

# Cannabis In Your Community: Partnering on Progressive Enforcement

# **FINAL REPORT**





#### Message from the Director

The Department of Cannabis Regulation (DCR) is incredibly grateful to those community members that participated in the town hall meetings for Cannabis in Your Community: Partnering on Progressive Enforcement. These community members provided us with an opportunity to hear honest feedback about current enforcement practices in the 272 neighborhoods in the City of Los Angeles, each of which has unique challenges. Their recommendations for alternative solutions were both insightful and instructive. Although DCR does not have direct authority over enforcement against unlicensed operators, we intend to submit recommendations to the City Council based on these suggestions.

It is our objective to continue working directly with community members so that DCR can best serve their interests and those of the City. Meaningful dialogue is essential. With insight from the community, we can formulate proposals to address specific needs, and together, we can push past these barriers to create public policy that benefits all Angelenos.

Graciously,

Michelle Garakian

Interim Executive Director

City of Los Angeles Department of Cannabis Regulation



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#### 1. Executive Summary

Prior cannabis criminalization and its enforcement has had long-term, adverse impacts in communities across the City of Los Angeles, particularly for low income and minority demographics. The City of Los Angeles is one of the few jurisdictions in the United States attempting to address the disparate impact of past cannabis policies by developing and implementing new cannabis regulations that focus on social equity.

DCR hosted three virtual town halls titled **Cannabis in Your Community: Partnering on Progressive Enforcement**. Public awareness, education and meaningful engagement were the top priorities. This series of town halls facilitated honest discussion about legal and illegal cannabis operations in local communities and allowed for the exchange of ideas on progressive enforcement strategies.

The town halls included a presentation on how DCR, the Los Angeles Police Department (LAPD), and other City departments work together to tackle enforcement against illicit cannabis businesses across the City. Each town hall focused on a different region of Los Angeles. Following the presentations, participants were randomly assigned to smaller groups for discussion in breakout rooms. The discussion questions covered the range of specific issues communities are facing, current enforcement practices, and alternative solutions to criminal enforcement and penalties.

Participating stakeholders shared many suggestions to mitigate against the illicit cannabis market, ranging from lowering taxes, enacting harsher punishments for those involved in illegal activity, and disseminating additional educational materials for retailers, landlords, and customers.

Cannabis in Your Community provided a forum for community members and cannabis industry stakeholders to share ideas, provide perspective, and connect on topics that affect everyone in Los Angeles. DCR will be providing recommendations based on this report to the Los Angeles City Council.

#### 2. Program Overview

The Los Angeles Department of Cannabis Regulation (DCR) engaged vendor, MBI Media (outreach team) to create an outreach and engagement plan titled Cannabis in Your Community: Partnering on Progressive Enforcement.

The outreach team collaborated with DCR to hold a series of town hall-style listening sessions (sessions) regarding stakeholder-identified issues on the proliferation of illegal cannabis activity in their communities.

The primary goal of the sessions was to provide a platform that allowed direct engagement with community stakeholders. In this forum, the outreach team was able to assist with educating participants on DCR's principles, new programs, rules, and regulations. Furthermore, the outreach team discussed potential solutions, built trust, and provided opportunities for general input to DCR. Community involvement is a key component to identifying problems in the cannabis industry and discovering new ideas to fix them.



Prior to the sessions, the outreach team sent email blasts and text messages to targeted community stakeholders including licensed retail storefront owners, neighborhood councils, colleges, and HOAs. These communications invited participants to the sessions and included instructions on how to attend.

Prior to each session, the outreach team prepared, designed, and produced an email invite letter, a presentation and a one-page fact sheet with Frequently Asked Questions (FAQ) (see Appendix A).

#### 3. Outreach

An outreach plan was prepared to outline the process of producing three (3) virtual Community listening sessions to connect stakeholders with DCR staff and law enforcement personnel to discuss concerns regarding unlawful cannabis activity.

