



CANNABIS REGULATION COMMISSION

April 15, 2021, 2:00 p.m.

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



CANNABIS
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COMMISSION

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

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 Administration
- Communications
 - SPARK administered in partnership with MBI Media
- Policy
 - DCR Report regarding Social Equity Grant Acceptance, Expenditure Program and Related Code Amendments([Council File \(21-0354\)](#))
- Licensing
 - Applicant and Licensees: Upcoming deadlines and recent communications
 - Pre-Application Process & Temporary Approval Process
 - Phase 3 Retail Round 1 Application Processing
 - Applicants Phase 3 Delivery, Distribution, Non-volatile Manufacturing Application Processing

Report Summary



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Continued from Previous Slide

- Testing Lab License Application Processing
- Processing of Public Convenience or Necessity (PCN) requests
- Social Equity Program
 - Program Resources
 - SEED Grant Program administered in partnership with Elevate Impact LA
 - Pro Bono Legal Services
- Compliance & Enforcement
 - BSCC Proposition 64 Enforcement Grant



March 18, 2021, Commission Recap

At the March 18, 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:

- 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)
- 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:

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 In Person 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.

Visit corona-virus.la for information and resources regarding COVID-19 from the City of Los Angeles.

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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Applicant and Licensee Outreach and Engagement

On Tuesday, March 23, 2021, Director Packer joined the LA Industry Cannabis Symposium hosted by LA Sanitation (LASAN)

The Symposium was targeted toward commercial cannabis business applicants and licensees. DCR's session provided updates on current applications processes and resources. The presentation was recorded and is available through LA Sanitation's channels.



Summary of Activities to Date:

Communications



Stakeholder and Community Outreach and Engagement

On Saturday, April 10, 2021, DCR presented information on the Public Convenience or Necessity (PCN) process, requirements, timeline for PCN requests and the role of the Neighborhood Council at the PlanCheckNC Los Angeles monthly meeting.

PlanCheckNC was created by Neighborhood Council stakeholders to promote more stakeholder participation in planning and land use issues and make government more responsive to local community needs.



Summary of Activities to Date:

Communications



Stakeholder Meetings and Community Listening Sessions

- In 2019, DCR was allocated funding from the City's General Fund for use by the Department to launch education and outreach programming.
- After completing the City's procurement process, DCR selected MBI Media to administer this initiative.
- Since December 2020, DCR and MBI Media have partnered to design and develop SPARK.



Summary of Activities to Date:

SPARK



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SPARK

SPARK Outcomes



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- MBI Media to develop and administer programming to collect and analyze stakeholder input through the following methodologies:
 - Stakeholder Comments
 - Stakeholder Surveys
 - Stakeholder Interviews
 - Stakeholder Discussions
- MBI Media to develop a detailed report and informational video regarding program purpose, methodologies used, stakeholder input and related analysis.
- The report and video will assist DCR in making stakeholder-informed recommendations to the Commission and City Council regarding stakeholder-identified priorities.



Introducing MBI Media



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Pamela Smith - Project Manager

Matt Maldonado - Project Manager

Mary McCormick - CEO



Summary of Activities to Date:

SPARK



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SPARK

LAUNCHING APRIL 20, 2021

SPARK Engagement and Outreach



With an understanding of the purpose of the project and with specific goals, we aim to involve stakeholders from all corners of the city and anyone with an interest in cannabis policy reform. Stakeholders include, but are not limited to:

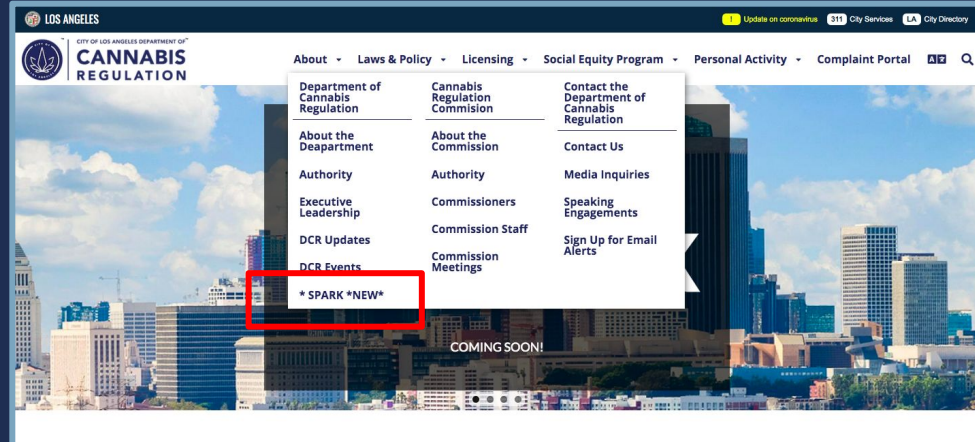
- Elected Officials and Public Agency Staff (e.g., state, county, city officials)
- Businesses (e.g., Chamber of Commerce, Business Improvement Districts, business owners, major employers etc.)
- Community Organizations (e.g., Neighborhood Councils, senior citizen groups, non-governmental agencies, Non-political Social groups etc.)
- Cannabis professional (Cannabis educators, researchers, lawyers, advocacy groups regulatory groups, dispensaries, retailers, and cannabis media outlets)
- Universities and Community Colleges
- College student councils and groups
- Healthcare providers
- Government, municipal and emergency services



