License is issued. For other modifications, such as Business Premises relocation, please use Application Modification Request Form (LIC-4002-MOD).

This form contains the following sections: (A) Applicant entity substitution information; (B) attestation form; and (C) indemnification agreement. **A notarized signature must be provided for sections (B) and (C).** In addition to this form, you must submit an Ownership and Financial Interest Disclosure Form (LIC-4008-FORM) for the new Applicant entity.

Important: The removal and/or substitution of the Applicant business entity may have legal or business consequences for you depending on your prior business arrangements and individual circumstances. It is highly recommended that you seek legal advice prior to the submission of this form.

A. APPLICANT ENTITY SUBSTITUTION INFORMATION

Please provide information for the existing and new Applicant business entity. Any new Owners must also create a user profile in the DCR online portal (Accela) before they can be added to the Application or License record.

Existing Applicant

Applicant Name: _____ ☐ Individual ☐ Entity
Business Entity Structure: _____ CA Entity No. _____
Accela Contact Reference ID No. _____ FEIN No. _____

New Applicant

Applicant Name: _____ ☐ Individual ☐ Entity
Business Entity Structure: _____ CA Entity No. _____
Accela Contact Reference ID No. _____ FEIN No. _____

Please note: You must submit an Ownership and Financial Interest Disclosure Form (LIC-4008-FORM) for the new Applicant business entity, including the required ownership structure chart(s). DCR may request other updated forms and further disclosures before the modification can be made.

Add New Owners

All Owners and Primary Personnel must be linked the Application Record.

Under LAMC 104.03(e), an Applicant shall not be permitted to amend its Application to remove or replace the individual Owner who is the Social Equity Individual Applicant.

Entity Substitution - via Entity Substitution Form

A Phase 3 Applicant entity may be substituted with another entity. However, the individual requesting the modification must be legally authorized to do so and changing the Applicant business entity may have legal or business consequences depending on prior business arrangements and individual circumstances. Applicants should seek legal advice prior to the submission of the entity substitution form.

Modification: Business Premises Location



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APPLICATION MODIFICATION REQUEST BUSINESS PREMISES RELOCATION

LIC-4002-MOD

License or Application No.: _____

Instructions: The purpose of this form is to make modifications to the Business Premises location on a previously submitted Application. Please provide the information requested below including all suite or unit numbers. This form should be submitted to request a relocation prior to the execution of a new lease. After DCR approves the requested relocation, the Applicant will have 60 days, unless more time is authorized by DCR, to finalize and submit documents. **Please note: The Applicant will not be able to conduct Commercial Cannabis Activity at the new location until the new Business Premises passes an Initial Inspection.**

A majority owner or a sufficient number of Owners to constitute a majority ownership of the business is necessary to request an Application or License modification, and those Owners must submit notarized signatures

Existing Business Premises Location: _____

Proposed Business Premises Location: _____

Is the Primary Mailing Address for this Legal Business Entity changing? ☐ No ☐ Yes

If "Yes" provide the new Primary Mailing Address: _____

By signing below I declare under penalty of perjury that I am the majority owner or I am otherwise authorized to make these changes on behalf of the business identified above. I also declare under penalty of perjury that each Applicant, Owner, and/or other financial interest holder associated with this business consents to the modification requested herein.

Additionally, I declare under penalty of perjury that the statements contained in this form and any attachments or supporting documents are complete and true to the best of my knowledge. I understand that submission of false or misleading information, or the failure to disclose a material fact, may result in denial of this application, administrative action or penalties, and/or revocation of authorization to conduct commercial cannabis activities.

Name: _____	Signature: _____	Date: _____
Name: _____	Signature: _____	Date: _____
Name: _____	Signature: _____	Date: _____
Name: _____	Signature: _____	Date: _____

For DCR Use Only

Zoning Compliance? ☐ Yes ☐ No Sensitive Use Distance Compliance? ☐ Yes ☐ No

Community Plan Area Before Relocation: _____

Community Plan Area After Relocation: _____

Department of Cannabis Regulation
221 N. Figueroa Ave., Suite 1040, Los Angeles, CA 90012
(213) 878-8758 • 8758 • cannabis@cityofla.org
www.cannabis.lacity.org

Record Status: Awaiting Data Entry

Record Info	Payments
License Details	
Processing Status	
Related Records	
Attachments	
Appointments	

Source: [Source: ~~Server~~ - Test Mod Test B](#)
DCR - DBA Name - Test Application Mod Test B

