



SPARK Session #1 - April 28, 2021



SPARK Sessions Recording Disclaimer



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SPARK Session #1 Agenda



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- I. Welcome and Introductions
- II. Background on LA Cannabis Policy and Role of DCR & CRC
 - A. History of Cannabis Policy in LA
 - B. Department of Cannabis Regulation
 - C. Cannabis Regulation Commission
 - D. Licensing Program
 - E. Social Equity Program
- III. SPARK
 - A. Purpose of SPARK
 - B. SPARK Outcomes
 - C. Virtual Meeting Room
 - D. SPARK Sessions
 - E. SPARK Resource Center
 - F. SPARK Surveys
 - G. SPARK Comment Box
 - H. Next Steps
- IV. Questions
- V. Stay Connected
- VI. Closing Remarks



SPARK Sessions Guidelines



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- Be respectful.
- Keep your line on mute until given permission.
- Raise your hand.
- Renaming yourself as appropriate.
- Submit general questions using the Q&A function.
- **Specific licensing and application questions should be submitted to DCRLicensing@lacity.org.*



Welcome and Introduction(s)

Welcome and Introduction(s)



Background on LA Cannabis Policy and the Role of DCR and CRC

History on Cannabis Policy in LA



In March 2017, Measure M, passed in the City of Los Angeles by more than 80% of voters, giving the City Council the full authority to regulate cannabis-related activity within the City of Los Angeles. With that authority, the Department of Cannabis Regulation was established by ordinance on July 30, 2017.

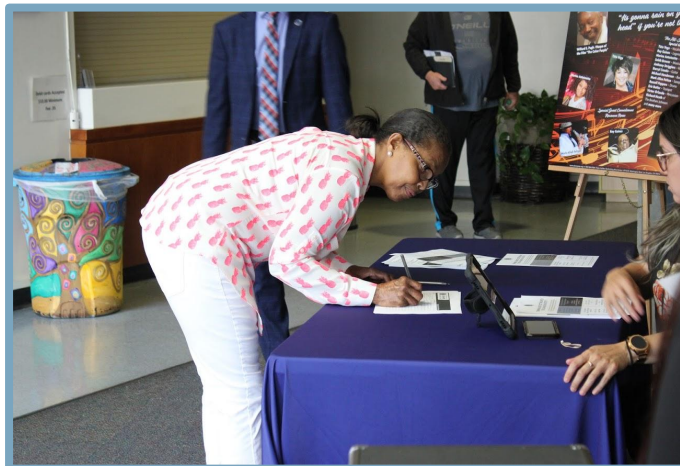
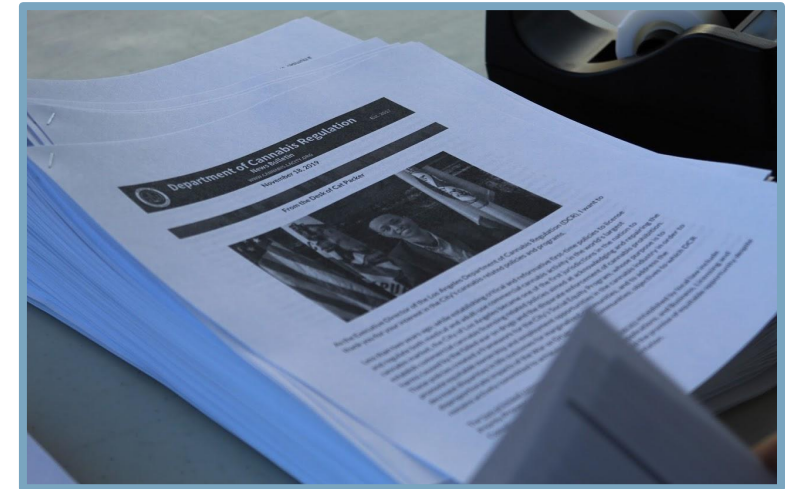
Since then a lot has happened.



