

Department of Cannabis Regulation Phase 3 Retail Round 2 Registration Technical Assistance Webinar #1



Presentation for:
Prospective or verified Social Equity Individual Applicants pursuant
to Los Angeles Municipal Code sec. 104.06.1(c)(2)

August 31, 2022

What is Technical Assistance ?



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- **Technical assistance is the Department of Cannabis Regulation's (DCR) process of providing targeted support to a group of stakeholders.**
 - Common types of technical assistance include, but is not limited to, webinars, virtual training, email exchanges, or phone calls.
- **Pursuant to Los Angeles Municipal Code (LAMC) section 104.06.1(c), DCR must make technical assistance available to prospective or verified Social Equity Individual Applicants for a period of at least 45 days before opening the lottery registration period.**
 - DCR is formally opening the required period of time to make technical assistance available to prospective or verified Social Equity Individual Applicants.
 - DCR plans to hold four Technical Assistance webinars during this required period.

Technical Assistance Schedule



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- **Technical Assistance Webinar #1 (August 31)**: Overview of the lottery and relevant timing considerations if selected, i.e. one year to complete Pre-Application Review, another year to submit an Application, and reminder about the State's provisional license deadline in March 2023.
- **Technical Assistance Webinar #2 (September 14)**: How to proactively prepare for the lottery and/or the application process if selected, i.e. overview of the BTRC application process and Legal Entity Record process.
- **Technical Assistance Webinar #3 (September 28)**: Step-by-step instructions on how to register for the lottery.
- **Technical Assistance Webinar #4 (October 12)**: Overview of Webinars 1-3 and open Q&A regarding the Phase 3 Retail Round 2 lottery registration process.

What is the Social Equity Program?



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The City of Los Angeles is one of the few jurisdictions in the United States addressing the inequitable impacts of prior cannabis criminalization by developing and implementing policies that focus on equity in cannabis policy reform. DCR's Social Equity Program (SEP) is one tool the City of Los Angeles is using to acknowledge and repair the harm caused by the War on Drugs and the unequal enforcement of cannabis laws in the past.

The Social Equity Program focuses on the inclusion and support of individuals in the City's legal cannabis market who may be from communities that were negatively or disproportionately impacted by prior cannabis criminalization.

Social Equity Program Benefits



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- **The Social Equity Program (SEP) provides various benefits and/or resources to verified SEIAs.**
- **Types of benefits that have been provided :**
 - Priority Application Processing
 - Business, Licensing, and Compliance Assistance
 - Pro Bono Legal Services
 - Fee Deferrals
 - SEED Grant Program

Los Angeles Municipal Code (LAMC)

Sec. 104.06.1(c)



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- The Social Equity Program (SEP) commercial cannabis activity application processing for Type 10 (storefront retailer) Round 2 pursuant to LAMC sec. 104.06.1(c) is commonly referred to as Phase 3 Retail Round 2 (P3RR2).
- 60-day eligibility verification period for individuals to apply to be verified as a Social Equity Individual Applicant (SEIA) under the revised eligibility criteria in Section 104.20(b).
 - All SEIA Eligibility Verification Fees were waived through a State funded grant program.
- 90-day processing period for DCR to determine eligibility which could not run concurrently with the 60-calendar day eligibility verification period.
- 30-day lottery registration period for verified Social Equity Individual Applicants, as defined in Section 104.20(b).
- Technical assistance must be made available at least 45 days prior to the lottery registration period and may run concurrently with the processing period.
- After providing at least 15 days notice, DCR may administer a lottery to identify as many SEIAs as there are available Licenses in Community Plan Areas that have not reached Undue Concentration.

Los Angeles Municipal Code (LAMC) Sec. 104.06.1(c)(1)



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- Pursuant to LAMC sec. 104.06.1(c)(1), DCR accepted SEIA eligibility verification requests for 60 calendar days from May 26, 2022 to July 25, 2022 at 4:00 P.M. Pacific Time (PT).
- Pursuant to LAMC sec. 104.06.1(c)(1), DCR began the 90-calendar-day processing period after 4:00 P.M. Pacific Time (PT) on July 25, 2022.
 - DCR shall have at least 90 calendar days to determine SEIA eligibility which shall not run concurrently with the 60-calendar day eligibility verification period.
- **The 90-calendar-day processing period may conclude as early as Sunday, October 23, 2022.**
 - 1,275 SEIA eligibility verification requests, inclusive of duplicate and test requests, were submitted during the 60-day filing period.

