



# CANNABIS REGULATION COMMISSION

*September 22, 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: Report from the Interim Executive Director



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Agenda Item #3:  
END.



# Agenda Item #4: Report From the Los Angeles Police Department



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# LAPD Report: Unauthorized Commercial Cannabis Activity

## Enforcement Tools:

- Cease and Desist Letters
- Search Warrants
- Utility Disconnections (LAMC 104.15 (e))
- Padlock Ordinance (LAMC 104.15.1)



# LAPD Report: Unauthorized Commercial Cannabis Activity

## 2022 Year to Date Enforcement Stats

- Currency Seized: \$2,707,606.75
- Cannabis Seized: 65,921.85 pounds
- Search Warrants Served: 231
- Investigations Conducted: 25
- Cannabis Related Arrests: 413
  - 208 Felony
  - 205 Misdemeanor
- Utility Disconnects: 149
- Padlock and Board Up locations: 12
- Cease and Desist Letters Issued: 158
- Unlicensed Cannabis Locations: 86
- Firearms Recovered:
  - 68 Handguns
  - 17 Rifles
  - 2 Shotgun



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Agenda Item #4:  
END.



# Agenda Item #5:

## Report from DCR on the Compliance and Enforcement Program



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Agenda Item #5:  
END.

# Agenda Item #6: Report from DCR on the Social Equity Program



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# 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.”



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Business,  
Licensing and  
Compliance



# Program Benefits and Resources

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





# BLC Program Overview

## 2022

- 6 Beachside Chat Q&A Sessions
- 32 Live Webinars
- 300 hours of one-on-one business, professional or workforce development coaching

## 2021

- 100 hours of self-paced content and live webinars in our Learning Management System (LMS)



# Individual Eligibility Verification Update

- The individual eligibility verification process application period closed on July 26, 2022 with a total of 1,275 submissions currently in review.
- After the review process is complete, all newly Verified Social Equity Individual Applicants will have immediate access to all program benefits and resources.



# BLC Website

The SEP Team is currently developing a standalone website for the Business, Licensing Compliance and Technical Assistance Program. This website will have the same great features including the following:

- Access to the Online Learning Management System (LMS)
- Pro Bono Legal Services Registration
- Low Bono Legal Services Registration
- Webinar Registration
- Jobs Board
- Video Archive



*The BLC*  
**Cannadispatch**



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## SEPTEMBER EVENT SERIES

Tuesday

6

**BEACHSIDE CHAT: TECH  
TOOLS FOR MEDICAL  
CANNABIS**

Thursday

8

**CONTRACTING**

Tuesday

20

**COMMERCIAL LEASES  
& NEGOTIATION**

Thursday

22

**LEGAL BUSINESS  
STRUCTURES**

September Webinars include:

- Beachside Chat: Tech Tools for Medical Cannabis (September 6, 2022)
- Contracting (September 8, 2022)
- Commercial Leases & Negotiation (September 20, 2022)
- Legal Business Structures (September 22, 2022)



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# Workforce Wednesday Series



- The first Workforce Wednesday event was held on September 14, 2022.
- This Business to Business virtual mixer focused on Supply Chain employers and hiring practices.
- The next mixer will be on October 12, 2022.



# Free Coaching



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We are thrilled to offer over 300+ hours of free business, professional, and workforce development coaching with subject-matter experts from a wide range of expertise.

- **Commercial Leases & Negotiation**
- **Contracts**
- **Business Structures**



# Workforce Development Training

For job seekers, please check out our free coaching opportunities:

- Interview Training
  - Resume review
  - Resume writing assistance
  - Mock interview with coaches
- Coaching for Job Seekers
  - Skills required for specific careers within the cannabis space
  - Job application process
  - Where to find cannabis jobs

# Jobs Board



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## **Bush Family Farms - Retail Incubation Position**

**Sales / Marketing**

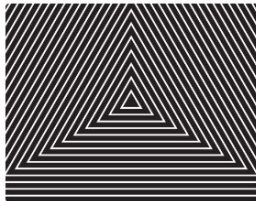
**Start Date:** Jul 08, 2022



## **Apothecary Collective - Bud Tender / Receptionist Position**

**Bud Tender**

**Start Date:** Jul 15, 2022



## **PGB - MICROPROP LAB TECH/ASSISTANT**

**Agriculture**

**Start Date:** Aug 01, 2022

## Jobs Board Features:

- Gives job seekers real time updates on available positions
- Allows job seekers to upload their resumes
- Have the confidence to know that they are working for a licensed cannabis operator
- Allow licensed operators to recruit for local, transitional and social equity hires



# LACBA Legal Assistance

## Pro Bono:

- Available to Retail & Delivery applicants
- 50 applicants have been referred through the Los Angeles County Bar Association's Smart Law Referral Service

If you have questions about eligibility, please contact us at [DCR.SEP@lacity.org](mailto:DCR.SEP@lacity.org)



# 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 DCM, 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 Retain 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.