NEW SPARK LANDING PAGE



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SPARK Virtual Meeting Room



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SPARK SESSION STATION



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SPARK SESSIONS are virtual events dedicated to a specific topic DCR is seeking community feedback on including Licensing and Regulation, the Social Equity Program, Corporate Social Responsibility, and Community Impact.

Each SPARK SESSION will feature speakers and provide opportunities for participants to share feedback. The SPARK SESSIONS station will include a schedule of upcoming SESSIONS, information on how you can RSVP for an upcoming SESSION and videos of prior SPARK SESSIONS.

First SPARK SESSION will be April 28, 2021. RSVP link will be available April 20, 2021.



SPARK SESSIONS



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Spark Sessions

Date	Time	Location	Topic
Wednesday, April 28, 2021	6:00 p.m. - 7:00 p.m.	Zoom Webinar	Ground Laying Session
Saturday, May 8, 2021	10:00 a.m. - 11:00 a.m.	Zoom Webinar	Social Equity Program
Wednesday, May 12, 2021	6:00 p.m. - 7:00 p.m.	Zoom Webinar	Licensing and Regulation
Saturday, May 15, 2021	6:00 p.m. - 7:00 p.m.	Zoom Webinar	Community Impact
Wednesday, May 26, 2021	10:00 a.m. - 11:00 a.m.	Zoom Webinar	Licensing and Regulation
Thursday, June 3, 2021	6:00 p.m. - 7:00 p.m.	Zoom Webinar	Corporate Social Responsibility
Wednesday, April 28, 2021	6:00 p.m. - 7:00 p.m.	Zoom Webinar	Social Equity Program
Tuesday, June 8, 2021	10:00 a.m. - 11:00 a.m.	Zoom Webinar	Community Impact

CITY OF LOS ANGELES DEPARTMENT OF
**CANNABIS
REGULATION**

SPARK



SPARK RESOURCE STATIONS



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The **SPARK RESOURCE STATIONS** are two stations that contain informative Graphics, Fact Sheets, and FAQs about the Department and its programs and policies. There's also general information about personal cannabis use and commercial cannabis activity in the City of Los Angeles. The station will also provide links to the DCR website where additional information can be found.




What To Know About Legal Cannabis Retailers

FACTSHEET

PROMINENT DISPLAY OF TEMPORARY APPROVAL OR LICENSE IS REQUIRED
A Temporary Approval or License must be prominently displayed at the Business Premises in a manner that makes it readable from the exterior of the Business Premises.

PROMINENT DISPLAY OF NEIGHBORHOOD LIASON IS REQUIRED
Businesses must identify and assign an employee as the official Neighborhood Liaison to receive and address complaints 24 hours a day. The name, contact number and email address of the Neighborhood Liaison must be prominently displayed at the Business Premises in a manner that makes it readable from the exterior of the Business Premises.

RESPONSIBLE PREMISES MANAGEMENT
Licensees are responsible for monitoring both patron and employee conduct on the Business Premises and within parking areas under their control to assure behavior does not adversely affect or detract from the quality of life for adjoining residents, property owners, and businesses. The Licensee shall properly manage the Business Premises to discourage illegal, criminal, or nuisance activity on the Business Premises and any parking areas which have been made available or are commonly used by the patron or employee parking. Littering is prohibited on or around the Business Premises or the area under the control of the Business. No Collecting, Public Drinking, or Public Smoking/Consumption of Cannabis signs shall be posted in and outside of the Business Premises. The property and all associated parking, including the adjacent area under the control of the Licensee and any sidewalk or alley, shall be maintained in an attractive condition and shall be kept free of obstruction, trash, litter and debris at all times.