#### 3.1 Identifying Target Audiences

The first step in the outreach process was establishing a target audience based on mapping and demographic data provided by DCR. The outreach team primarily targeted stakeholders who had expressed concern about unlawful cannabis activity in their community. The outreach team was responsible for creating stakeholder databases which include the following groups/organizations:

- Community Residents
- Community Organizations
- Neighborhood Councils (NC)
- Licensed Cannabis Providers (dispensaries, retailers)

#### 3.2 Council Districts

The three listening sessions were grouped by the following areas and Council Districts:

- Central Los Angeles Districts 1, 13, 14
- South Los Angeles Districts 8, 9, 10, 15
- The Valley & West Los Angeles Districts 2, 3, 4, 5, 6, 7, 11, 12



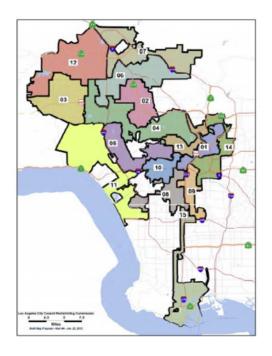


Figure 1: Map of Los Angeles Council Districts

Participants for the presentation portion of the sessions included DCR staff and law enforcement personnel from LAPD's Narcotics Enforcement Division.

#### 3.3 Campaign Promotion

The virtual sessions were promoted via letter/invite sent via Mailchimp. Stakeholders received the first invitation email followed by two reminders prior to each session. Each email contained information on all three sessions, including dates, time, and council districts. (See Appendix B).

#### 3.3.1 DCR:

- Neighborhood Council (NC)
- Targeted text messages
- Empower LA public newsletter; 18,000+ subscribers to current/former NC members, local nonprofits + government agency staff, community oriented Angelenos
- NC Monthly Update (1,500 current NC members / 1X month)
- Nextdoor (800K Citywide / can target by NC / best regional outlet)
- DCR's Listserv database of Licensees

#### 3.3.2 Elected Offices

- Mayor's Office of Public Engagement
- Council Districts



#### 3.3.3 Radio

Radio was also utilized as a tool to reach stakeholders. 60-second commercials were produced that aired from Monday, October 17, 2022, through November 10, 2022.

- Radio station: KBLA AM 1580
- Total spots aired: 40 60-second commercials (See Appendix C and D)

#### 4. Community Listening Sessions

Each meeting was two hours and consisted of a 30-minute presentation, followed by an hour-long discussion in smaller breakout rooms facilitated by MBI media. The breakout rooms allowed for direct and more effective interaction between stakeholders. Each session focused on a different region of the City, as mentioned in Section 2.2.

#### 5. Program Findings

This is a summarized compilation of relevant feedback and comments submitted by stakeholders during all three sessions. Comments have been consolidated by general topic and therefore may not represent each individual comment received.

The comments and statements below do <u>not</u> represent the opinions or recommendations of the City of Los Angeles or DCR. The comments below were provided by attendees of the sessions.

#### Question 1.

Based on the presentation you just heard, what are your suggestions on how to enhance current practices/enforcement?

**Identifier at retail location**: A common theme mentioned throughout all breakout rooms was having a better system in place to help distinguish licensed cannabis retail locations from unlicensed cannabis businesses. Having an identifiable banner, sign, or insignia would help consumers make better choices when purchasing.

**Penalties vs. Rewards:** Institute stronger penalties against businesses and landlords to hinder further sales. Landlords that allow unlawful retail activity to continue on their property should be punished in a way that dissuades them from ignoring future illegal activity. However, it was mentioned that due to the large amount of money gained from unlawful sales, monetary fines may not make a significant impact in the long run. Rewards and/or incentives should be provided to encourage unlicensed operators to become compliant.

**Redirecting seized funds**: Any future seized funds obtained from unlicensed operators should be redirected to communities that were harmed by unlicensed locations.

**Cannabis pricing**: Due to the discrepancy in pricing between lawful and unlawful sales, most people will opt to buy from the unlicensed locations.

**Better notification methods:** Residents want advanced communication about the potential opening of licensed retailers in their neighborhoods. Many feel as if they were



only notified after the process was completed and the business is ready to open. Notification methods mentioned included flyer distribution.

#### Miscellaneous:

- Law enforcement should not only observe the businesses, but the peripheral area as well (local streets, alleyways, etc.) In some neighborhoods, unknown individuals purchase from licensed locations then sell it to others out on the street in the community.
- Technology should be utilized to help shed light on licensed versus unlicensed locations. Currently, both Google and Apple, when used as a search engine, direct you to the nearest retail storefront locations whether it's licensed or unlicensed. Tech companies should share some of this burden as well.
- Licensed businesses should be encouraged to display their seller's license more prominently at their retail storefront locations.
- Although the focus is unlicensed retail locations, there needs to be some awareness
  of unlicensed cannabis delivery services as well.

