

# Thank You for Joining!

Stakeholder Comment Period - 9 am - 10 am.

SPARK Session - 10 am - 11 am.



*SPARK Session #2 - May 8, 2021*



# SPARK Sessions Recording Disclaimer



The Department of Cannabis Regulation (DCR) is recording this meeting by audio and visual means. By continuing with this meeting, you consent to this recording and acknowledge that the Department of Cannabis Regulation owns the recording and may use or reproduce it in any manner it deems necessary. If you do not consent to being recorded, please discontinue your participation in this meeting.



Stakeholder Comment Period  
9:00 a.m. - 10:00 a.m.

# Stakeholder Comment Period

9:00 a.m. - 10:00 a.m.



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

Raise your hand (or use \*9 if calling from a phone) to provide stakeholder comment.

Feel free to state your name, if interested.

Participants have two (2) minutes to speak.

Participants are allowed to speak once per Stakeholder Comment Period.

Comment collection and not an engagement method.





# Stakeholder Comment Period

9:00 a.m. - 10:00 a.m.



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

## REMINDER

**BEGINNING APRIL 5, 2021**

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

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



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CITY OF LOS ANGELES DEPARTMENT OF  
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REGULATION

### REMINDER

#### Upcoming:

Cannabis Regulation  
Commission Meeting

Thursday, May 20, 2021

Begins at 2:00 p.m.

Access via DCR homepage, or  
Cannabis Regulation  
Commission menu.





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### SPARK Virtual Meeting Room Now Available!

- RSVP for future SPARK Sessions.
- Watch past SPARK Sessions.
- Utilize SPARK Resource Station.
- Take a SPARK Survey.
- Provide feedback in the SPARK Comment Box.



Access the Virtual Meeting Room from the DCR website's SPARK landing page.



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## Sign-Up for the SPARK Email List!

Get all the latest SPARK news, direct access to the Virtual Meeting Room and additional updates from DCR.

Sign-up link on the SPARK Landing Page on the DCR website.

AVAILABLE NOW!



The Department of Cannabis Regulation (DCR) is dedicated to engaging with community members to better serve them and meet their needs. Throughout the next few months, DCR will be engaging with members of the community through an interactive and informative citywide outreach campaign named, SPARK.

SPARK is a multifaceted program that lets community members engage with DCR through a variety of methods, including virtual events, comments, surveys and informational collateral. Enter the [Virtual Meeting Room](#) or use the links below to learn more about different SPARK STATIONS:

- **SPARK SESSIONS:** A series of virtual events led by local leaders and stakeholders focused on different topics each session. Topics include Licensing and Regulation, the Social Equity Program, Corporate Social Responsibility, and Community Impact.
- **SPARK RESOURCE:** Information stations that include relevant Fact Sheets and FAQs about DCR, our programs, policies, and general cannabis activity information.
- **SPARK SURVEYS:** Substantive surveys will provide us with direct feedback from all of you on current policies and programs and ways we can improve upon certain services.
- **SPARK COMMENT BOX:** A community comment box that allows anyone to provide feedback on 'all things cannabis' in the community.

Community participation is vital to the growth and development of our City's services, policies, and programs. Through SPARK, communities can share input that will help inform the Department of Cannabis Regulation as we make future cannabis policy and programming recommendations to the Mayor and City Council. We look forward to seeing you SPARK change in our community.



SPARK SESSIONS Calendar

Next SPARK SESSION, Saturday, May 8,  
2021 (Social Equity Program).

Stakeholder Comment Period: 9:00 a.m.  
- 10:00 a.m.

Session Time: 10:00 a.m. - 11:00 a.m.



SPARK COMMENT BOX

Available through June 30, 2021!



Get SPARK Email Updates!

Stay Connected to SPARK!



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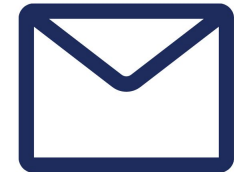


### Contacting the Department of Cannabis Regulation

Applicant and Licensees should contact DCR through the following methods:

Send an EMAIL to [DCRLicensing@lacity.org](mailto:DCRLicensing@lacity.org).

Call (213) 978-0738 to speak to a DCR representative.



Non-applicants and licensees with questions should contact DCR through the following methods:

Send an EMAIL to [Cannabis@lacity.org](mailto:Cannabis@lacity.org).

Call (213) 978-0738 to speak to a DCR representative.



