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CANNABIS REGULATION COMMISSION

January 20, 2022 , 2:00 p.m.

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



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Roll Call



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General Public Comment & Single / Multiple Agenda Item Comment

Agenda Item #1: Commission Business



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Agenda Item #2:

Findings to Continue Teleconference
Meetings Pursuant to AB 361 and Possible
Commission Action



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Agenda Item #3: Policy Update



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FY 2022-23 Proposed Budget

- DCR's FY 2022-23 budget request was submitted to the Mayor's Office in November 2021
- DCR requested:
 - Continuation of all existing positions authorities and funding resources
 - Requested an additional 21 additional positions to (1) expand its licensing section; (2) create a compliance and enforcement section; (3) provide increased access to information and assistance to, and engagement with, Social Equity Applicants; and (4) provide administrative support across the department to improve DCR's day-to-day operations. These positions will be divided across: Licensing and Regulation, Compliance and Enforcement, Social Equity and administrative support.
 - DCR also requested \$20 million from the General Fund (cannabis business tax revenue) to support Social Equity programming and unlicensed business enforcement.



C.F. 22-0026 Update - California Local Jurisdiction Assistance Grant (CLJAG)

C.F. 22-0026 - California Local Jurisdiction Assistance Grant (CLJAG) Grant Award

- November 15, 2021 - DCR submitted an application for the State's Local Jurisdiction Assistance Grant Program
- December 24, 2021 - State notified DCR that it was awarded the full amount of \$22,312,360
- January 7, 2022 - Councilmembers Harris-Dawson and Price introduced a resolution to accept the grant award
- January 13, 2022 - Adoption of the resolution is finalized by the Mayor and City Council



C.F. 21-1083 Update - Cannabis Licensing Process Recommendations

- On January 19, 2022 Councilmembers Harris-Dawson and Price introduced a motion that included pages previously omitted from their original September 29, 2021 motion.
- DCR has been working with staff from Council Districts 8 (CM Harris-Dawson) and 9 (CM Price) to refine the recommendations included in the original motion and DCR reports
- DCR to transmit an addendum report with updated recommendation language:
 - Proposed amendments to the LAMC based on the intent of the original motion to establish defined processing timelines;
 - Additional recommendations needed to effectuate the intent of the original motion, as well as address DCR concerns;
 - Implement the CLJAG grant program and execute related programming;
 - Add 21 resolution positions to implement CEQA and annual license application processes supported by the grant funding;
 - Without these additional positions, DCR will be unable to meet proposed processing timelines without significant delays to other processes.



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Agenda Item #3:
END.

Agenda Item #4: Licensing Report



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General Licensing Program Reminders/Updates



License Type	License CAP	Are Applications Currently Being Accepted?	Application Processing Restrictions	Comments
Testing	No	Yes	No	
Distribution	No	Yes	No	
Non-Volatile Manufacturing	No	Yes	No	
Volatile Manufacturing	Yes	No	No	
Cultivation	Yes	No	Yes. Limited to Social Equity Applicants until January 1, 2025.	
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.
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.

Overview of Commercial Cannabis Activity License Application Types



On October 1, 2021 the Department of Cannabis Regulation (DCR) began accepting new applications for the following commercial cannabis activities via the DCR Licensing Portal:

- Delivery Only (Limited to Social Equity Applicants Only)
- Delivery Only (Microbusiness) (Limited to Social Equity Applicants Only)
- Distribution
- Distribution - Transport Only
- Manufacturing - Type 6
- Manufacturing - N
- Manufacturing - P
- Manufacturing - S
- Cultivation - Processor
- Nursery (Limited to Social Equity Applicants Only)
- Testing



Overview of Commercial Cannabis Activity: Cultivation Types

- Nursery – for cultivators that only grow clones, immature plants, seeds or other types of cannabis used for propagation
- Processor – for cultivators that only trim, cure, dry, grade, package or label cannabis