#### Question 2.

#### What is your preferred method of enforcement, penalty and/or alternative solutions?

**Lower Taxes:** Lowering the taxes levied on the licensed cannabis retail businesses will enable retailers to sell their products at a more competitive price. Because of the tax rate, licensed retailers' pricing is sometimes double or triple that of unlicensed locations.

**Different Sales Platform:** Give consumers a platform similar to a "farmer's market." This would help foster a more inclusive cannabis community, especially among small growers and cultivators. The licensed retail storefront owners must overcome a lot of hurdles. Offering a different sales model with a lower barrier to entry and less overhead may encourage more lawful sales.

**Exposure:** Provide more opportunities for licensed cannabis businesses to have exposure in their communities, including additional resources for marketing and advertising.

What is "illegal" or "unlawful?" Provide a clear definition of what it means to have a licensed cannabis business. It was mentioned that some licensed businesses may still engage in unlawful cannabis activity to increase profit.

**Clear Storefront signage:** Licensed businesses should have a large, clear sign, banner, or plaque to help law enforcement and consumers identify licensed cannabis businesses.

#### Miscellaneous:

- There needs to be a deeper analysis of the LAPD's administrative work. A detailed report of their administrative work may allow some tasks to be transferred to DCR or other City agencies, thereby freeing up law enforcement resources.
- Create a smoother pathway to encourage unlicensed locations to become compliant.

#### Question 3.



#### How can the City be more effective in helping reduce the influx of illegal cannabis sales?

**More Transparency:** Stakeholders would like to see more transparency regarding unlicensed cannabis reporting, much like it is handled for other crimes in the City. Participants felt that complaints entered into the Complaint Portal are being neglected, as there is no follow-up. There needs to be a log that includes the complaint and any follow-up.

More attention paid to unlawful street sales: Some have noticed that law enforcement seems to have turned a blind eye towards street dealers. Residents notice these unlicensed sellers immediately and wonder why law enforcement doesn't act.

**Community Liaison:** Similar to a LAPD Senior Lead Officer or a Neighborhood Council representative, a liaison with local community ties would be helpful to foster a stronger bond with the business owners. Perhaps meetings could be set up, allowing licensed operators to voice their concerns.

**Uniform Cannabis Pricing:** One of the biggest concerns mentioned is the major pricing discrepancy between lawful and unlawful cannabis sales. Potential licensed sellers are being priced out of the market, which gives them a strong incentive to remain unlicensed. If a consumer can save \$30-50 on their purchase of cannabis, that will be a driving force that keeps consumers from patronage at licensed retailers. To encourage lawful sales, something must be done when it comes to sellers' concerns regarding taxes, start-up fees, licensing fees, and available retail space.

**Lawful cannabis sales restrictions:** Licensed stores have restrictions on amounts they can sell and their hours of operations. This leads to sales from unlicensed locations that have zero restrictions.

#### Miscellaneous:

- Make it easier and less expensive for unlicensed locations to become licensed creating an incentivized pathway for them.
- Stronger enforcement of regulations.
- Increase the number of retail locations and licenses allowed within Los Angeles.
- Create incentives for consumers at the City level, such as a tax reduction.

#### Question 4.

What are your biggest concerns about illegal cannabis sales in your neighborhood and what types of issues have you dealt with?

**Threats:** Some licensed retailers have been threatened by "gangsters" in their neighborhood. One stakeholder mentioned that someone brandished a weapon in front of his employee. Some residents feel that they are facing some type of violence from some unlicensed locations that are not happy with licensed retailers in the neighborhood.

**Environment and Health:** Stakeholders mentioned that when a consumer buys cannabis lawfully, they know they are buying an inspected product that has been tested. There needs to be more education on the testing and safety benefits of purchasing from a licensed retailer. For example, unlicensed cultivators often damage the environment with



pesticides, such as fungicide or herbicides, and their products may contain unsafe chemicals when consumed.