Eligibility Criteria for Verification



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- The eligibility verification process ensures that individuals meet the criteria of as a Social Equity Individual Applicant under LAMC 104.20(b)(1) to participate in the DCR’s license application process.
- The eligibility criteria for verification has changed since it was last implemented in 2019. For example, in 2020, revisions were made to the definitions for “Low-Income” and “Disproportionately Impacted Areas,” among other changes.
- To be verified as a Social Equity Individual Applicant under LAMC 104.20(b)(1), you must satisfy two of the three following criteria: (1) cannabis arrest or conviction in California that occurred prior to November 8, 2016 that was not a violation of Proposition D; (2) 10 years of cumulative residency in a Disproportionately Impacted Area; and, (3) Low Income in the 2020 or 2021.

Participation in the Phase 3 Retail Round 2 Lottery



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In order to participate in the Phase 3 Retail Round 2 lottery, an individual must be:

- 1. Verified as a Social Equity Individual Applicant under LAMC 104.20(b)(1);**
- 2. Verification must include a qualifying California Cannabis Arrest or Conviction* prior to November 8, 2016; and,**
- 3. At least one other eligibility criteria.**
 - a. 10 years of cumulative residency in a Disproportionately Impacted Area as defined by police reporting districts; or,
 - b. Low Income in the 2020 or 2021 calendar year.

***An arrest, prosecution or conviction for a violation of Proposition D is not a California Cannabis Arrest or Conviction.**

Pre-Application Requirements, Process and Anticipated Timelines

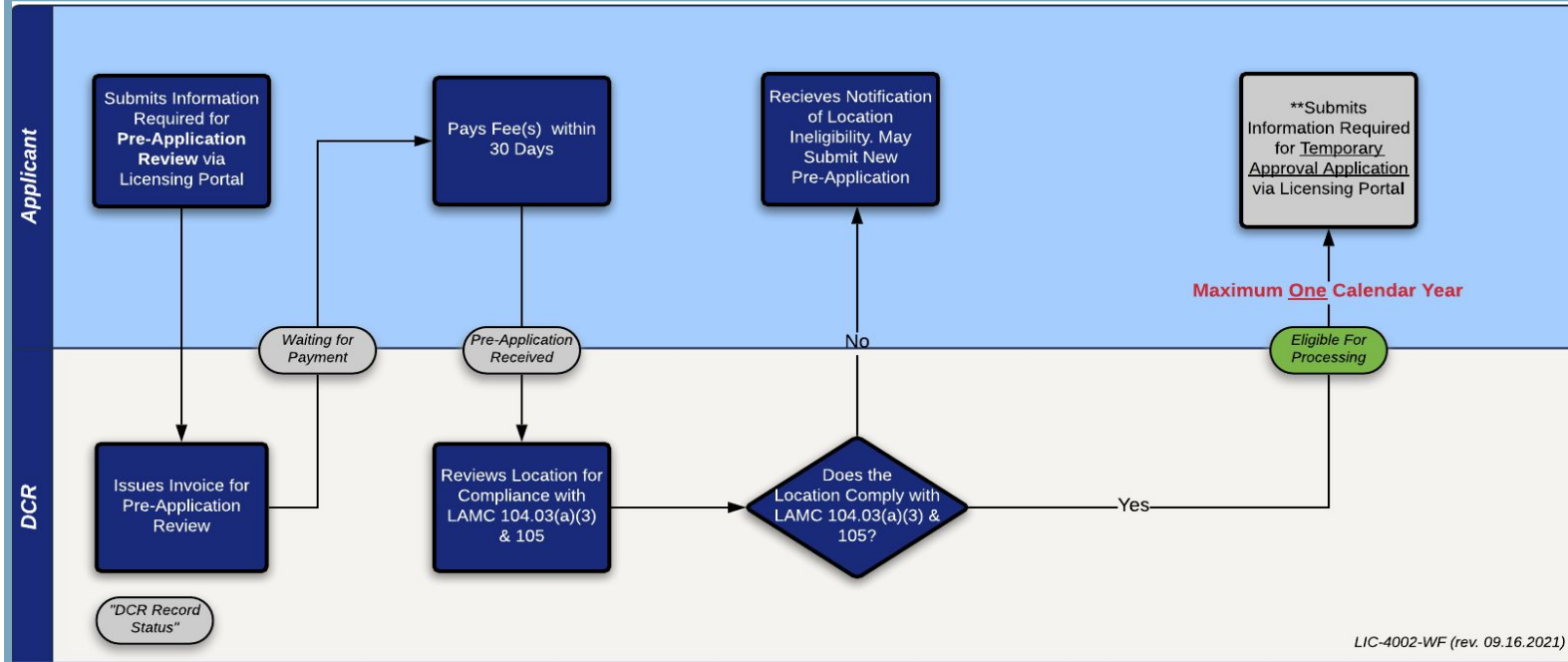


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PRE-APPLICATION REVIEW WORKFLOW



Technical Assistance Schedule



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Technical Assistance Webinar #1 Q&A



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Q&A