Virtual Public Counter Hours: Monday - Thursday, 10am - 4pm. Closed on Friday
2123-978-0738 • cannabis@cityofla.org • www.cannabis.lacity.org

Submitting Complaints About Unlicensed Commercial Cannabis Activity

FACTSHEET

SUBMITTING A COMPLAINT TO THE CITY OF LOS ANGELES
The Department of Cannabis Regulation has created a Complaint Portal that community members can use to submit:

- Complaints about unlicensed or illegal commercial cannabis activity
- Complaints about licensed commercial cannabis activity that you are concerned may be happening in an unlawful or unsafe manner
- 28.5 grams of non-concentrated cannabis
- 8 grams of concentrated cannabis, including concentrated cannabis contained in cannabis products
- 6 immature cannabis plants

A retailer shall not sell more than the following amounts to a single medical cannabis patient, or to a patient's primary caregiver purchasing medical cannabis on behalf of the patient, in a single day:

- 8 ounces of medicinal cannabis
- 12 immature cannabis plants

A medicinal cannabis customer may purchase an amount of medicinal cannabis consistent with the patient's needs as recommended and evidenced by a valid physician's recommendation. The Following Activities are Prohibited at the Business Premises of a Legal Cannabis Business:

- The sale of alcoholic beverages and tobacco products
- The consumption of cannabis and alcohol
- The issuance of physician recommendations or approvals
- The giving away of free samples

Complaints about commercial cannabis activity can be made at [cannabis.lacity.org](https://www.cannabis.lacity.org).



Virtual Public Counter Hours: Monday - Thursday, 10am - 4pm. Closed on Friday
2123-978-0738 • cannabis@cityofla.org • www.cannabis.lacity.org



Local Cannabis Policy



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Virtual Public Counter Hours: Monday - Thursday, 10am - 4pm. Closed on Friday
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SPARK RESOURCE STATIONS



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Commercial Cannabis Activity and Corporate Social Responsibility

The Department of Cannabis Regulation is dedicated to ensuring community engagement, equitable property, and corporate social responsibility within the commercial cannabis industry in Los Angeles. The Cannabis Procedures Ordinance mandates that DCR shall develop criteria and guidelines for Cannabis Corporate Responsibility Reports (Report).

Prior to the issuance of a License or renewal pursuant to Section 104.12, a Licensee will have to submit a Report to DCR that describes the Licensee's community engagement, corporate philanthropy, relationship with the neighborhood surrounding the Licensee's Business Premises, and compliance with applicable City and State Cannabis laws and regulations within the previous calendar year.

If a Licensee fails to submit the report by the designated deadline, DCR may impose administrative penalties or order corrective action as provided in Section 104.13(b). These reports may be publicly disclosed, including being posted on DCR's website. Community members can provide their feedback on what should be included in a Corporate Social Responsibility Report via a Corporate Social Responsibility Survey or through the Comment section of the Virtual Meeting Room.



Commercial Cannabis Business Activity License Types in Los Angeles



RETAIL BUSINESSES
Retail Commercial Cannabis Activity means Commercial Cannabis Activity involving the sales or distribution of Cannabis directly to a consumer.

DELIVERY BUSINESSES
Delivery means the commercial transfer of cannabis or cannabis products to a customer directly to the customer. Delivery also includes the use by a retailer of any technology platform.

TESTING LABORATORIES
Testing laboratory means a laboratory, facility, or entity in the state that offers or performs tests of cannabis or cannabis products and that is accredited by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the state AND licensed by the bureau.

DISTRIBUTION LICENSES
Distribution means the procurement, sale, and transport of cannabis and cannabis products between licensees.

NON-VOLATILE MANUFACTURING / VOLATILE MANUFACTURING
Manufacturer means a licensee that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container.

CULTIVATION LICENSES
Cultivation means a location where cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or a location where any combination of those activities occur.



SPARK



SPARK SURVEY STATION



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SPARK SURVEYS are substantive surveys on specific topics DCR is seeking community feedback on including Licensing and Regulation, the Social Equity Program, Corporate Social Responsibility, and Community Impact.

These surveys will provide DCR with direct feedback from all participants on existing policies and programs and ways we can expand services and programs.

SPARK SURVEYS will be available beginning April 20, 2021 through June 30, 2021.



SPARK COMMENT BOX



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The **SPARK COMMENT BOX** is a comment collection box that allows members of the community and stakeholders to submit feedback to DCR. Responses can be up to 250 words.

The SPARK COMMENT BOX will be available beginning April 20, 2021 through June 30, 2021.



SPARK

Important Dates & Deadlines



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The SPARK Virtual Meeting Room launches **April 20, 2021.**

The first SPARK SESSION will be held Wednesday, **April 28, 2021.**

- RSVP beginning on **April 20, 2021.**

SPARK SURVEYS and SPARK COMMENT BOX are available starting **April 20, 2021 through June 30, 2021.**

THANK YOU!



Summary of Activities to Date:

SPARK



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Summary of Activities to Date:

Upcoming DCR Events



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UPCOMING EVENTS	DAY	DATE	TIME
SPARK SESSION (General)	Wednesday	4/28/2021	6 p.m. - 7 p.m.
Social Equity Program Webinar	Tuesday	5/4/2021	6 p.m. - 8 p.m.
SPARK Session (Social Equity Program)	Saturday	5/8/2021	10 a.m. - 11 a.m.
SPARK Session (Licensing and Regulation)	Wednesday	5/12/2021	6 p.m. - 7 p.m.
SPARK Session (Community Impact)	Saturday	5/15/2021	10 a.m. - 11 a.m.