Overview of Commercial Cannabis Activity: Non-Volatile Manufacturing Types

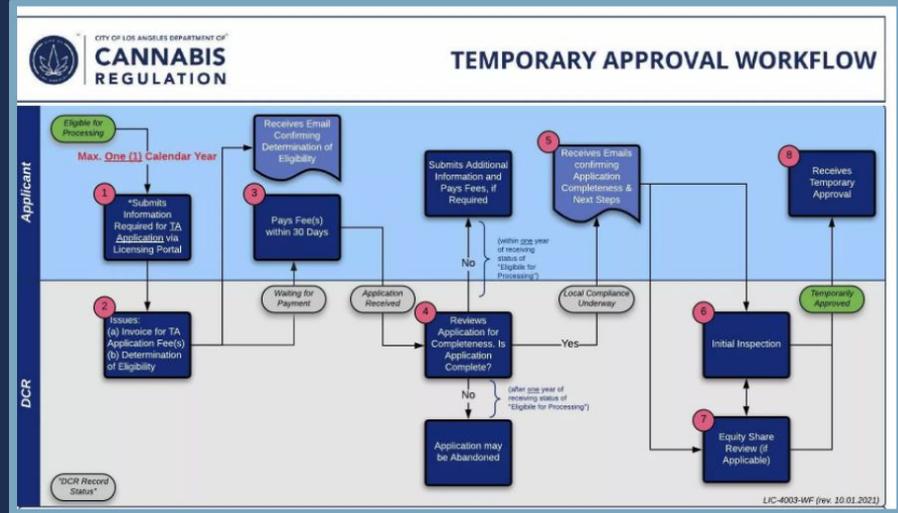
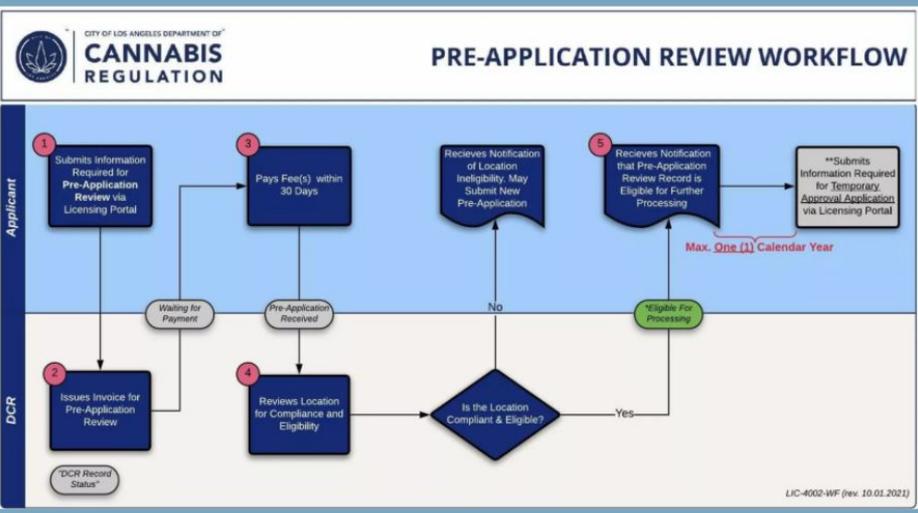
- **Manufacturer Level 1/Non-Volatile Manufacturing (Type 6) can:**
 - **Use non-volatile solvents for extraction or post processing**
 - **Use mechanical methods for extraction**
 - **Make cannabis products through infusion; infusion mixes cannabis extract or plant material with other ingredients to make a cannabis product**
 - **Package and label cannabis products**
- **Type N (Infusion of Products) Manufacturers can make cannabis products through infusion plus package and label cannabis products**
- **Type P (Packaging and Labeling) can only package and label cannabis products**
- **Type S (Shared-Use Facility) Manufacturers can extract cannabis using butter or cooking oils; make cannabis products through infusion; and Package and label cannabis**

Overview of Commercial Cannabis Activity: Distribution and Testing Types



- **Distributors can:**
 - Move cannabis and cannabis products between cultivation, manufacturing or distribution premises
 - Move finished cannabis goods to retail premises
 - Provide storage services to other licensees
 - Arrange for testing of cannabis goods
- **Distributor (Transport-Only) can:**
 - Move cannabis and cannabis products between cultivation, manufacturing or distribution premises
- **Testing laboratories can test cannabis goods prior to sale at a retailer**
 - Testing laboratories must obtain and maintain ISO/IEC 17025 accreditation. A Temporary Approval license may be used while you work on your accreditation.