History on Cannabis Policy in LA



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History on Cannabis Policy in LA



On July 1, 2020, the Los Angeles City Council approved an ordinance which comprehensively amends, clarifies and re-organizes portions of Article 4, Chapter X of the Los Angeles Municipal Code. The ordinance became effective upon publication.



Department of Cannabis Regulation (DCR)



The Department of Cannabis Regulation (DCR) is responsible for administering the commercial cannabis licensing and regulatory program established by the Los Angeles City Council. Specifically, DCR processes all applications for commercial cannabis licenses in the City of Los Angeles, makes licensing decisions or licensing recommendations to the Cannabis Regulation Commission, and regulates the operations of licensed commercial cannabis businesses in the City.



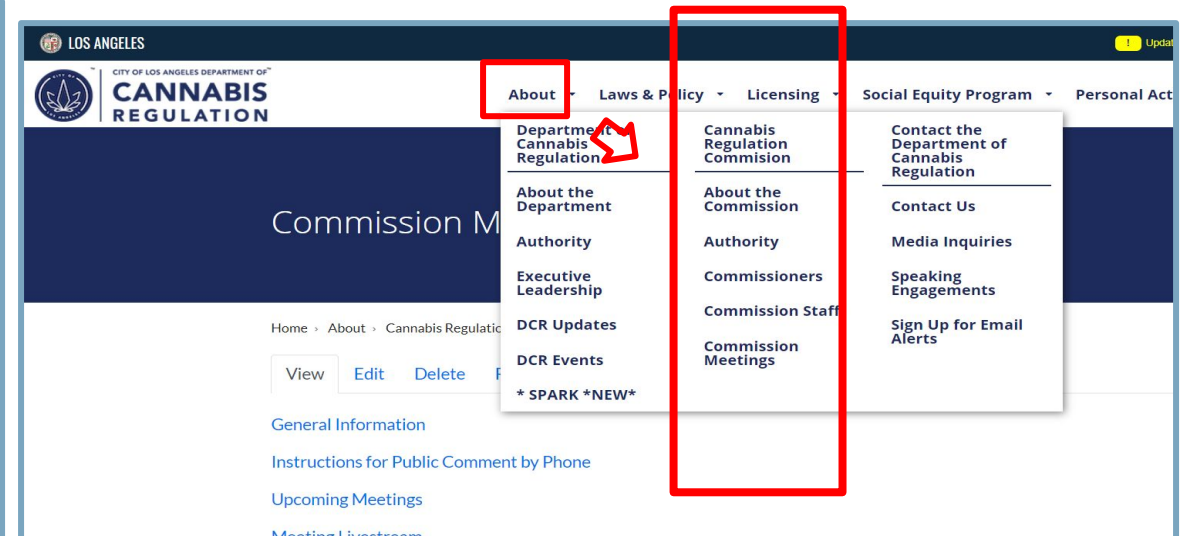
Cannabis Regulation Commission (CRC)



The Cannabis Regulation Commission was established by ordinance on July 30, 2017 and holds a number of important roles in cannabis licensing in the social equity program in Los Angeles.



Cannabis Regulation Commission (CRC)



Licensing Program

Licensing Program



In order to participate in Commercial Cannabis Activity within the City of Los Angeles, both a state license and a local license are required.

The Cannabis Procedures establish the manner in which the Department and Commission are required to process commercial cannabis license applications and further establish requirements of commercial cannabis applicants and licensees.

The Cannabis Procedures authorize the Department and Commission to issue licenses for the following commercial cannabis activity types: cultivation, manufacturing, distribution, testing, retail and delivery.

The City of Los Angeles also established a Licensing and Social Equity Program that enumerates various restrictions related to licensing and application processing.

Before making license applications available to other applicants, local law required DCR to administer application processing for certain existing operators pursuant to LAMC 104.07 and 104.08. Applicants pursuant to these sections are often referred to Phase 1 and Phase 2 Applicants, respectively. The application process for both of these application types has CLOSED.



Licensing Program: Location Requirements and Sensitive Use Restrictions



The City of Los Angeles restricts where Commercial Cannabis Activity may lawfully occur. The City restricts Commercial Cannabis Activities to specific zones.