Summary of Activities to Date: Policy



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Local, State, and/or Federal

On April 14, 2021, Council voted to approve a report submitted by DCR allowing for acceptance of \$2,030,997.42 in grant funding awarded through the 2020-21 Cannabis Equity Grants Program for Local Jurisdictions. The report also allowed DCR to establish the rules and regulations necessary to implement the SEED Financial Grant Program and a Fee Deferral and Waiver Program. Also included in the report was a recommendation from DCR to amend the Cannabis Procedures Ordinance to provide a further deadline extension to licensees seeking to make a late 2019, 2020, and/or 2021 application or fee payments until July 31, 2021. The City Attorney is currently drafting the necessary ordinance amendments.



Licensing Program Updates



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Licensing Program

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 application and or licensing records are FILED. submitted Filing requires that the record is successfully submitted and all applicable fees are paid. 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 filed.
- DCR's anticipated duration of time needed to review and process applications, is based on the date the request was filed.
- 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 filed.
- Applicant and Licensees should contact DCR through the following methods:
 - Send an EMAIL to DCRLicensing@lacity.org.
 - Call (213) 978-0738 to speak to a DCR representative.

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 fail 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 Program Updates:

Council File No. 21-0354



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On April 14, 2021, the Mayor and City Council:

- Adopted additional Rules and Regulations to implement a financial grant program and implement a fee deferral/waiver program for Social Equity Individual Applicants (SEIAs);
- Accept a \$2,030,997 grant award from the State to benefit the City's commercial cannabis Social Equity Program and Social Equity applicants and licensees;
- Request the City Attorney to prepare and present an Ordinance to:
 - Amend LAMC to authorize the DCR to review Applications that were deemed ineligible for further processing due to failures, such as the failure to submit proof of deposit, and deem those Applications eligible for further processing if all other requirements are met;
 - Amend LAMC to allow Licensees to submit a late 2019, 2020, and/or 2021 renewal application and/or make late renewal fee payments for 2019, 2020 and/or 2021 renewal applications on or before July 31, 2021.

Licensing Program Updates:

No. of Business Premises By Phase and Record Status



	Licensed Businesses		Businesses in the Application Process			Total Number of Businesses by Phase
	Annual Licenses Issued	Temporary Approvals Issued	Pending Temporary Approval Applications	Pending Pre-Applications	Pending Public Convenience or Necessity (PCN) Requests	
	LIC	TMP	APP	PREAPP	PCN	
LAMC 104.07 (Phase 1)	0	188	N/A	N/A	N/A	188
LAMC 104.08 (Phase 2)	0	269	158	N/A	N/A	427
LAMC 104.06.1(b) (Phase 3 Retail Round 1)	0	2	198	N/A	N/A	200
LAMC 104.06.1(d) (PCN)	0	0	0	0	47	47
LAMC 104.06.1(e)/(f) (Delivery/Non-Retail)	0	0	99	81	N/A	180
General Application Processing	0	0	29	14	N/A	43
LAMC 104.09 (Testing Labs)	0	2	12	0	N/A	14
Total Number of Businesses by Stage	0	461	496	95	47	1099

Licensing Program Updates:

No. of Temporary Approvals By Phase and Type



	Retail License Types			Non-Retail License Types					Total Number of Licenses by Phase
	Retail Storefront	Retail Storefront (Microbusiness)	Retail Non-Storefront (Delivery)	Cultivation	Distribution	Distribution Transport Only	Non-Volatile Manufacturing	Testing	
	R	R	Q	C	D	D	M	T	
LAMC 104.07 (Phase 1)	158	30	N/A	108	119	0	101	N/A	516
LAMC 104.08 (Phase 2)	N/A	N/A	0	203	185	0	164	N/A	552
LAMC 104.06.1(b) (Phase 3 Retail Round 1)	2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2
LAMC 104.09 (Testing Labs)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2	2
Total Number of Licenses by Type	160	30	0	311	304	0	265	2	1072



Licensing Program Updates:

No. of Pending Applications By Phase and Type

	Retail Pending Application Types			Non-Retail Pending Application Types					Total Number of Pending Applications by Phase
	Retail Storefront	Retail Storefront (Microbusiness)	Retail Non-Storefront (Delivery)	Cultivation	Distribution	Distribution Transport Only	Non-Volatile Manufacturing	Testing	
	R	R	Q	C	D	D	M	T	
LAMC 104.08 (Phase 2)	N/A	N/A	0	126	115	1	107	N/A	349
LAMC 104.06.1(b) (Phase 3 Retail Round 1)	198	N/A	N/A	N/A	N/A	N/A	N/A	N/A	198
LAMC 104.06.1(e)/(f) (Delivery/Non-Retail)	N/A	N/A	99	0	14	0	5	N/A	118
General Application Processing	N/A	N/A	N/A	0	24	2	18	N/A	44
LAMC 104.09 (Testing Labs)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12	12
Total Number of Pending Applications by Type	198	0	99	126	153	3	130	12	721



Licensing Program Updates:

Phase 3 Retail Round 1 Application Processing Update

Phase 3 Retail Round 1

62 businesses have uploaded one or more Temporary Approval documents.

46 of the **62** businesses have uploaded the minimum number of completed Temporary Approval documents and are eligible for a status of "Local Compliance Underway".

22 of the **46** businesses have scheduled an Initial DCR Inspection.

18 of the **22** have passed an Initial DCR Inspection.


2 Phase 3 Retail Round 1 Applicants have received Temporary Approval.

Licensing Program Updates:

Equity Share Review Correction Sheet (SEP-6001-CS)



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 CITY OF LOS ANGELES DEPARTMENT OF
**CANNABIS
REGULATION**

**EQUITY SHARE REVIEW
CORRECTION SHEET**

SEP-6001-CS

Analyst: _____
Email: _____

Application No. _____
Business Premises Location: _____
Entity Name: _____
Verified Social Equity Individual Applicant (SEIA) Name: _____
SEIA Equity Share Percentage: ____ %

Instructions: This form is intended to provide feedback from the Department of Cannabis Regulation (DCR) regarding the Equity Share requirements in Los Angeles Municipal Code (LAMC) Section 104.20. **Applicant's submitted business records have been preliminarily reviewed for compliance with LAMC Section 104.20; provisions that may violate the Equity Share requirements are summarized below and explained in the corresponding section(s).** The Social Equity Individual Applicant (SEIA) may need to provide further information or documentation to DCR to address these concerns.

Any forms or documents that are subsequently supplemented or corrected must be uploaded into the DCR Licensing Portal Record (Accelea). If the SEIA contends that any of the provisions identified in this correction sheet comply with the Equity Share requirements in LAMC Section 104.20, please provide an explanation or example demonstrating compliance.

Section Summary

☐ Section A - Unconditional Ownership of Equity Share
☐ Section B - Profits, Dividends and Distributions
☐ Section C - Voting Rights and Control
☐ Section D - Successors
☐ Section E - Additional Equity Share Requirements and Miscellaneous

Please note: Please note: Equity Share documents or provisions may violate LAMC Section 104.20 even if not identified by DCR. Applicants must comply with all Equity Share requirements at all times. DCR reserves the right to reconsider Equity Share provisions or documents for compliance at any point and enforce compliance as required in LAMC Section 104.20.

Department of Cannabis Regulation
221 N. Figueroa Ave., Suite 1245, Los Angeles, CA 90012
(213) 978-9738 - cannabis@city.org
www.cannabis.lacity.org

This form provides feedback regarding the Equity Share requirements in Los Angeles Municipal Code (LAMC) Section 104.20. Provisions that may violate the Equity Share requirements are summarized and explained in the corresponding section(s).

- Section A - Unconditional Ownership of Equity Share
- Section B - Profits, Dividends and Distributions
- Section C - Voting Rights and Control
- Section D - Successors
- Section E - Additional Equity Share Requirements and Miscellaneous

Provisions may violate LAMC Section 104.20 even if not identified by DCR. Applicants must comply with all Equity Share requirements at all times and DCR reserves the right to enforce requirements at any time.



Licensing Program Updates:

Processing of Public Convenience or Necessity (PCN) Requests

- DCR began transmitting PCN requests to the City Clerk on February 26, 2021. 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>
- The Department has transmitted 47 PCN requests for the following Community Plan Areas:
 - Central City (25)
 - Central City North (5)
 - Harbor Gateway (3)
 - Sherman Oaks/Studio City (6)
 - Sun Valley/La Tuna Canyon (5)
 - Venice (3)

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



Program Status



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<u>Program</u>	<u>Status</u>
Application Processing	Available
SEED Program	Available 4/20
Pro Bono Legal Program	Available
Business, Licensing & Compliance	In Development
Fee Waiver	New* Details Forthcoming
Fee Deferral	New* Details Forthcoming

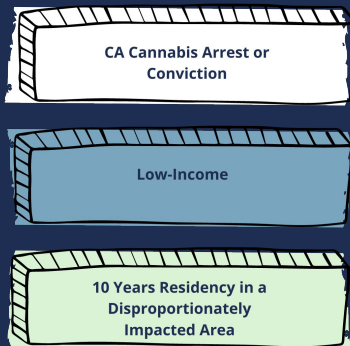
Social Equity Program

Individual Eligibility Verification



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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

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

- The BLC program will provide Social Equity Applicants with programming and training in the areas of state and local licensing requirements, commercial cannabis regulations, general business development, cannabis-specific business development and workforce development.
- DCR has selected five vendors who will develop this curricula.