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# LACBA Legal Assistance

## Low Bono:

- Available to Retail & Delivery applicants
- 30 hours of legal consultation and services at \$35/hour per applicant

Program launch **COMING SOON!**



# LA SEED Rental Grant Program

In partnership with Elevate Impact LA, the City of Los Angeles Department of Cannabis Regulation is disbursing \$5 million in funding from the 2022 Cannabis Equity Grant for Local Jurisdictions.

SEED Rental Grant funds may be used for the following purposes:

- To pay rent or a security deposit pursuant to a fully executed commercial lease
- To finance up to one month of back rent due on a fully executed commercial lease
- To secure a Letter of Intent by paying the required security deposit
- To assist with building or construction costs for the purposes of renovating a location to operate a licensed commercial cannabis storefront retail location

We are excited to announce that this program has officially launched today!



# LA SEED Rental Grant Program

- SEED 1
  - o The SEED 1.0 Rental Grant Program utilizes \$4 million in funding from the Cannabis Equity Grant for Local Jurisdictions to provide financial assistance to Phase 3 Retail Round 1 Verified Social Equity Individual Applicants and Licensees.
  - o Applicants may apply to receive a financial grant of up to \$50,000.

First Disbursement Course Requirement: Commercial Leases & Contract Negotiations Parts 1 & 2.

Second Disbursement Course Requirement: Business Planning & Operational Development

Third Disbursement Course Requirement: Third “elective” course may be chosen by the applicant but must be selected from the DCR LMS.



# LA SEED Rental Grant Program

- SEED 2
  - The SEED 2.0 Rental Grant Program utilizes \$1 million in funding from the Cannabis Equity Grant for Local Jurisdictions to provide financial assistance to verified Social Equity Individual Applicants and Licensees who: (1) are seeking Temporary Approval or a License for license type that is not retail commercial cannabis activity; (2) have passed the Pre-Application Review stage with a compliant proposed Business Premises; and (3) have executed lease and/or binding Letter of Intent for that proposed Business Premises.
  - Applicants may apply to receive a financial grant of \$10,000.

First Disbursement Course Requirement: Commercial Leases & Contract Negotiations Parts 1 & 2.



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# LA SEED Rental Grant Program Launch

## Additional Resources:

### **Lunch & Learn Application Training Sessions**

Training webinars will walk applicants through the rental assistance grant application. The registration information for these sessions will be made available soon.







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Agenda Item #6:  
END.

# Agenda Item #7: Report from DCR on the Licensing Program



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# List of Item #7 Discussion Topics

- Hiring update and current vacancy rate;
- Update on current and future licensing procedures;
- Streamlined BTRC registration process;
- Legal Entity Record process;
- Social Equity Individual Applicant (SEIA) eligibility verification and LAMC 104.06.1(c) procedures updates; and,
- System enhancements.



# Hiring Update and Current Vacancy Rate (39.66%)

- 35 of 58 authorized positions are filled.
  - DCR's 23 vacant positions creates a 39.66% vacancy rate.
  - DCR will be interviewing for all 23 vacancy positions between next week and the end of the year.
  - DCR's vacancy rate should fall below 20% by December 31, 2022.
- The Civil Service Commission allocated 12 positions on August 25, 2022.
- Critical Vacancies include:
  - Asst. General Manager, seven supervisor/management positions, licensing analyst positions, administrative support positions, Public Information Director and Public Relations Specialist.



# Licensing Record Types

- Legal Entity Record
- Pre-Application Review Record
- Public Convenience or Necessity Record
- Application Records
  - Temporary Approval Application Record
  - Environmental Review Record
  - Annual Application Record
- Renewal Record
- Lottery Registration Record