Sensitive use restrictions include but may not be limited to following:

- A licensed retail storefront must be outside of a 700-foot radius of a School, Public Park, Public Library, Alcoholism or Drug Abuse Recovery or Treatment Facility, Day Care Center, Permanent Supportive Housing, and any other licensed storefront retailer.
- A licensed non-storefront retailer (delivery), distributor, cultivator, non-volatile manufacturer or testing lab must be outside of a 600-foot radius of any School.
- A volatile manufacturer must be outside of a 600-foot radius of any School and a 200-foot radius of any Residentially Zoned Property.



Licensing Program



Commercial cannabis licensing is categorized three (3) distinct phases in the City:

- Phase 1
 - Existing Medical Marijuana Dispensaries (EMMDs)
 - Began in January 2018
- Phase 2
 - EMMD supply chain
 - Began in August 2018
- Phase 3
 - New Businesses - Social Equity Applicants & General Applicants
 - Began in September 2019



Licensing Program: Application and Licensing Processing Restrictions



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

Licensing Program: Licensing Data



455 Commercial Cannabis Businesses have Temporary Approval to operate in the City of Los Angeles. A breakdown of the licensed activities is provided in the table below:

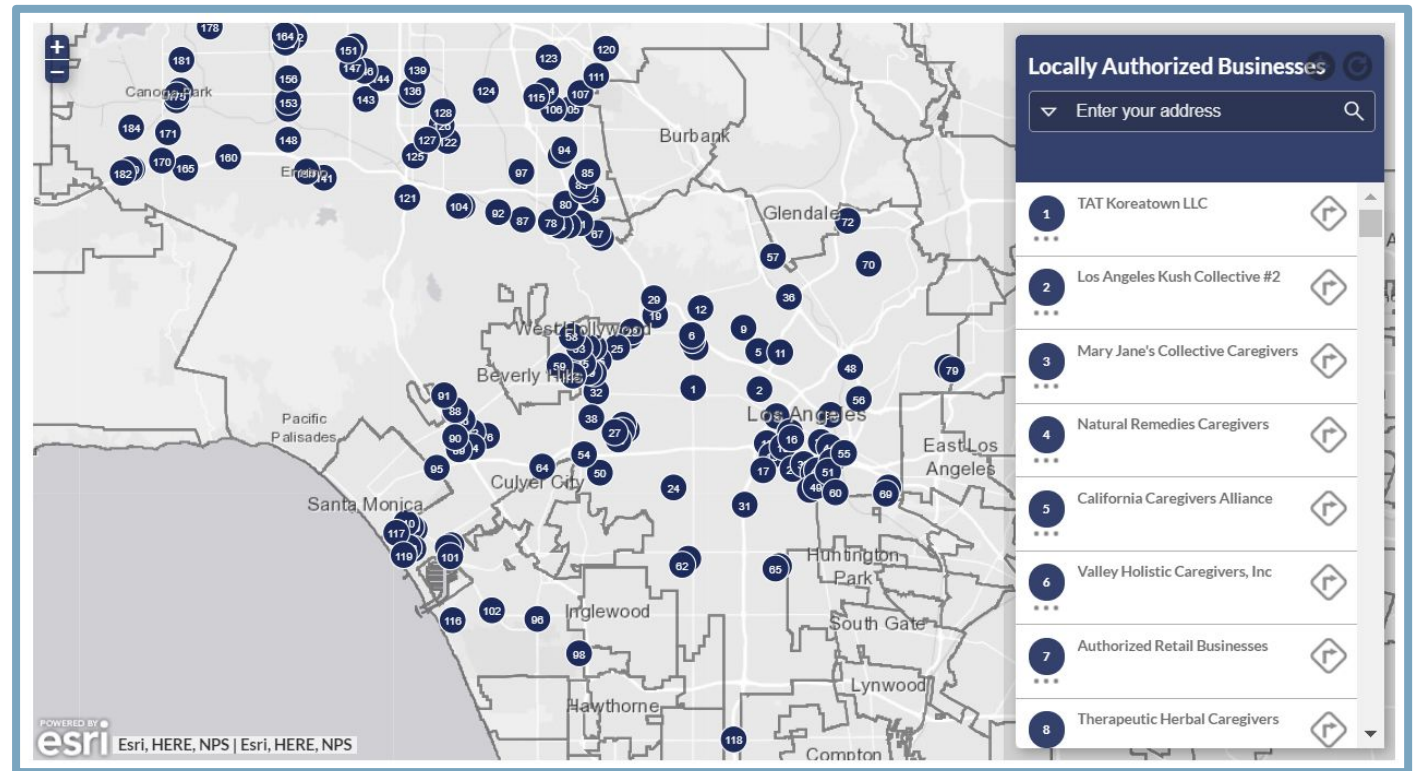
| No. of Temporary Licenses Issued to Licensed Businesses (Many Businesses hold more than one License) | | | | | | |
|---|---------------|----------------------------|--------------|-------------|-------------|-------|
| Retail Storefront | Delivery Only | Non-Volatile Manufacturing | Distribution | Cultivation | Testing Lab | TOTAL |
| 191 | 0 | 266 | 305 | 311 | 2 | 1,075 |