Summary of Activities to Date:

Social Equity Program



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Fee Deferral and Fee Waiver Program

- In April 2021, City Council approved DCR's Rules and Regulations for the Fee Deferral and Fee Waiver Program.
- DCR shall administer the Fee Deferral Program based on requirements and restrictions established in the Rules and Regulations. Participation in the Fee Deferral Program may be subject to the availability of resources.
- Subject to the availability of funds, DCR may apply up to \$650,750 to Social Equity Application Eligibility Verification fee waivers for verified Social Equity Applicants.
- DCR may also defer Temporary Approval Application fees up to six months for Social Equity Applicants.
- Both the fee waivers and fee deferrals will be administered on a first come, first served basis.
- Additional information will be shared at a later date.

Summary of Activities to Date:

Social Equity Program



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The Financial Grant Program is now the **Social Equity Entrepreneur Development (SEED) Grant Program**.

- In April 2021, the City of Los Angeles established the Social Equity Entrepreneur Development Grant Program (SEED) Grant Program).
- The SEED Grant Program utilizes funding from the Cannabis Equity Grant for Local Jurisdictions (CEG Grant) to provide financial assistance to verified Social Equity Individual Applicants.
- To date, the City of Los Angeles has dedicated **\$6 million** towards the SEED Grant Program through funds made available through 2019 and 2020 California CEG Grant awards.

Summary of Activities to Date:

SEED (Social Equity Entrepreneur Development) Grant Program



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SEED

City of Los Angeles SEED Grant Program

Welcome to the City of Los Angeles SEED Grant Program website. This program offers grants to verified City of Los Angeles Social Equity Individual Applicants who fulfill the program criteria.

[How to Apply →](#)

The SEED GRANT PROGRAM



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- Meet the Elevate Impact LA Team
- SEED Grant Program
 - Background & Overview
 - SEED 1.0 Grant Application
 - SEED 2.0 Grant Application
 - Grant Disbursement
- Funding Process
- Data Tracking



SEED: Meet the Team



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Paula
Groves
Program Manager



Keith
Spears
Underwriter



Bruce
Robinson
Underwriter

Supported by six (6) other Elevate Impact LA Staff as needed



SEED: Background



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- In June 2020 DCR selected Elevate Impact LA to administer a financial grant program.
 - In April 2021, the City of Los Angeles established the Social Equity Entrepreneur Development Grant Program (SEED) Grant Program formerly known as the Financial Grant Program.
- To date, the City of Los Angeles has dedicated **\$ 6 million** to the SEED Grant Program.
 - **\$5 million available via SEED 1.0**
 - **\$1 million available via SEED 2.0**



SEED 1.0



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- Total amount available: **\$5 million**
- Grant Eligibility: Phase 3 Retail Round 1 Social Equity
Individual Applicants deemed eligible pursuant to Los Angeles
Municipal Code 104.06.1(b)
- Grant Amount: **\$25,000**



SEED 2.0



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- Total Amount Available: **\$1 million**
- Grant Eligibility: verified Social Equity Individual Applicants
- Grant Amount: a total of **\$10,000** available in two disbursements:
 - (1) **\$5,000** when DCR deems the Pre-Application eligible for further processing; and
 - (2) **\$5,000** when the Applicant is eligible for a Notice of Local Compliance Underway





SEED: Eligible Use of Grant Funds

1	Rent	4	Local and State Application, licensing and regulatory fees	7	Testing of cannabis
2	Lease	4a	Local application fee	8	Furniture
3	Equipment	4b	State application fee	9	State License
3a	Laptop Computers/Tablets	4c	Licensing fee	10	Fixtures and equipment
3b	Printer	4d	Regulatory Fee (please describe)	11	Capital improvements
3c	Mobile Phone	Fees Total			Architect Fees
3d	Software/P.O.S.	5	Legal Assistance		Structural Engineer
3e	Safe	6	Regulatory compliance		Buildout costs for compliance
3f	Security Cameras	6a	Insurance - general liability		Capital improvements Total
3f	Desks	6b	Insurance - workers' compensation	12	Workforce training and retention
Equipment Total		6c	Insurance - auto	13	Other
		6d	Insurance - property	13a	Marketing and Advertising
		6e	Insurance - other (please describe)	13b	Consultant
			Packaging	Other Total	
		6f	Track and Trace		
		6g	Accounting/Bookkeeping		
		Regulatory compliance Total			