Consistent pricing: There needs to be strong regulation on pricing, like a grocery store. One licensed seller mentioned (comment edited for length), "I can't afford to give 70%, 60%, 50% off products or offer "buy one, get one free." "When I go to the grocery store, I buy champagne for \$9. Other grocery stores have the same brand of champagne for the same price. Why can't we have the same prices everywhere? If it's going to continue like this, I'm just going to go out of business. There needs to be better control of pricing."

#### Miscellaneous:

- Increased traffic near unlicensed cannabis locations and noise pollution.
- People smoking cannabis outside, and in front of resident's homes.
- Illegal cannabis activity, sales and consumption near kids and schools.
- Illegal parking and blocking of driveways.
- More violence and crime in neighborhoods.

#### Question 5.

How would you and your community benefit if illegal cannabis sales were no longer available?

**Lower crime rate:** Illegal cannabis activity brings about other illegal activities. Therefore, if the shops are shut down, the criminal element would dissipate.

Job opportunities: Licensed stores could provide additional jobs for residents.

**Community improvement:** Less congestion and loitering, quieter communities, more parking, and less traffic nuisances.

**Local cultivation:** Cultivation of plants for personal use at home, in the manner that vegetables and fruit are cultivated.

#### Question 6.

California, like many states, has lowered its penalties on illegal cannabis businesses (a response to a disproportionate number of arrests targeting communities of color under drug criminalization). Do you think these penalties should be reviewed again?

**Financial vs. Criminal Repercussions**: Stakeholders felt that there should not be a "Drug War 2.0;" instead, participants favored fines over jail. Landlords should face stiffer penalties to dissuade them from fostering illegal cannabis activity. There needs to be more progressive enforcement, such as redirection towards obtaining a license.

**Stronger Law Enforcement Presence**: Deployment of "secret shoppers" at unlicensed locations to catch them in the act. Although there was sympathy toward law enforcement because they are overwhelmed, residents still feel that they should be more proactive. If police drive by a store that appears to be open after hours, they should immediately stop and investigate, if possible.

**Property forfeits**: Landlords that continually allow unlawful activity should lose their properties or face stiff penalties of \$30,000 to \$50,000 daily if the problem continues.



**Outreach**: Provide outreach to property owners to help educate them and explain the major repercussions of what happens if they provide space for an unlicensed location.

#### Miscellaneous

• Lower the barriers of entry for people that want to come into a regulated market. The City and State need to shift their focus, as well as creating these pathways to lawful cannabis retail activities within these targeted communities.

# Appendix A

Frequently Asked Questions (FAQs)

# Personal Cannabis Activity Use in the City of Los Angeles



#### FREQUENTLY ASKED QUESTIONS (FAQ)

California voters approved Proposition 64, the Adult Use of Marijuana Act (AUMA), in November 2016. Proposition 64 eliminates the criminal consequences for personal level possession and cultivation of marijuana by persons 21 years of age or older. Subject to certain exceptions, it allows persons 21 or older to:

- possess, process, transport, purchase, obtain, or give away to persons 21 years old or older without compensation 28.5 grams or less of marijuana and 8 grams or less of concentrated cannabis;
- possess, plant, cultivate, harvest, dry, or process six or fewer living marijuana plants and products produced by the plants;
- smoke or ingest marijuana, marijuana products; and
- possess, transport, purchase, obtain, use, manufacture, or give away without compensation to persons 21 or older, any marijuana accessories.

Provided below are a few common questions and their answers to assist members of the community with understanding personal cannabis activity in the City of Los Angeles.



# What does it mean when they say cannabis is "legal"?

Under California law, adults 21 or older can buy, consume, possess, and grow cannabis up to the limits set by State law. If you are 21 or older, you can buy and possess up to one ounce (28.5 grams) of cannabis and up to eight grams of concentrated cannabis. You can also plant, harvest, dry, and process up to six cannabis plants in your private residence or on the grounds of your residence. If you are 18 or older and have a current qualifying physician's recommendation, a valid county-issued medical marijuana identification card, or are a Primary Caregiver as defined in Health and Safety Code Section 11362.7(d), you can possess up to eight ounces of dried cannabis and up to six mature or 12 immature cannabis plants, unless the physician's recommendation specifies a higher amount.

The cultivation, possession, sale and use of cannabis in California may remain unlawful under federal law.



