



CANNABIS REGULATION COMMISSION

February 9, 2023, 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 on the Licensing Program



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Council File no. 21-1083-S1



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Beginning in April 2022, the Department of Cannabis Regulation (DCR) met with stakeholders to identify and develop a course of action to improve local commercial cannabis regulation.

On October 13, 2022, DCR transmitted its report to provide updates on the Social Equity Program (SEP), Compliance and Enforcement Division (CED), environmental review and public convenience or necessity (PCN) processes, as well as recommend amendments to Article 4, Chapter X of the Los Angeles Municipal Code (LAMC) to reorganize, clarify and establish necessary procedures for the administration of the City's commercial cannabis licensing and Social Equity Program.

Council File no. 21-1083-S1



On November 1, 2022, the Planning and Land Use Management Committee heard DCR's report and:

- APPROVED the first paragraph, 'Aggregation of Social Equity Interests,' on page 3 of the October 13, 2022, Department of Cannabis Regulation (DCR) Report;
- APPROVED the 'Relocations for Applicants', of page 4 of the of the October 13, 2022, DCR Report and REMOVE all reference to 'Licensees';
- REQUESTED the City Attorney, with the assistance of the DCR, to prepare and present an ordinance for the recommendations relative to 'Aggregation of Social Equity Interests' and 'Relocations for Applicants' only; and
- INSTRUCTED DCR to prepare a report on the other 17 proposed amendments to the LAMC as proposed in the October 13, 2022 DCR Report.

The City Council adopted the PLUM report on November 22, 2022.

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On December 7, 2022, DCR transmitted its report back on the October 2022 DCR report. That report was never scheduled.

On February 3, 2023, DCR transmitted an amended report which removes the previous proposal to add a December 31, 2022 sunset date for applicants to apply using the original Social Equity Program verification criteria under Los Angeles Municipal Code (LAMC) section 104.20. The proposed sunset date has already lapsed; therefore this report removes that recommendation. Second, this report removes the prior recommendation to amend the definition of “Undue Concentration” in LAMC section 104.01(a). DCR will transmit a new report in the near future with further recommendations for the definition of “Undue Concentration,” a proposal to simplify the Social Equity Individual Applicant eligibility criteria, and additional related items. Finally, the recommendations have been adjusted to reflect longer refiling periods to allow prospective applicants ample time to make business decisions and identify compliant properties.

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Additionally, DCR seeks to clarify the annual licensing approval process for non-retailer activity in a Business Premises and/or non-storefront retailer activity. Currently, this section does not contain a requirement for DCR to issue written findings based on evidence in the record when denying these application types. DCR, therefore, suggests mirroring the language that appears in LAMC section 104.06(a) for the retail annual licensing process. DCR also proposes an amendment to LAMC sections 104.03 and 104.06 to clarify that all records must be updated or renewed annually. Requiring all Applicants to stay current on document, form, and information requirements ensures that all records are maintained to the same standard, the form and manner in which the information is stored is consistent, the record maintains its compatibility with planned system enhancements, and facilitates DCR's ability to accurately manage and report on all active records.

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Several new subdivisions would be added to LAMC 104.06(d) to read:

- DCR shall cease accepting new Temporary Approval Applications from general Applicants by May 31, 2023. DCR may accept Temporary Approval renewal Applications from general Applicants that are timely filed during the renewal period through February 28, 2027.
- DCR shall cease accepting new Temporary Approval Applications from Social Equity Applicants by July 31, 2023. DCR may accept Temporary Approval renewal Applications from Social Equity Applicants that are timely filed during the renewal period through February 28, 2027.
- Temporary Approval Licenses issued for calendar year 2027 may not be renewed and shall expire on December 31, 2027 after 11:59pm.
- Temporary Approval Applications abandoned for any reason after July 1, 2023, shall be refiled as an Annual Application.

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LAMC 104.03(i) would be amended to read:

- The Social Equity Individual Applicant associated with a Social Equity Applicant that has an Application deemed abandoned under Section 104.03(h) after January 1, 2022, may refile an Application subject to the requirements of this subsection. If more than one Social Equity Individual Applicant is listed on the initial Application, the refiled Application shall be submitted by the original Social Equity Applicant entity. The refiling process shall be initiated through the DCR Licensing Portal within three (3) calendar years of the date DCR notifies the Social Equity Applicant by electronic mail that the original Application is deemed abandoned.