Licensing Program: Licensing Map



DCR encourages all potential applicants, licensees, and those looking for a licensed cannabis business to utilize DCR's Licensing Map. This map shows the locations of all retail locations that have received Temporary Approval to operate.



Social Equity Program

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.”



Social Equity Program



Social Equity Program Benefits and Resources

- Eligibility Verification
- Individual Verification
- Application Processing
- Business, Licensing, and Compliance Assistance
- Fee Waiver Program and Fee Deferral Program
- SEED Grant Program
- Pro Bono Legal Services



Social Equity Program: Program Status



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PROGRAM

Application Processing

SEED Grant Program

Pro Bono Legal Program

Business, Licensing &
Compliance

Fee Waiver Program

Fee Deferral Program

STATUS

Available

Available

Available

In Development

New Details Forthcoming

New Details Forthcoming



SPARK a Conversation about Cannabis!



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SPARK

Purpose of SPARK



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With your help, DCR can support and provide the community with access, resources, and knowledge about cannabis activity in the City to the local community. SPARK needs you, members of the local community and stakeholders impacted by cannabis policy or those seeking to affect cannabis policy, to share your feedback with us -- so that when DCR makes future policy recommendations to local leaders -- those recommendations will be shaped by the individuals and communities most likely to be impacted.



SPARK Outcomes and Report



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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.

