



DEPARTMENT OF CITY PLANNING RECOMMENDATION REPORT

CITY PLANNING COMMISSION

DATE: February 13, 2020
TIME: 8:30 a.m.
PLACE: Los Angeles City Hall
Council Chamber (Room 340)
200 N Spring St
Los Angeles, CA 90012

CASE NO:

CPC-2019-6203-CA

COUNCIL FILES:

14-0366-S4, 14-0366-S5

CEQA:

ENV-2019-6204-SE

LOCATION:

Citywide

COUNCIL DISTRICTS:

All

PLAN AREAS:

All

PUBLIC HEARING: November 13, 2019

SUMMARY: A proposed ordinance (Exhibit A) amending Sections 105.01, 105.02, and 105.03 of the Los Angeles Municipal Code to modify definitions, location restrictions, and sensitive site dating provisions relating to commercial cannabis activity and provisions governing the continuing operation of Existing Medical Marijuana Dispensaries.

RECOMMENDED ACTIONS:

1. **Recommend** that the City Council determine that based on the whole of the administrative record, the project is exempt from CEQA pursuant to California Business and Professions Code Section 26055(h) on the basis that the project will adopt ordinances, rules and/or regulations, that will require discretionary review under CEQA to approve licenses to engage in commercial cannabis activity in the City (ENV-2019-6204-SE; Exhibit C).
2. **Recommend** that the City Council adopt the proposed ordinance (Exhibit A);
3. **Adopt** the staff report as the Commission's report on the subject; and
4. **Adopt** the attached Findings (Exhibit B).

VINCENT P. BERTONI, AICP
Director of Planning


ARTHIL. VARMA, AICP, Deputy Director


THOMAS ROTHMANN, Principal City Planner


PHYLLIS NATHANSON, Senior City Planner


DEBORAH KAHEN, AICP, City Planner
(213) 978-1202


NIALL HUFFMAN, City Planning Associate
(213) 978-3405

ADVICE TO PUBLIC: *The exact time this report will be considered during the meeting is uncertain since there may be several other items on the agenda. Written communication may be mailed to the Commission Secretariat, 200 North Spring Street, Room 272, Los Angeles, CA 90012 (Phone No. 213-978-1300). While all written communications are given to the Commission for consideration, the initial packets are sent a week prior to the Commission's meeting date. If you challenge these agenda items in court, you may be limited to raising only those issues you or someone else raised at the public hearing agendized herein, or in written correspondence on these matters delivered to this agency at or prior to the public hearing. As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability, and upon request, will provide reasonable accommodation to ensure equal access to these programs, services, and activities. Sign language interpreters, assistive listening devices, or other auxiliary aids and/or other services may be provided upon request. To ensure availability of services, please make your request no later than three working days (72 hours) prior to the meeting by calling the Commission Secretariat at (213) 978-1300.

Contents

Summary	1
Initiation.....	2
Background	3
Proposed Ordinance	4
Discussion.....	5
Public Outreach and Participation	8
Conclusion	9
Exhibits.....	10

Summary

The Technical Amendment to Cannabis Location Restrictions (Exhibit A) is a proposed ordinance amending Article 5 of Chapter X of the Los Angeles Municipal Code (LAMC) to modify definitions, sensitive site dating provisions and sensitive sites from which commercial cannabis businesses must maintain minimum distances, and provisions governing the continuing operation Existing Medical Marijuana Dispensaries (EMMDs) that formerly operated under Proposition D. The proposed ordinance responds to City Council direction and was prepared by the Department of City Planning with the assistance of the Department of Cannabis Regulation (DCR) and the Office of the City Attorney.

The Council's instructions to City Planning further request several substantive policy-related changes to the 2017 location restrictions. These changes require additional outreach and will be addressed in subsequent recommendations from City Planning.

The proposed ordinance modifies the definition of Public Park to exclude "OS" Open Space-zoned sites with no park or recreational facilities. The OS Zone includes some street medians and flood control channels. The 2017 location restrictions include these parcels as sensitive sites from which retailers must maintain minimum distances, even when the parcels themselves offer no actual recreational value. The proposed ordinance helps to make the definition of Public Park consistent with the intent of the sensitive site distancing requirement. In addition, the proposed ordinance includes Public Parks in adjacent jurisdictions as sensitive sites, addressing the concerns of neighboring cities with parks near Los Angeles city limits.

The proposed ordinance changes the definition of Permanent Supportive Housing (PSH) to bring it up-to-date with the recently-adopted PSH Ordinance. Additionally, the proposed ordinance modifies the date on which a business is evaluated for its compliance with sensitive site distancing requirements, from the date of licensing to the date of application submittal. The proposed ordinance further modifies provisions relating to sensitive site dating, establishing more consistent criteria for identifying the date a particular site came into existence.