How to Apply



General Licensing Program Reminders/Updates



- **Annual Renewal** -- DCR is still accepting late 2022 renewal applications until Monday, February 28, 2022.
 - Businesses that did not submit a timely 2022 renewal application do not have an active license. Therefore, those businesses may not operate until a late 2022 renewal application is submitted and Temporary Approval is issued.
- **Expedited Services** -- DCR implemented the Expedited Services Request process on December 27, 2021. To request expedited processing:
 - Submit complete Pre-Application Review, Temporary Approval, or Equity Share Document Review records through the DCR Licensing Portal;
 - Within 72-hours of submitting the record, email dcrlicensing@lacity.org and request expedited processing of that record;
 - Email subject line “Expedited Processing Request for DCR Record No. [Insert the record number]” and indicate whether you are requesting Expedited Services Level 1 (25% faster*) or Expedited Services Level 2 (50% faster*); and,
 - DCR personnel will email the requester an updated invoice with the applicable fee(s).

Licensing Program Updates:

No. of Business Premises By Phase and Record Status



Data Updated: JANUARY 20, 2022	Licensed Businesses		Businesses in the Application Process					Total Number of Businesses by Phase
	Annual Licenses Issued	Temporary Approvals Issued	Pending TA Application "Local Compliance Underway"	Pending Temporary Approval (TA) Applications	"Eligible for Further Processing"	Pending Pre-Applications	Pending Public Convenience or Necessity (PCN) Requests	
	LIC	TMP	APP	APP	PREAPP	PREAPP	PCN	
LAMC 104.07 (Phase 1)	0	185	0	1	N/A	N/A	N/A	186
LAMC 104.08 (Phase 2)	0	316	6	118	N/A	N/A	N/A	440
LAMC 104.06.1(b) (Phase 3 Retail Round 1)	0	39	59	107	0	0	N/A	205
LAMC 104.06.1(d) (PCN)	0	0	3	2	0	0	1	6
LAMC 104.06.1(e)/(f) (Delivery/Non-Retail)	0	31	52	69	21	12	N/A	185
General Application Processing	0	19	17	20	8	43	N/A	107
LAMC 104.09 (Testing Labs)	0	4	5	5	0	0	N/A	14
Total Number of Businesses by Stage	0	594	142	322	29	55	1	1143



Licensing Program Updates:

Phase 3 Retail Round 1 Application Processing Update

To date:

120 businesses have uploaded one or more Temporary Approval documents.

59 of the **120** businesses have uploaded the minimum number of completed Temporary Approval documents and are eligible for a status of "Local Compliance Underway".

47 of the **59** businesses have scheduled an Initial DCR Inspection.

45 of the **47** have passed an Initial DCR Inspection.

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



Agenda Item #4:
END.

Agenda Item #5: Social Equity Program Report



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Summary of Activities to Date: Social Equity Program



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



Social Equity Program Benefits and Resources

- Application Processing
- Business, Licensing, and Compliance Assistance Program
- SEED Grant Program
- Pro Bono Legal Services



Application Processing



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Business, Licensing, and Compliance



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BLC





2022 BLC Programming Overview

Monthly “Beachside Chats”

- Panels of Cannabis Experts with Audience Q&A

29 Webinars through April

- Covering topics ranging from licensing to career pathways to raising capital

New LMS content

- Expanded

70 Hours of Office Hours

- Small group Q&A sessions with subject matter experts



Learning Management System



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Welcome to the City of Los Angeles Department of Cannabis Regulation's Business Licensing and Compliance Assistance portal. Business Licensing and Compliance Assistance is a program available through the City's Social Equity Program (SEP).

Log In

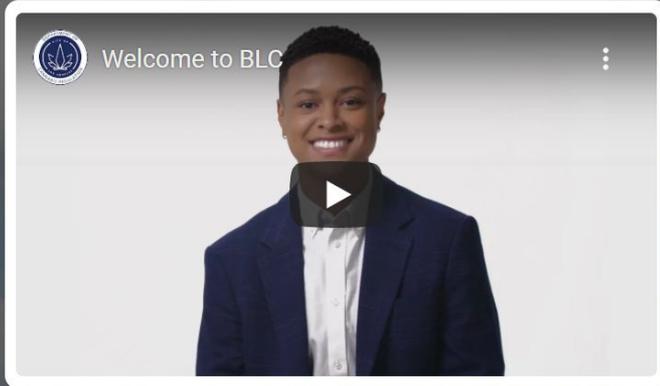
[Forgot Email?](#) | [Forgot password?](#)

Need help logging in? Contact us at DCR.SEP@lacity.org

Learning Management System



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WELCOME

Welcome to the Department of Cannabis Regulation's new Business, Licensing and Compliance Assistance Program online Learning Management System (LMS). We hope that you will take advantage of the many resources available to you on this platform made available through the Social Equity Program.