SEED: Ineligible Use of Grant Funds



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- Unlicensed cannabis business
- Non-cannabis businesses that serve the cannabis industry
- Buying inventory
- Personal expenses or the acquisition of personal property such as cars, homes, etc.
- Relending or investing
- To engage in prohibited operations





SEED: Grant Disbursement

- SEED grants shall be disbursed on a first come, first served basis
- SEED grant applicants must apply within 120 days of the application becoming available.
- SEED grant funds not distributed by 90 days prior to the end of the City's CEG Contract may be disbursed on a pro rata basis to eligible recipients who applied by August 18, 2021
- Applicants who received funds under SEED 1.0 are not eligible for SEED 2.0. Applicants who receive funds under SEED 2.0 are not eligible for SEED 1.0.



SEED: 6-Step Grant Funding Process



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SEED: Step 1 - Apply Online

- Register for an account at www.ElevateImpactLA.com
- Complete the grant application online
 - Paper applications will not be accepted
 - Provide Accela number
 - Upload Grant Assessment documents
- Applicant eligibility will be confirmed



SEED: Step 2 - Application Review



- Grant applications are reviewed by Elevate Impact LA Staff to ensure eligibility is met and required documents are submitted
- If complete, the Applicant receives email saying that the application is complete
- If not complete, the Applicant receives email stating what is missing



SEED: Step 2 (cont'd) - Application Review



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Grant Application is assessed by Elevate Impact Staff.



Once the applicant is assessed, email is sent saying application has been approved and grant documents will be prepared



If applicants are not approved, they are coached on how to improve their application and Applicant can then re-submit their grant application





SEED: Documents Assessed

- Budget Narrative of how funds will be used
- Budget or line item list of expenditures for the requested grant amount
- Business Executive Summary (3 to 5 pages)
- Monthly expense projections for a 12-month period



SEED Grant Program



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CITY OF LOS ANGELES

SEED GRANT PROGRAM

SAMPLE Written Narrative of How Funds will be Used

Explanation: The Written Narrative should provide more detail as to how the funds will be used as outlined in the budget.

Business Type: We are dispensary company based in Los Angeles, California. We seek grant funds to scale and grow operations, as summarized below:

- Rent: Our monthly rent is \$3,000. We will use \$3,000 in grant funds to cover rent for one month.
- Licensing Fee: We will use some of the grant funds to pay our state licensing fees. The anticipated cost is \$6,000.
- Legal Assistance: We require legal assistance to help negotiate our partnership agreements and to ensure our employee handbook is in compliance. We anticipate this cost to be \$5,000.
- Regulatory Compliance: We will also purchase general liability business insurance for a cost of \$7,000.
- Capital Improvements: We need to add storage to our current location. We plan to use \$4,000 of the grant funds to cover the build-out costs.



SEED Grant Program



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BUDGET: Must total requested funding amount. Excel/Google Sheets format required. PDFs will not be accepted.

EXPENSES		
1	Rent	\$3,000
2	Lease	
3	Equipment	
3a	Laptop Computers/Tablets	
3b	Printer	
3c	Mobile Phone	
3d	Software/P.O.S.	
3e	Safe	
3f	Security Cameras	
3f	Desks	
Equipment Total		
4	Local and State Application, licensing and regulatory fees	
4a	Local application fee	
4b	State application fee	\$6,000
4c	Licensing fee	
4d	Regulatory Fee (please describe)	
Fees Total		\$6,000
5	Legal Assistance	\$5,000
6	Regulatory compliance	
6a	Insurance - general liability	\$7,000
6b	Insurance - workers' compensation	
6c	Insurance - auto	
6d	Insurance - property	
6e	Insurance - other (please describe)	
6f	Packaging	
6f	Track and Trace	
6g	Accounting/Bookkeeping	
Regulatory compliance Total		\$12,000
7	Testing of cannabis	
8	Furniture	
9	State License	
10	Fixtures and equipment	
11	Capital improvements	
	Architect Fees	
	Structural Engineer	
	Buildout costs to bring space into compliance	\$4,000
Capital improvements Total		\$4,000
12	Workforce training and retention	
13	Other	
	Marketing and Advertising	
	Consultant	
Total Other		
TOTAL EXPENSES		\$25,000



SEED Grant Program



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City of Los Angeles
SEED Grant Program
Sample Monthly Financial Projections Template