The ordinance also provides that EMMDs do not need to comply with the 2017 sensitive site distancing requirements, helping these establishments – which are already subject to distancing requirements under Proposition D – remain in their existing locations past December 31, 2022 as long as they are in an eligible zone. Additionally, the ordinance relaxes a Proposition D prohibition on the use of a door facing residentially-zoned property, so long as only employees, contractors, and vendors may use the door. This will enable more EMMDs to take deliveries without disrupting their retail operations, as State regulations prohibit cannabis retailers from taking deliveries through the customer entrance during business hours, but also require them to take deliveries during a daily window that largely coincides with statutory limits on their hours of operation.

Initiation

The proposed ordinance was initiated by three City Council motions (contained in Council Files 14-0366-S4 and 14-0366-S5), each of which instruct City Planning to prepare amendments to the City's 2017 commercial cannabis location restrictions. The Council's instructions to City Planning that are addressed in the proposed ordinance are as follows:

- Instructions of February 28, 2018:
 - Amend the definition of Public Park to exclude "OS" Open Space-zoned properties consisting of street medians, flood control channels, washes and other non-park uses.
 - Amend the provisions concerning grandfathering of Existing Medical Marijuana Dispensaries (EMMDs) to require that EMMDs meet only the zone requirements (rather than all requirements) of the location restrictions in order to continue operating in their existing locations past December 31, 2022.
- Instructions of February 15, 2019:
 - Amend the provisions concerning grandfathering of EMMDs to state that EMMDs that remain in their existing locations are not subject to the Proposition D prohibition on accessing the premises through a door facing a residentially-zoned property.
- Instructions of March 5, 2019:
 - Amend the location restrictions to clarify that applicants for cannabis retail licenses are to be evaluated based on the sensitive sites existing at the time of application submittal, as opposed to those existing at the time of license issuance.

City Council Instructions Not Addressed in Proposed Ordinance

The motions from February 28, 2018 and February 15, 2019 instruct City Planning to draft several additional amendments that amount to substantive policy changes. These policy-related amendments require additional outreach and will be addressed in subsequent recommendations from City Planning. The policy-related amendments not addressed in the proposed ordinance include:

- Instructions of February 28, 2018:
 - Add provisions that allow for mixed-light (i.e., greenhouse) cultivation in the same zones where indoor cultivation is allowed and provide additional restrictions to address possible impacts to the public.
 - Add provisions that allow for on-site cannabis consumption lounges, including location and sensitive site restrictions, subject to DCR and State regulations.

- Add provisions that allow for temporary cannabis events, including location and sensitive site restrictions, subject to DCR and State regulations.
- Add provisions to allow the Cannabis Regulation Commission to make exceptions to the required 600-foot minimum distance from schools that currently applies to non-retail cannabis businesses.
- Instructions of February 15, 2019:
 - Amend the location restrictions for cannabis retailers to allow for co-location of two retail establishments within 1,000 feet of one another, so long as all other retail establishments are located at least 1,000 feet away from both of the first two retail establishments.

Furthermore, the Council motions of February 15, 2019 and March 5, 2019 contain a number of instructions to other City agencies including DCR and the City Attorney; these instructions relate to the DCR licensing process and do not directly affect the location restrictions that are modified by the proposed ordinance.

Additional Items Not Requested by City Council

The proposed ordinance includes certain technical changes that are not part of the Council instructions. These additional technical changes update the definition of Permanent Supportive Housing (PSH) to reference the current, codified definition of PSH in the LAMC; and modify several of the dating criteria for sensitive sites to aid DCR in verifying the date a particular site came into existence. These technical changes are recommended to facilitate the effective implementation and enforcement of the location restrictions.

Background

On December 17, 2017, the City Council adopted a comprehensive regulatory framework for commercial cannabis activity, including location restrictions, operating standards, enforcement, and a licensing process. The Council acted in response to State legislation (Proposition 64, Senate Bill 94) that removed prohibitions on adult-use cannabis and established a State licensing system for commercial cannabis activity. The Council also responded to Proposition M, which was passed by Los Angeles voters in March 2017 and called for the repeal of the previous Proposition D restrictions in favor of comprehensive regulations.

While most components of the regulatory framework were adopted directly by the City Council, the location restrictions were drafted by City Planning and reviewed and approved by the City Planning Commission prior to being adopted by the Council.