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LAMC 104.03(c) would be amended to read:

(c) Application – Determination of Completeness. DCR shall determine if an annual Application is complete as provided in the Rules and Regulations. A determination of completeness includes an ~~Initial Inspection and~~ environmental clearance as required by Section 104.06(e). The applicant shall pay the applicable environmental assessment fee pursuant to Section 104.19(c). DCR may request additional information and documents from the Applicant at any time during application processing, subject to payment of any fees under Section 104.19(h). If the Applicant fails to provide the additional information, documents or payment in the time allotted by DCR, the Application shall be deemed abandoned. An Annual License Application Fee for each Commercial Cannabis Activity pursuant to Section 104.19 shall be paid within 30 days of ~~DCR's determination that the submission of an annual Application is complete.~~ If the fees are not paid within the allotted time, the Application shall be deemed abandoned. DCR will conduct a Final Inspection and, when applicable, schedule a community meeting pursuant to Section 104.04 **before an annual License shall be considered operational.**

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LAMC 104.04(a) would be amended to read:

(a) DCR shall conduct Final Inspections in the manner as provided in the Rules and Regulations. A **Licensee** ~~completed application~~ shall be referred by DCR for Final Inspection as provided in the Rules and Regulations **after submitting copies of all necessary permits, licenses, or other authorizations required by law from the City, State or other public agencies including, but not limited, to, a Certificate of Occupancy, permit or authorization of the Los Angeles Fire Department, health permit from the County of Los Angeles, and/or annual license authorization from the State.** ~~All applicants~~ An annual License shall not be considered operational until the Licensee passes ~~must pass a~~ Final Inspection ~~prior to an annual License the issuance of a License.~~ DCR shall have the authority to require periodic inspections be made to determine whether the Licensee is in compliance and maintains a non-operational status until the Licensee passes a Final Inspection. All such inspections shall be made at intervals to be determined by DCR. Inspections shall be made in accordance with the Rules and Regulations established by DCR.

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LAMC 104.04(b) would be amended to read:

(b) DCR shall conduct a community meeting via video or telephone conferencing or within the defined geographic area of the Area Planning Commission within which the Business Premises is situated. At the meeting, DCR shall accept written and oral testimony regarding the application and then prepare a written report to the Cannabis Regulation Commission summarizing the testimony in favor and against the application. Notice of the community meeting shall be provided as specified in Section 104.05(b). This subsection shall not apply to an application for Non-Retailer Activity ~~in a Business Premises less than 30,000 square feet~~ or Non-Storefront Retailer Activity. The Applicant shall pay the required Community Meeting Fee pursuant to Section 104.19(e).

LAMC 104.04(c) would be amended to read:

(c) Within 10 days of receipt of the Notice of Complete application **for the Storefront Retailer Commercial Cannabis Activity or for Microbusiness Commercial Cannabis Activity with on-site sales**, the Applicant or a designated representative shall contact the Neighborhood Council and offer to appear before the Neighborhood Council to address questions about the application. Written evidence shall be provided to DCR such as an email to the Neighborhood Council or a copy of their meeting minutes.

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LAMC 104.06(a)(2)(ii) would be amended to read:

(ii) The Commission may approve the issuance of the License with written findings and evidence in the record to support that the Applicant and Business Premises meet the restrictions of [Article 5 of Chapter X](#) of this Code. The Commission may impose conditions to address public safety concerns based on findings and evidence in the record. The Commission shall not approve the issuance of a License for an Applicant ~~with a Business Premises located in a Community Plan Area of~~ subject to a finding of Undue Concentration unless the City Council has found that approval of the application would serve a public convenience or necessity.

LAMC 104.06(a)(2)(iii) would be amended to read:

(iii) The Commission's decision to approve the issuance of the License is final and effective upon the close of the 15-day appeal period if not timely appealed to the City Council by the Applicant ~~or any other person aggrieved by the decision,~~ as provided in Section [104.10](#).



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Agenda Item #3:
END.

Thank You



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