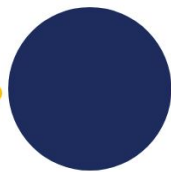
SPARK Phases and Implementation



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Collect Feedback



Analyze Feedback



Create Report



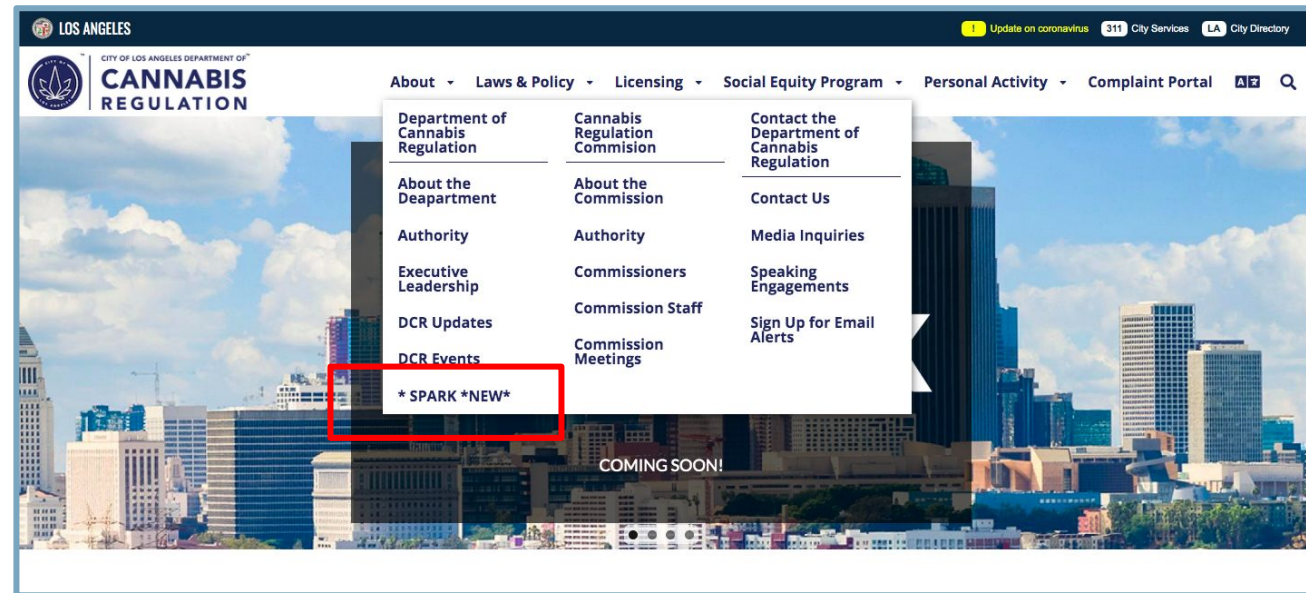
Develop / Present
Recommendations



Action by Council &
Council Committee(s)



NEW SPARK Landing Page



SPARK Virtual Meeting Room

Welcome to Our Virtual Meeting Room



Enter Room



SPARK Sessions

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.

RSVP link is available in the Virtual Meeting Room and the DCR website.



Upcoming SPARK Events



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Upcoming Events

Visit the DCR website for
additional event
information and to RSVP.

| EVENT | DAY | DATE | STAKEHOLDER COMMENT PERIOD | TIME |
|--|-----------|-----------|-------------------------------|-------------------|
| SPARK SESSION (General) | WEDNESDAY | 4/28/2021 | 5 P.M. - 6 P.M. | 6 P.M. - 7 P.M. |
| SPARK Session (Social Equity Program) | SATURDAY | 5/8/2021 | 9 A.M. - 10 A.M. | 10 A.M. - 11 A.M. |
| SPARK Session (Licensing and Regulation) | WEDNESDAY | 5/12/2021 | 5 P.M. - 6 P.M. | 6 P.M. - 7 P.M. |
| SPARK Session (Community Impact) | SATURDAY | 5/15/2021 | 9 A.M. - 10 A.M. | 10 A.M. - 11 A.M. |



SPARK Resource Station(s)



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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.



SPARK Resource Station(s)