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total Year 1
EXPENSES													
1 Rent													
2 Lease													
3 Equipment													
Laptop Computers/Tablets													
Printer													
Mobile Phone													
Software/P.O.S.													
Safe													
Security Cameras													
Desks													
Equipment Total													
4 Local and State Application, licensing and regulatory fees													
Local application fees													
State application fees													
State licensing fees													
Local licensing fees													
Regulatory fees (please describe)													
Fees total													
5 Legal assistance													
6 Regulatory compliance													
Insurance - general liability													
Insurance - workers' compensation													
Insurance - auto													
Insurance - property													
Insurance - other (please describe)													
Track and Trace													
Accounting													
Regulatory compliance total													
7 Testing of cannabis													
8 Furniture													
9 Fixtures and equipment													
10 Capital improvements													
TOTAL EXPENSES													



SEED: Grant Assessment Checklist



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City of Los Angeles	
SEED Grant Assessment Checklist	
The City of Los Angeles established the Social Equity Entrepreneur Development Grant Program (SEED Grant Program) to provide grant funding for Verified Equity Applicants. SEED Applicants must undergo an assessment process where their application will be evaluated based upon checklist below.	
SEED Grant applications will be scored on a pass/fail basis Applicants can re-apply if their Application does not pass	
	Complete or Incomplete
1 Assessment of how the funding will be used	
a. Did Applicant provide a Written Explanation of how funding will be used in line with industry standards?	
2 Assessment of the Budget	
a. Did Applicant provide a Budget in line with industry standards?	
3 Business Executive Summary completeness	
a. Did Applicant provide a Business Executive Summary in line with industry standards?	
4 Financial projection completeness	
a. Did Applicant provide monthly projections for 12 months in line with industry standards?	
GRAND TOTAL SCORE	





SEED: Step 3 - Grant Approval

- A completed Grant Application will be reviewed by the Elevate Impact LA Grant Committee
- If approved, Email sent to Applicant and City of Los Angeles stating grant is approved and applicant becomes and “Approved Applicant”
 - If not approved, applicant can re-apply





SEED: Step 4 - Virtual Signing

- Once approved, Grant Agreement is created
- Elevate Impact meets virtually with the Approved Applicant to review and electronically sign the Grant Agreement
- The City of LA will then electronically sign the grant documents



SEED: Step 5 - Grant Disbursement



- Approved Applicant creates an account at ElevateImpactFunds.com
- Approved Applicant to provide information for preferred receipt of funds
- Elevate to disburse funds



SEED: Step 6 - Post Grant Disbursements



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Grant recipients will be required to upload receipts detailing actual grant expenditures at ElevateImpactFunds.com



SEED: Expense Tracking Categories



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1	Rent	4	Local and State Application, licensing and regulatory fees	7	Testing of cannabis
2	Lease	4a	Local application fee	8	Furniture
3	Equipment	4b	State application fee	9	State License
	3a Laptop Computers/Tablets	4c	Licensing fee	10	Fixtures and equipment
	3b Printer	4d	Regulatory Fee (please describe)	11	Capital improvements
	3c Mobile Phone		Fees Total		Architect Fees
	3d Software/P.O.S.	5	Legal Assistance		Structural Engineer
	3e Safe	6	Regulatory compliance		Buildout costs for compliance
	3f Security Cameras	6a	Insurance - general liability		Capital improvements Total
	3f Desks	6b	Insurance - workers' compensation	12	Workforce training and retention
	Equipment Total	6c	Insurance - auto	13	Other
		6d	Insurance - property		13a Marketing and Advertising
		6e	Insurance - other (please describe)		13b Consultant
			Packaging		Other Total
		6f	Track and Trace		
		6g	Accounting/Bookkeeping		
			Regulatory compliance Total		





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The SEED Grant Program Important Dates & Deadlines

SEED Grant Program Launch - April 20, 2021

Social Equity Program Webinar - May 4, 2021

Deadline to apply for SEED Grant Program - August 18, 2021



Thank You!



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Contact Us:

- Paula@elevateimpactla.com
- Keith@elevateimpactla.com
- Bruce@elevateimpactla.com



Summary of Activities to Date:

Social Equity Program



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Pro Bono Legal Assistance

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

Phase 3 Retail Round 1 Applicants who are interested in participating in this program must submit the Pro Bono Legal Services Survey and the Legal Services Authorization Agreement.

DCR will send an additional reminder about Pro Bono Legal Services to Phase 3 Retail Round 1 Applicants eligible for further processing on 4.20.

Summary of Activities to Date:

Social Equity Program



**CANNABIS
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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

Compliance and Enforcement



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Summary of Activities to Date:

Compliance and Enforcement



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Board of State and Community Corrections (BSCC) Grant

- On January 29, 2021, the Department submitted an application as the lead agency on behalf of the City of LA for an enforcement grant funded by Proposition 64 and administered by the Board of State and Community Corrections (BSCC) .
- On April 8, 2021 the BSCC voted unanimously to award the City a one million dollar grant to be distributed over three years
- The grant will be used to coordinate cannabis enforcement efforts, administer a public information campaign, and conduct an enforcement equity analysis.

Thank You



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