



FAQ Good Faith Hiring for Cannabis Licensees

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Frequently Asked Questions (“FAQ”)

What are the Good-Faith Hiring Requirements (GFHR)?

The City of Los Angeles Municipal code establishes good-faith hiring requirements for Social Equity Applicants and Tier 3 Applicants as follows:

EMMDs & General Applicants

Los Angeles Municipal Code section 104.11(m)

"A Licensee shall make a good-faith effort to have no less than 30% of the weekly hours of the Licensee's workforce performed by Employees whose primary place of residence is within a three mile radius of the Business Premises. A Licensee shall make a good-faith effort to have no less than 10% of the weekly hours of the Licensee's workforce performed by Employees who are Transitional Workers."

30% Local and 10% Transitional

Social Equity Licensees

Los Angeles Municipal Code section 104.20(c)(2)(ii)

"A Social Equity Individual Applicant shall make a good faith effort to have no less than 50 percent of the weekly hours of the Licensee's workforce performed by Employees whose primary place of residence is within a 3-mile radius of the Business Premises location. Of those Employees, 20 percent shall be Social Equity Workers and 10 percent shall be Transitional Workers."

50% Local, 20% Social Equity and 10% Transitional Workers (one worker can count multiple times)

Tier 3 Licensees

Los Angeles Municipal Code section 104.20(c)(2)(iii)

"A Tier 3 Applicant shall make a good faith effort to have no less than 50 percent of the weekly hours of the Licensee's workforce performed by Employees whose primary place of residence is within a five-mile radius of the Business Premises. Of those employees, 30 percent shall be Social Equity Workers and 10 percent Transitional Workers."

50% Local, 30% Social Equity and 10% Transitional Workers

A Licensee is required to provide a detailed semiannual report on the first business day of January and the first business day of July every year that provides evidence of its outreach efforts, including the number of persons interviewed and details on who was hired to satisfy the good faith requirement.

Who needs to fill out the survey?

Every licensed cannabis business in the City of Los Angeles must participate in this survey and fill it out by April 1, 2022.

What if my circumstances change by hiring more personnel?

This survey is a snapshot of your current status. If you plan to recruit more staff before April 1, you are encouraged to wait until you have hired the new

employees before filling out the survey. You should complete this survey only once for each Business Premises location. You can update your answers.

What if I have multiple licenses?

You must fill out the survey once for each Business Premises location.

What if an employee qualifies for more than one criteria?

A single employee can be counted more than once to determine compliance with different good-faith hiring requirements. For example, if you count an employee as a Social Equity Worker, that person may also be included as a Transitional Worker, if they meet the criteria in both definitions. You can determine in which categories to count each employee.

What is a Social Equity Worker?

The City of LA qualifies social Equity Workers according to the City of Los Angeles Municipal Code Section 104.20. You may inquire about the status of a candidate during the hiring process to determine if the City has qualified them as Social Equity workers

What is a Local Worker?

For Social Equity Licensees, an employee is local if they live within 3 miles of the Business Premises. For all other Licensees, an employee is local if they live within 5 miles of the Business Premises. To measure the distance between the employee address and the business, use [Radius Mapping](#) or [Map Location 3-mile Circling](#). You can also use Google maps to measure distance by selecting a starting point, right-clicking, and choosing **Measure Distance**.

What is a Transitional Worker?

A transitional worker means an individual who, at the time of starting employment at the Business Premises, resides in an Economically Disadvantaged Area or Extremely Economically Disadvantaged Area, as defined in Section [11.5.6](#) of the City of Los Angeles Municipal Code, and faces **at least two** of the following barriers to employment:

1. *Being homeless*

2. *Being a single custodial parent*
3. *Receiving public assistance*
4. *Lacking a GED or high school diploma*
5. *Having a criminal record or other involvement with the criminal justice system*
6. *Suffering from chronic unemployment*
7. *Emancipated from the foster care system*
8. *Being a veteran*
9. *Over the age of 65 and financially compromised.*

What are Economically Disadvantaged and Extremely Economically Disadvantaged Areas?

"Economically Disadvantaged Area" means a zip code that includes a census tract or portion thereof in which the median annual household income is less than \$40,000 per year, as measured and reported by the U.S. Census Bureau in the 2010 U.S. Census and as updated by the parties upon the U.S. Census Bureau issuing updated Median Annual Household Income data by census tract in the American Community Survey.

"Extremely Economically Disadvantaged Area" means a zip code that includes a census tract or portion thereof in which the median annual household income is less than \$32,000 per year, as measured and reported by the U.S. Census Bureau in the 2010 U.S. Census and as updated by the parties upon the U.S. Census Bureau issuing updated Median Annual Household Income data by census tract in the American Community Survey.

[Good Faith Hiring](#)

scan QR code



[Business License Survey](#) click the link or scan QR code for good faith reporting.