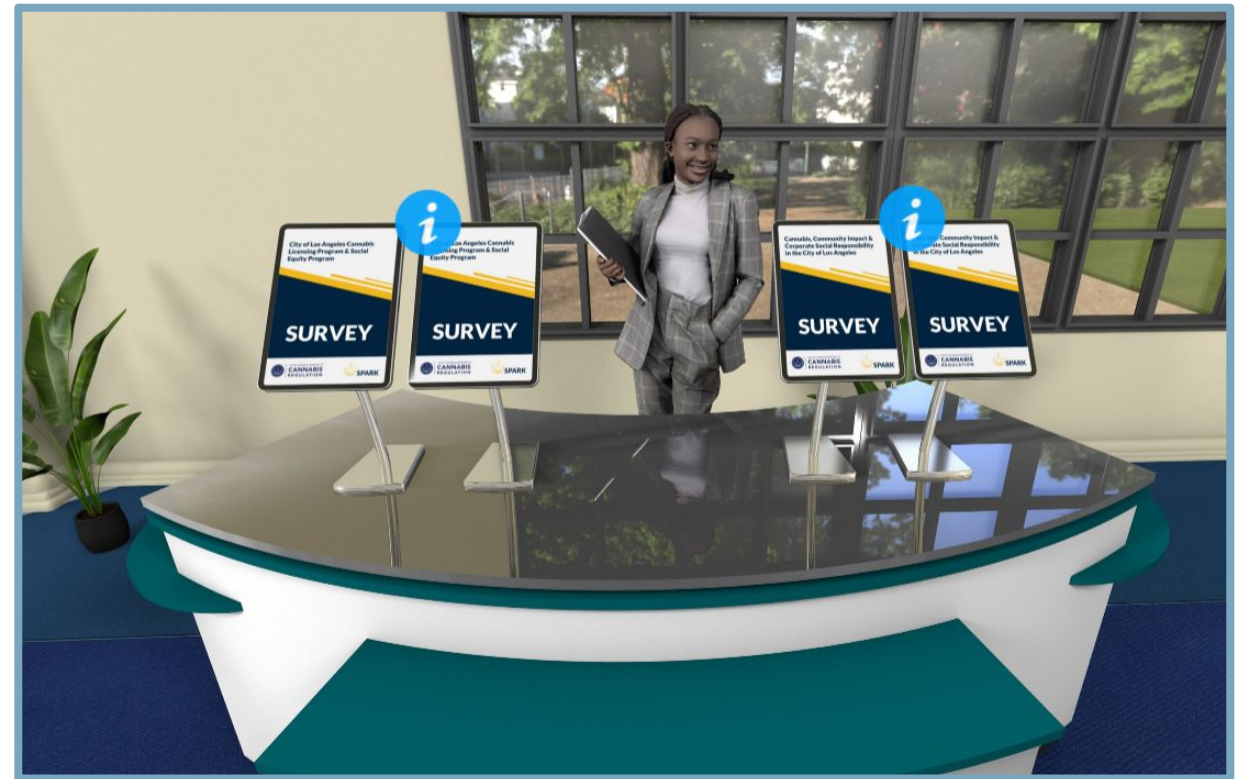


SPARK Surveys

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.

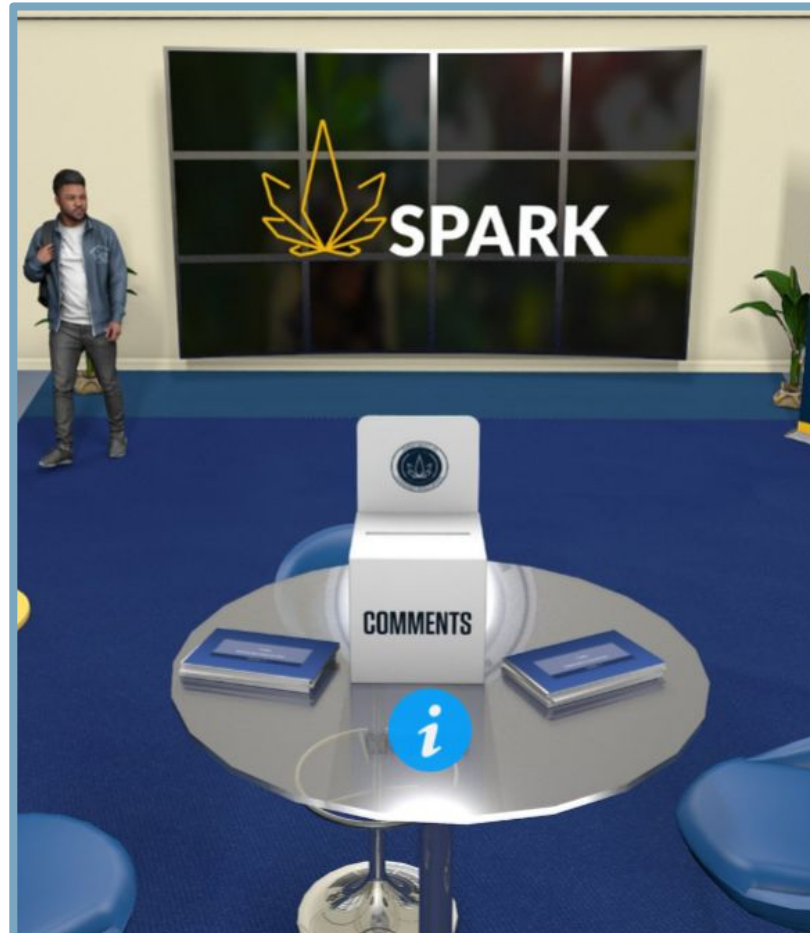
SPARK SURVEYS will be available through June 30, 2021.