#### Can I consume cannabis in public?

No. It is illegal to use, smoke, eat, or vape cannabis in public places or within 1,000 feet of a school, day care center or youth center while children are present. It is also unlawful to smoke cannabis in places where it is illegal to smoke tobacco.

Cannabis may be consumed in a private residence, unless otherwise prohibited by law. Property owners may ban the use and possession of cannabis on their privately-owned properties. The City currently prohibits onsite consumption of cannabis at licensed cannabis businesses. The City is considering permitting limited onsite consumption at certain licensed cannabis businesses, but no formal decision has been made.



#### Is cannabis still illegal under federal law?

Yes. Cannabis remains a Schedule I substance under the Controlled Substances Act, meaning it is illegal under federal law to possess, use, manufacture, distribute or sell cannabis.



#### Can I consume cannabis while driving a vehicle? Are there "open container" cannabis laws?

It is unlawful for a person to consume cannabis while driving. It is also unlawful for a person who is under the influence of cannabis to operate a vehicle. It is unlawful for a person to possess "open containers" of cannabis -- any receptacle containing any cannabis or cannabis products which has been opened or has a seal broken, or loose cannabis flower not in a container -- while driving, unless placed in the trunk of the vehicle.



# Can I be discriminated against or penalized by my employer for using cannabis?

Beginning on January 1, 2024, an employer cannot refuse to hire you or terminate you because of your off-duty use of cannabis.

The State of California amended the California Fair Employment and Housing Act by passing Assembly Bill 2188 which prohibits employers from discriminating against "a person in hiring, termination, or any term or condition of employment" based on the person's use of cannabis off the job and away from the workplace.



#### Can I travel outside of California with cannabis?

No. It is unlawful for a person to transport cannabis across state lines, even when traveling to another state where cannabis is legal.

# Appendix B

**Listening Session Invitation** 

# Cannabis in Your Community: Partnering on Progressive Enforcement



The City of Los Angeles Department of Cannabis Regulation (DCR) invites you to participate in a virtual town hall called **Cannabis in Your Community: Partnering on Progressive Enforcement**. The aim of the event is to engage with you about illegal cannabis activity and receive your input as the City considers new progressive strategies for enforcement. Community involvement is an important component to identifying problems and discovering new ideas to fix them.

This town hall will include a presentation on how DCR, the Los Angeles Police Department (LAPD), and other City departments work together to tackle enforcement against illegal cannabis businesses across the City. There will be three town hall events in total, each focusing on a different region of the City. Please join the town hall serving your neighborhood. Regions are determined by Los Angeles City Council Districts. To find your council district, enter your address here.





Tuesday, 10/11/2022 from 6:00 to 8:00 PM Central Los Angeles (Council Districts 1, 13, 14)

The Central and East regions of Los Angeles City land, including Central Hollywood, Eagle Rock, and Downtown Los Angeles. Zoom Link



#### Town Hall #2

Thursday, 10/27/2022 from 6:00 to 8:00 PM South Los Angeles (Council Districts 8,9,10,15)

The Central and South regions of Los Angeles City land, encompassing Koreatown, Mid City, South Los Angeles, and San Pedro. Zoom Link



#### Town Hall #3

Thursday, 11/10/2022 from 6:00 to 8:00pm Valley and West Los Angeles (Council Districts 2, 3, 4, 5, 6, 7, 11, 12)

The West and North regions of Los Angeles City land, encompassing Venice, Central LA, the Hills, and the Valley. Zoom Link

#### Click here to RSVP\*

\*RSVP not required for participation

For more information, please visit the DCR <u>website</u>, email <u>cannabis@lacity.org</u> or call (213) 978-0738.

**DCR Complaint Portal** 

**Consumer Resources Page** 

Submissions to the Complaint Portal are anonymous.



# Appendix C

Radio Advertisement - 60 Second Script

:60 radio copy

**Client: City of Los Angeles Department of Cannabis Regulations** 

Cannabis in Your Community: Partnering on Progressive Enforcement

The City of Los Angeles Department of Cannabis Regulation (DCR) invites you to participate in a virtual town hall meeting called **Cannabis in Your Community: Partnering on Progressive Enforcement**. They want to engage AND receive input from you on a very important topic: illegal cannabis activity in YOUR community. Community involvement is a KEY component to identifying problems and discovering new ideas to fix them.