Resources for Commercial Cannabis License Applicants

How to Apply for a Commercial Cannabis License

January 13: Location Requirements

January 20: Temporary Approval Process

January 27: Filling out your Application Forms

February 3: Equity Share Requirements

EVERY THURSDAY at 6 PM



BLC
BUSINESS, LICENSING, AND COMPLIANCE
ASSISTANCE PROGRAM



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January Webinar Series



Pathways for Career Growth in the Cannabis Industry

STAY TUNED FOR TWO UPCOMING VIRTUAL SESSIONS!

JANUARY 18 & 25

12 - 1:30 PM

YOUR PREVIEW OF FEBRUARY EVENTS

Tuesday
1 COMMERCIAL LEASES
& NEGOTIATION

Thursday
3 EQUITY SHARE REQUIREMENTS

Monday
7 MONTHLY BEACHSIDE CHAT

Thursday
10 STATE & LOCAL
HIRING COMPLIANCE

Friday
11 INTERVIEW SESSION FOR
JOB SEEKERS

Tuesday
15 HEMP & NON-RETAIL
CAREER PATHWAYS

Thursday
17 TECHNOLOGY RESOURCE LISTS

Tuesday
22 WORKER EDUCATION
& CERTIFICATION

Thursday
24 IDENTIFYING FUNDS &
RAISING CAPITOL



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February Events Preview

Summary of Activities to Date: SEED Grant Program



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SEED

ELEVATEIMPACTLA.COM

SEED: Background



- In April 2021, the City of Los Angeles established the Social Equity Entrepreneur Development (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**
- **Application period opened - April 20, 2021**
- **Application period closed - August 18, 2021**



SEED 1.0



- Grant Amount: **\$25,000**
- Grant Recipients: **148**



SEED 2.0



- 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
- Grant Recipients: **58**





SEED Pro Rata Distribution

DCR disbursed all remaining funds not awarded 90 days prior to the end of the City's Agreement with the California Governor's Office of Business and Economic Development, on a pro rata basis to Applicants who applied by the deadline (August 18, 2021) and who were eligible for grant funds.

Remaining 1.0 funds were divided evenly amongst all approved SEED 1.0 Applicants.

Remaining 2.0 funds were divided evenly amongst all approved SEED 2.0 Applicants.



SEED GRANT CLOSE OUT



As of December 6, 2021 the City of Los Angeles has disbursed:

\$ 6 million to

206 Social Equity Applicants and Licensees

ALL SEED GRANT DOLLARS HAVE BEEN DISBURSED !!!





LACBA Pro Bono Legal Assistance

Programming currently available to Phase 3 Retail Round 1 Applicants eligible for further processing.

DCR will open up eligibility for Pro Bono Legal Services to include Delivery-only Applicants Deemed Eligible For Further Processing.

If you are interested PLEASE sign up on our website:

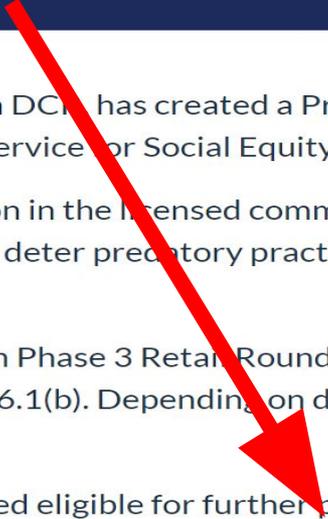
<https://cannabis.lacity.org/social-equity-program/program-benefit-and-resources/pro-bono-legal-services>





Pro Bono Legal Services

SIGN UP HERE



[Home](#) > [Social Equity Program](#) > [Program Benefit And Resources](#) > [Pro Bono Legal Services](#)

The Los Angeles County Bar Association's Cannabis Section, in partnership with DCA, has created a Pro Bono Legal Assistance program which will operate through the Bar Association's Smart Law Referral Service for Social Equity Applicants.

The goals of this referral resource are to promote fair and equitable participation in the licensed commercial cannabis industry, and to foster a level playing field as it relates to access to legal counsel, and help deter predatory practices targeting the social equity community.

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 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 complete the online survey titled "[Pro Bono Legal Services Survey](#)." You must complete the required information in the Pro Bono Legal Services Survey and upload the [Authorization Agreement](#) to the survey to complete the survey process.

Thank You



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