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*SPARK Session #2 - May 8, 2021*



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# SPARK Sessions Guidelines



# SPARK Sessions Guidelines



- Polls will be posted throughout the session, please provide feedback!
- SPARK Sessions are informational sessions.
- Submit general questions using the Q&A function.\*  
*\*Specific licensing and application questions should be submitted to [DCRLicensing@lacity.org](mailto:DCRLicensing@lacity.org).*



# SPARK Updates



# Welcome and Introduction(s)

# Welcome and Introduction(s)



# City of Los Angeles Social Equity Program



# Social Equity Program



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

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.”



# History of the Social Equity Program 2016 -2017



- California voters pass adult-use legalization
- City of Los Angeles voters pass local medical and adult-use legalization
- City's establishes DCR and CRC
- Original Social Equity Analysis
- City Council Adopts Cannabis Procedures Ordinance; includes SEP



# History of the Social Equity Program 2018 - 2019



- Phase 1 Application Period Began
- Phase 2 Application Period Began
- Eligibility Verification Application Period  
- Original Criteria
- SEP Budget Allocation - General Fund
- DCR Hires SEP Director
- Phase 3 Retail Round 1 Application  
Period Began





# History of the Social Equity Program 2020 - 2021



- Comprehensive Amendments to CPO; includes SEP & expanded social equity analysis
- Phase 3 Delivery, Distribution and Manufacturing Application Period Began
- SEP Budget Allocation - Cannabis Equity Grants
- Pro Bono Legal Services Became Available
- SEED Grant Program Application Period Began



# Poll Question #1

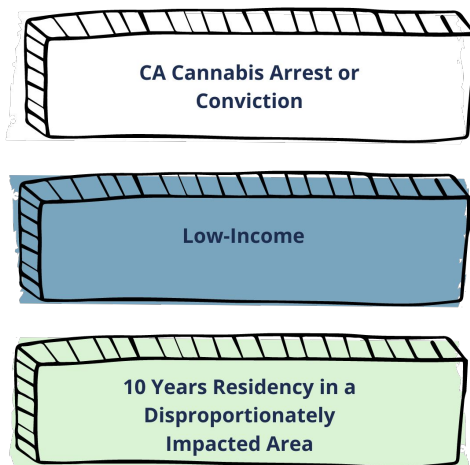


# Social Equity Program Requirements

# Social Equity Program: Individual Level Eligibility Verification



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



- Original
  - Verification Period -- CLOSED
  - Approx. 1600 Individuals Verified
    - Tier 1
    - Tier 2
    - Tier 3\*
  - Refer to your Accela account to confirm you are a verified Applicant
- Expanded & Phase 3 Retail Round 2
  - Verification Period -- TBD



# Social Equity Program: Entity Level Eligibility Verification



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



## INFORMATION AND PROCEDURE BULLETIN

SEP-6001-IPB

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<sup>1</sup> 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.

<sup>1</sup> This document is intended to serve as an informational guide only. It does not replace or supersede the Los Angeles Municipal Code and does not constitute legal advice. This document is subject to change and may not constitute the most up-to-date or complete information. Applicants are encouraged to conduct their own due diligence and research to ensure that they are in compliance with all legal requirements.



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

## 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)(ii) or (b)(2)(ii), 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)(ii) 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)(iii) 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.



CITY OF LOS ANGELES DEPARTMENT OF  
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## 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 (Accela). 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.

# Poll Question #2

# Social Equity Program Resources and Benefits



# Social Equity Program



## Social Equity Program Benefits and Resources

- 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



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

## 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



# Poll Question #3

# Social Equity Program: Application Processing



## Priority Application Processing

Social Equity Applicants receive certain benefits related to application processing. When certain requirements are met, they are eligible for:

- Priority access to Retail and Delivery Licenses
- Priority License Application Processing
- Priority License Renewal Processing

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.



# Social Equity Program Overview



## 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.
- This curricula will be available **Summer 2021**. Stay tuned!





# Social Equity Program: Fee Deferral Program & Fee Waiver Program



In April 2021, City Council approved DCR's Rules and Regulations for the Fee Deferral and Fee Waiver Program.

## **Fee Deferral Program**

To date, DCR has made \$250,000 available to verified Social Equity Applicants through the Fee Deferral Program. Additional Fee Deferrals will be made available as resources allow.