More Details

Related Contacts

Application Information

Fictitious Business Name:	Yes
Legal Entity Name Change:	Yes
Business Premises Diagram:	No
Business Premises Relocation:	No
Ownership or Primary Changes:	Yes
New Cannabis Activity:	Yes
Other Contact Changes:	No
Remove Cannabis Activity:	No
Other:	Yes
Use:	Adult and Medical
Retail (only available as PCN application):	No
Delivery (non-store front retail):	Yes
Distributor:	Yes
Non-Volatile Manufacturer:	Yes
Cultivation Small Indoor (currently unavailable):	No
Cultivation Medium Indoor (currently unavailable):	No
Cultivation Specialty Indoor (currently unavailable):	No

Community Plan Area:	Central City
Council District:	CD 14 - Jose Huizar
Neighborhood Council:	Downtown Los Angeles
Overlay Zone:	None
LAPD Area Station:	Central
LAFD Fire Station:	3
Specific Plan Area:	None
Zoning:	[T]C4-2D, C4-2D
Household Business Encroachment District:	None

Applicants are authorized to submit relocation requests within their existing Community Plan Area (CPA).

Currently, there is no deadline to relocate or identify a compliant property.

Applicants are not authorized to relocate outside of their existing Community Plan Area (CPA).

Cannabis Tax and Fee Payments



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Commercial Cannabis Applicants and Licensees are required to schedule an appointment with the Office of Finance (Finance) to remit payment for fees and business taxes. Walk-in transactions will no longer be accepted at the Van Nuys Branch due to staffing shortages, furloughs, and mandatory public health and social distancing protocols.

Effective immediately:

- **Businesses without a Business Tax Registration Certificate (BTRC) must submit a Business Tax Registration Application with their Pre-Application/Public Convenience or Necessity (PCN) Record.**
- **Business Tax Registration Applications will be forwarded to Finance and a BTRC will be assigned.**
- **On a weekly basis, DCR will provide Finance a list of businesses that require payment appointments; emails will be sent to the Contacts on the DCR Record notifying them to request an appointment. Once a payment appointment has been scheduled, DCR will generate an invoice.**
- **Under most circumstances, an invoice will not be generated unless a payment appointment has been scheduled.**



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Questions

Questions previously received from P3RR1 Applicants in advance of workshop.



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Social Equity Program Benefits and Resources

Licensing and Social Equity Program Benefits and Resources



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Business, Licensing and Compliance Assistance

- DCR had a robust response to the Request for Qualifications(RFQs) that were advertised.
- Contract awards were issued and mini-bid responses were due September 21, 2020. Review of the mini-bids are complete. Notices to Proceed for the On-Call bench will follow.
- 1st RFQ: 21 proposals, Accepted 12, 7 qualified to perform. Executed 6 contracts, 2 of that cohort group of 6 will issued Notices To Proceed.
- 2nd RFQ: 7 proposals, 6 accepted. Executed 6 contracts. 4 of the 6 are getting NTPs
- The contracts are for one year with two one year options.

Licensing and Social Equity Program Benefits and Resources



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Business, Licensing and Compliance Assistance

- The selected firms will develop programming related to the following Scopes of Services:
 1. Cannabis Licensing & Regulation and Business Permitting Education & Training Services
 2. General Business Development Services
 3. Cannabis Specific Business Development Services
 4. Cannabis Technology Business Development Services
 5. Workforce Development, Job Outreach and Job Placement Service
 6. Related Services
- DCR will be conducting surveys throughout this initiative to ascertain the effectiveness of the program and what additional information is most needed in real time for the stakeholder community.

Licensing and Social Equity Program Benefits and Resources



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Financial Grant Program

- Earlier this year, DCR was awarded a total of \$7.8 million dollars from the California Local Equity Grant Program and the Cannabis Equity Grants Program for Local Jurisdictions.
- DCR is establishing programming that will make \$5 million dollars available to Social Equity Applicants.
- The department is working to establish requirements to participate in the Financial Grant Program which will be published in the Department's Rules and Regulations.
- DCR has an executed contract and will be working with Elevate Impact LA, a minority owned consulting firm to design and develop programming for this initiative.

Licensing and Social Equity Program Benefits and Resources



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Pro Bono Legal Services

- 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](#).



Pro Bono Legal Services Survey

Instructions: The Department of Cannabis Regulation, in partnership with the Los Angeles County Bar Association, has established a program to provide limited pro bono legal services to interested Phase 3 Social Equity Applicants.

This program is available ONLY to Social Equity Applicants who applied in Phase 3 Retail Round 1 and were determined eligible for further processing under Los Angeles Municipal Code Section 104.06.1(b). Depending on demand and availability, these services may be expanded to other applicants in the future.

If you are a Phase 3 Social Equity Individual Applicant with an application deemed eligible for further processing and interested in receiving limited pro bono legal services, please: (1) complete this survey and (2) upload the Pro Bono Legal Services Authorization Agreement below.

Please note: DCR is using this survey to gauge interest levels in pro bono legal services and to assist LACBA's preparations for the program. Applicants will not receive legal services at this time. DCR will send further communications when the program is ready to begin.