SPARK Comment Box

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** is available through June 30, 2021.



SPARK Next Steps



The SPARK Virtual Meeting Room launched **April 20, 2021**, and can be accessed through the DCR website.

The next SPARK SESSION will be held Saturday, May 8, 2021 (Social Equity Program)

- RSVP available in Virtual Meeting Room.

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



Stay Connected to SPARK!



SPARK Virtual Meeting Room

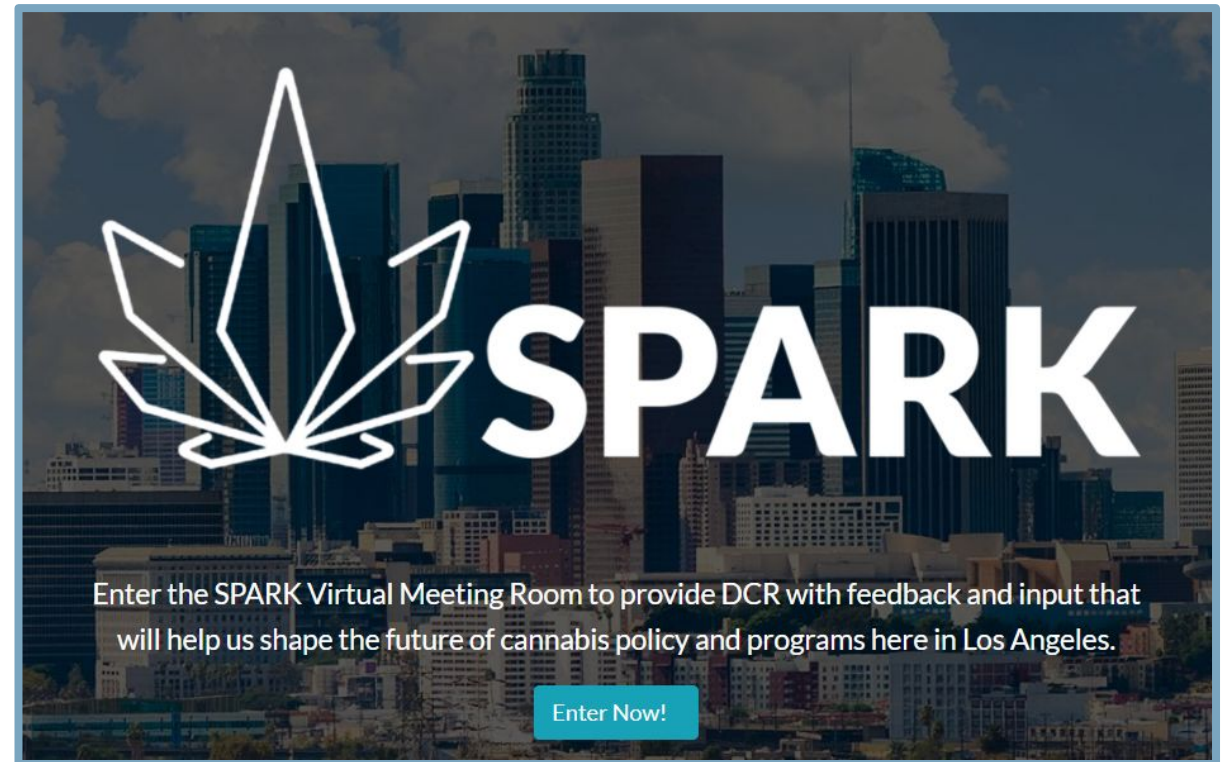
DCR Website

DCR Email Blast

SPARK Comment Box

SPARK Surveys

SPARK Sessions



Questions

Closing Remarks