## **Fee Waiver Program**

DCR will make an additional \$650,000 available for fee waivers. Fee waivers may be applied to Social Equity Application (SEIA) Eligibility Verification Fees for individuals who submit a complete eligibility verification application. More details are forthcoming.



# Social Equity Program: SEED Grant Program



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.



# Poll Question #4

# Social Equity Program: 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 Social Equity Applicants. This referral service is available ONLY to Social Equity Applicants who applied in Phase 3 Retail Round 1 and were determined eligible for further processing. Depending on demand and availability, these services may be expanded to other applicants in the future.



# Poll Question #5



# SPARK Next Steps

# Upcoming SPARK Events and Engagement



## Upcoming Events

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

EVENT	DAY	DATE	STAKEHOLDER COMMENT PERIOD	TIME
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 Session (Licensing and Regulation)	WEDNESDAY	5/26/2021	5 P.M. - 6 P.M.	6 P.M. - 7 P.M.



# SPARK Next Steps



The next SPARK SESSION will be held Wednesday, May 12, 2021  
(Licensing & Regulation)

- RSVP available in Virtual Meeting Room.

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

# Stay Connected to SPARK!



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

SPARK Virtual Meeting Room

DCR Website

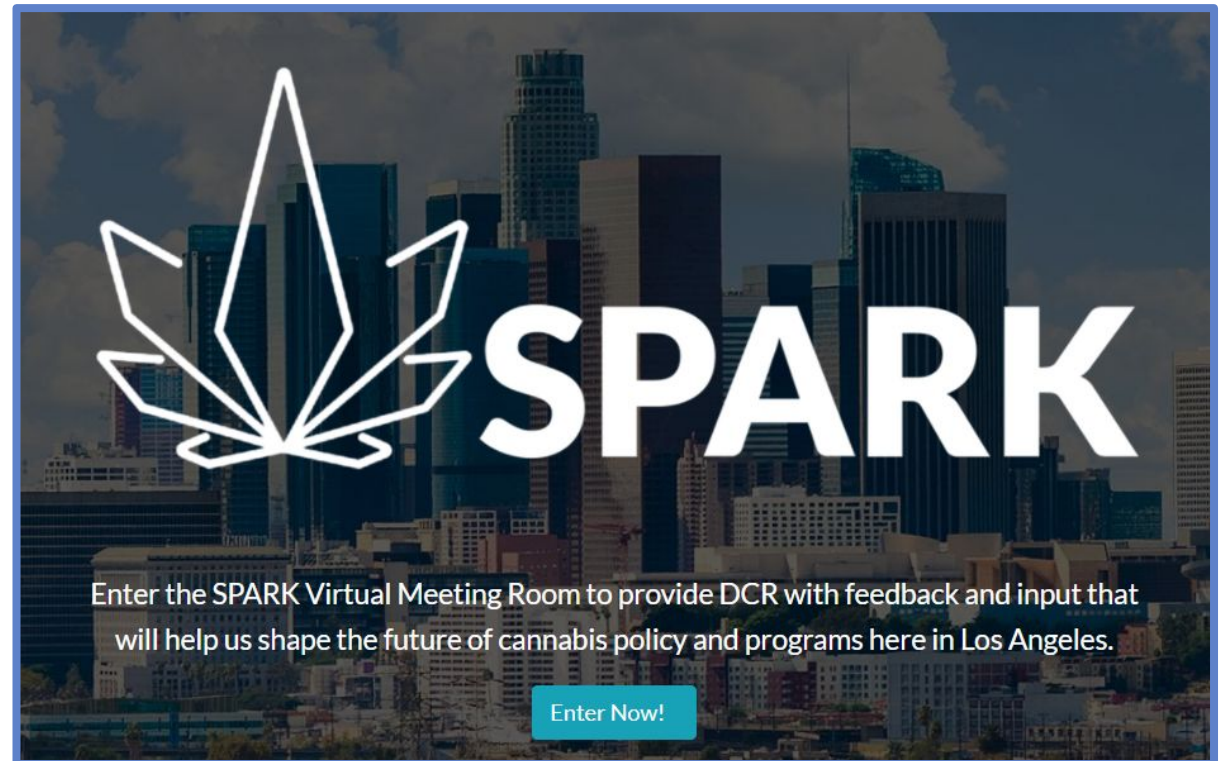
DCR Email Blast

SPARK Comment Box

SPARK Surveys

SPARK Sessions

**\*NEW\*** Email List



# Closing Remarks