These virtual events will include a presentation on how DCR, the Los Angeles Police Department, and other City departments work together to tackle enforcement against illegal cannabis businesses. The three virtual meetings will take place in October – November, with each meeting focusing on a different region of the City. For more information on specific dates, times and regions, please visit: cannabis.lacity.org

# Appendix D

Radio Advertisement - Commercial Spot Schedule

	Date	Time (s)
	Monday, October 17, 2022	9:48 AM 6:49 PM
	Tuesday, October 18 2022	6:51 PM
	Wednesday, October 19, 2022	2:55 PM
	Thursday, October 20, 2022	8:48 AM 2:48 PM
	Saturday, October 22, 2022	7:11 PM 10:46 PM
	Sunday, October 23, 2022	7:33 PM 8:33 PM 10:10 PM 11:10 PM
:60-second	Monday, October 24, 2022	6:46 AM 9:46 AM
Commercials	Tuesday, October 25, 2022	6:46 AM
	Wednesday, October 26, 2022	11:56 AM
	Thursday, October 27, 2022	12:53 PM 4:36 PM
	Saturday, October 29, 2022	7:11 PM 8:32 PM
	Sunday, October 30, 2022	7:10 PM 8:10 PM 9:33 PM 10:46 PM
	Tuesday, November 8, 2022	1:51 PM 5:53 PM 8:14 PM
	Wednesday, November 9, 2022	7:12 AM 8:14 AM 11:12 AM 12:33 PM 2:36 PM
	Thursday, November 10, 2022	4:34 PM 6:36 PM 8:15 PM 9:18 PM 10:34 PM 2:16 PM 4:16 PM 10:14 PM

## Appendix E

**Presentation Slides** 

# CAMNABIS COMPLIANCE AND ENFORCEMENT CAMNABIS COMPLIANCE AND Enforcement Program Facility Name Facility Name Public Health concurs requiring this facilities. Public Health concurs requiring this facilities. Public Health concurs required to facilities. Provides consult investigations at the customer cannabis facilities. Provides consult investigations at the provides consult businesses. Notifies the public required state at authorizations to Store.



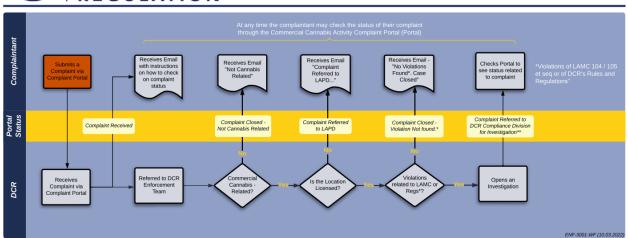
Reviews and approves plans for new commercial cannabis facilities.

CANNABIS

- Conducts site evaluation for pre-existing cannabis facilities.
- Conducts routine inspections and complaint investigations at permitted cannabis facilities.
- Provides consultations to potential cannabis businesses.
- Notifies the public that the store has received all required state and local licenses, permits, or other authorizations to become an Authorized Cannabis Store.



#### PUBLIC COMPLAINT WORKFLOW



### Appendix F

Video Links

#### **Community Listening Sessions**

Meeting	Date	Zone / Audiences	Links	Participants
Session #1	Tuesday, October 11, 2022	The Central and East regions of Los Angeles City land, including Central Hollywood, Eagle Rock, and Downtown Los Angeles	10/11/2022 Session - Main Roomand Breakout Room #1 10/11/2022 Session - Breakout Room #2	65 Attendees
		Council Districts: 1,13,14		
Session #2	Thursday, October 27, 2022	The Central and South regions of Los Angeles City land, encompassing Koreatown, Mid City, South Los Angeles, and San Pedro  Council Districts:	10/27/2022 Session - Main Roomand Breakout Room #1 10/27/2022 Session - Breakout Room #2	61 Attendees
Session #3	Thursday, November 10, 2022	8,9,10,15 The West and North regions of Los Angeles City land, encompassing Venice, Central LA, the Hills, and the Valley	11/10/2022 Session - Main Room 11/10/2022 Session - Breakout Room #1 11/10/2022 Session - Breakout Room #2 11/10/2022 Session - Breakout Room #3	42 Attendees
		Council Districts: 2, 3, 4, 5, 6, 7, 11, 12		