# Application Record Streamlining/ Application Document Types



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DOCUMENT NO.	DOCUMENT TITLE	ENTITY RECORD	PRE-APP RECORD	PCN RECORD	TEMP-APP RECORD	ENV-REVIEW RECORD	ANN-APP RECORD
LIC-4001-FORM	Public Convenience or Necessity Finding Request			X			If Applicable
LIC-4002-FORM	Stakeholder Input Request			X			If Applicable
LIC-4003-FORM	List of Primary Personnel and Owner(s)	X					Legal Entity Record
LIC-4004-FORM	Primary Personnel and Owner Attestation	X					Legal Entity Record
LIC-4005-FORM	Indemnification Agreement				X		X
LIC-4006-FORM	Labor Peace Agreement/Attestation				X		X
LIC-4007-FORM	Landowner Attestation				X		X
LIC-4008-FORM	Ownership and Financial Interest Holder Form	X					Entity Record
LIC-4009-FORM	Authorized Agent Acknowledgement	If AA selected					If Applicable
LIC-4010-FORM	Temporary Approval/License Attestation				X		X
LIC-4013-FORM	Project-Specific Information					X	X
LIC-4017-FORM	Landowner Attestation for Location Eligibility (LAMC 104.03)		X				X
LIC-4020-FORM	No Alcohol or Tobacco Applicant Attestation				X		X
SEP-6001-FORM	SEP - Owner Compliance Attestation	SEA APPS					If Applicable, Legal Entity
DCC-Business Premises	Business Premises Diagram (DCC)				X		X
GEN-BUS-ORG-DOCS	Business Formation and Organization Documents	X					Legal Entity Record
GEN-EQ-SHR-DOCS	Equity Share Documents	SEA APPS					If Applicable, Legal Entity
GEN-LEASE-DEED-OTH	Executed Lease, Property Deed, or Other Evidence of Legal Right to Occupy				X		X
GEN-FICBUSNAME	Stamped Fictitious Business Name Filing with LA County	OPTIONAL					If applicable, Legal Entity Record
CASOS-SOI	CA Secretary of State Statement of Information	X					Legal Entity Record
CASOS-REG	CA Secretary of State Registration	X					Legal Entity Record
OTHER	All applicable health, building, fire, and/or other licenses/permits.						X



# How to Register for a Business Tax Registration Certificate (BTRC)

Before you can submit a complete business tax certificate application, you will need:

1. An Employer Identification Number (EIN) from the Internal Revenue Service;
  - a. <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>
2. A California Secretary of State entity number (Sole Proprietorships do not need to meet this requirement);
  - a. <https://bizfileonline.sos.ca.gov/forms/business>
3. A California Department of Tax and Fee Administration (CDTFA) seller's permit.
  - a. <https://www.cdtfa.ca.gov/services/#Register-Renewals>

# Helpful Links



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City of Los Angeles Office of Finance - Business Tax Certificate Application Form

<https://finance.lacity.org/sites/g/files/wph1721/files/2022-01/2022%20BTRC%20Application.pdf>

Email completed Business Tax Certificate Application Forms to [DCRLicensing@lacity.org](mailto:DCRLicensing@lacity.org)

City of Los Angeles Office of Finance - Business Registration Requirements FAQ

<https://finance.lacity.org/faq/business-registration-requirements-faq>

Internal Revenue Service starting a business:

<https://www.irs.gov/businesses/small-businesses-self-employed/starting-a-business>

California Governor's Office of Business and Economic Development Permit and Regulatory Assistance:

<https://business.ca.gov/advantages/permit-and-regulatory-assistance>

# How to Register for a Business Tax Registration Certificate (BTRC)



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City of Los Angeles  
Office of Finance  
200 N Spring St. Rm 101  
Los Angeles, CA 90012

Email application to: [finance.customerservice@lacity.org](mailto:finance.customerservice@lacity.org)



## BUSINESS TAX APPLICATION

If you do any type of Retail or Wholesale sales, you are required to fill out the Tobacco Retailers questionnaire/Application

The following information is subject to disclosure

**Business Type** (check one): ☐ Individual ☐ Corporation ☐ Partnership ☐ LLC ☐ Trust  
Please print or type

**Legal Name:** \_\_\_\_\_

Do not use DBA here

**Business Address:** \_\_\_\_\_

Do not use P.O. Box

Street address

City

State

Zip Code

Check appropriate box ☐

Commercial location

☐ Residence

**Fictitious Business Name (DBA):** \_\_\_\_\_

**Care Of (C/O):** \_\_\_\_\_

**Mailing Address:** \_\_\_\_\_

Street address or P.O. Box

City

State

Zip Code

Check appropriate box ☐

Commercial location

☐ Residence

**Starting date of business in the City of Los Angeles:**

Month \_\_\_\_\_

Day \_\_\_\_\_

Year \_\_\_\_\_

**Social Security number (SSN) – OR – Federal Employer Identification number (FEIN):** \_\_\_\_\_

**Sales Tax Number (Seller's Permit):** \_\_\_\_\_

**Description of Business:** \_\_\_\_\_

(Provide in detail)


**E-mail Address:** \_\_\_\_\_

**Business Phone Number:** \_\_\_\_\_

# Creating a Legal Business Entity Record




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311 🔍 ☰

**Los Angeles Department of Cannabis Regulation**

Announcements(52) ⌵   Logged in as: Jason L Killeen   ☐ Accessibility Support   Account Management   Logout



**Home**   Activities

Dashboard   My Records   My Account   Submit a Modification Request   Advanced Search

**Activities**

Apply for a License

Search for a License



# Creating a Legal Business Entity Record



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311



Los Angeles Department of Cannabis Regulation

Announcements(52)

Logged in as: Jason L Killeen

Account Management

Logout

Search...



Home

Activities

Apply for a License

Search for a License

Select a License Record Type

Choose one of the following available record types. For assistance or to apply for a record type not listed below please contact us.



Search

▸ Request for Pre-Application Review

▸ Modification

▾ Business Legal Entity Record

○ Legal Business Entity Application

Continue »





# Creating a Legal Business Entity Record



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Los Angeles Department of Cannabis Regulation

Announcements(52) Logged in as: Jason L Killeen Account Management Logout

Home Activities

Apply for a License Search for a License

Search... 🔍

Legal Business Entity Application

1 Begin

2 People

3 Documents Required

4 Review

5 Pay Fees

6

\* indicates a required field.

Entity Options

\* ACA Reference Id:

\* Request Equity Share Review:

☐ Yes ☐ No

\* BTRC Master Account:

\* SOI Entity Number:

Do you want to designate an Authorized Agent to sign and submit forms and documents to DCR on behalf of the Applicant or Licensee?:

☐ Yes ☒ No

Save and resume later Continue »



# Creating a Legal Business Entity Record

- ACA Reference Id
  - Enter the Accela Citizen Access Reference Contact ID associated with the legal business entity.
- Request Equity Share Review
  - Not Required, but must be completed prior to applying for commercial cannabis activities limited to Social Equity Applicants.
- BTRC Master Account
- SOI Entity Number
- Do you want to designate an Authorized Agent to sign and submit forms and documents to DCR on behalf of the Applicant or Licensee?



## Creating a Legal Business Entity Record (cont.)

- Identify Owners, Primary Personnel, and, if applicable, an Authorized Agent.
- Upload all required ownership, primary personnel, business formation documents, operating agreements, and if applicable, social equity application specific information, documents, and forms.
  - If you requested “Equity Share Review”, you will be required to upload social equity application specific information, documents, and forms.
- DCR will generate an invoice for applicable fees based on the selections made during the intake process.



# SEIA Eligibility Verification Update

VERIFICATION REVIEWS COMPLETED	
First Level Reviews Completed	365
Secondary Level Reviews Completed	182
Duplicates <i>(will not be reviewed)</i>	119
Total Reviews Completed	301



# SEIA Eligibility Verification Update

<b>INELIGIBLES PENDING FINAL REVIEW</b>	
<b>Pending Final Review (Jason)</b>	<b>74</b>
<b>Confirmed Ineligible</b>	<b>0</b>
<b>Overtured - Eligible For Lottery</b>	<b>0</b>
<b>Overtured - Eligible For Delivery Only</b>	<b>0</b>
<b>Final Reviews Completed</b>	<b>0</b>



# LAMC 104.06.1(c) Update

Los Angeles Municipal Code sec. 104.06.1(c) is commonly referred to as Phase 3 Retail Round 2 (P3RR2).

In order to participate in the P3RR2 lottery, an individual must be:

- Verified as a Social Equity Individual Applicant (SEIA) under LAMC 104.20(b)(1); and,
- The SEIA's Verification must include a qualifying California Cannabis Arrest or Conviction\* prior to November 8, 2016.

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





# LAMC 104.06.1(c) Update

- Technical Assistance Webinar #1 (August 31)
- Technical Assistance Webinar #2 (September 14)
- 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.
- Processing of the 1,275 SEIA Eligibility Verification Requests should be completed by Sunday, October 23, 2022 (90th day).



# What is Technical Assistance ?

- 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.



# System Enhancements

- Modification Request Records
  - Ownership, primary personnel, and entity changes will be submitted against the Legal Entity record
  - Automate record updates to enable/disable modification requests based on individual record data
  - Simplify the process to add consultants, lawyers, and other contact types maintained on the application/licensing record.
    - Eliminate the review fee and make these contact changes a simple disclosure.
- E-payment processing
- Geographic Information System (GIS) Interface



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Agenda Item #7:  
END.

Thank You



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