Commercial Cannabis Location Restrictions

As one component of the regulatory framework adopted by the Council, the 2017 cannabis location restrictions (Ordinance No. 185345) were intended to ensure that

commercial cannabis activity takes place in appropriate areas of the City where impacts on surrounding neighborhoods and sensitive sites will be minimal, if any. The 2017 ordinance identified zones within which certain types of commercial cannabis activity are eligible to operate, and required businesses to observe minimum distances from specified sensitive sites and in some cases from other cannabis businesses. Among the categories of businesses identified were retail, indoor cultivation, manufacturing, distribution, testing, and microbusinesses (defined as businesses engaged at least three of the following activities, subject to limitations: cultivation, manufacturing, distribution, retail).

The 2017 ordinance also addressed the “grandfathered” status of Existing Medical Marijuana Dispensaries (EMMDs) that were operating in compliance with the City’s prior Proposition D restrictions. Since EMMDs were subject to different location restrictions from those contemplated for the 2017 ordinance, that ordinance included a provision allowing EMMDs to continue operating in their existing, Proposition D-compliant locations through December 31, 2022, approximately five years after the adoption of the ordinance.

Refinement of Location Restrictions

Following the 2017 adoption of the comprehensive regulatory framework, the Council identified several policy items to be addressed at a later time, as well as a variety of desired clarifications and technical refinements, the need for which did not become clear until after the initial regulations were already in place. The Council’s instructions, spread across three motions adopted in 2018 and 2019, called for City Planning to modify provisions concerning the definition of “Public Park,” the date on which businesses must show compliance with sensitive site distancing requirements, and modifications of EMMD grandfathering provisions. These changes are reflected in the proposed ordinance.

Additionally, the Council’s instructions called for City Planning to develop several policy amendments, including zone and distance requirements for a number of new activity types, including “social consumption” lounges, temporary cannabis events, and mixed-light cultivation, as well as provisions allowing for co-location of two cannabis retailers within 1,000 feet of one another. These additional provisions are not addressed in the proposed ordinance. City Planning will present subsequent legislation addressing the requested policy amendments at a later date.

Proposed Ordinance

The proposed ordinance (Exhibit A) is presented in strike-and-add format showing recommended changes to the existing Los Angeles Municipal Code (LAMC) provisions. The proposed ordinance would amend the regulations concerning commercial cannabis activity in Sections 105.01, 105.02, and 105.03 of the LAMC, as follows:

- Modify the definition of Public Park to include Public Parks located outside of Los Angeles city limits and clarify that the definition includes OS Open Space-zoned properties that are used as park and recreation facilities. Currently, all cannabis retailers must observe minimum distancing requirements from all Public Parks and OS-zoned land located within city limits.

- Bring the definition of Permanent Supportive Housing (PSH) into consistency with the recently adopted Permanent Supportive Housing Ordinance. The existing location regulations currently refer to a City Planning case file that is no longer active; the proposed ordinance changes this to refer to the current, codified definition of PSH contained in the LAMC.
- Require businesses applying for new licenses to observe minimum distances from the applicable sensitive sites in existence on the date of the license application, rather than the date the license is received.
- Modify several of the criteria used to determine the date a particular sensitive site came into existence, including references to (depending on the specific site category) the date the site became licensed by the appropriate agency, the date it appeared on an official list of facilities, and/or the date it actually began operating.
- Provide that Existing Medical Marijuana Dispensaries (EMMDs) are not subject to the City's current sensitive site distancing requirements for commercial cannabis activity as a condition of continuing operations after December 31, 2022.
- Provide that EMMDs wishing to retain their grandfathered status are not subject to the Proposition D restriction against accessing the business premises through a door opening onto an alley adjoining residential uses, provided that the door is used only by employees, vendors, and contractors and is not available for use by customers.

Discussion

Public Parks

City Planning's recommendations for the 2017 location restrictions included a requirement that cannabis retailers and microbusinesses with on-site sales locate outside of an 800-foot radius of Public Parks, defined as recreational facilities located within the City and under the ownership, control or management of one of several local, regional or State parks agencies. The City Council modified the radius to 700 feet and expanded the definition to further include any property located in the "OS" Open Space Zone, regardless of the presence of recreational facilities.

This expanded definition, while accounting for facilities like bicycle and equestrian trails that may not otherwise be recognized as Public Parks, encompasses many sites that have no recreational value. For example, several major boulevards lined by commercial-zoned properties – including portions of Venice Boulevard and Sherman Way – have center medians that are mapped as parcels and zoned OS. These medians qualify as sensitive sites even though they provide no park or recreation facilities.

Because of the medians' location along major boulevards, requiring retailers to maintain the 700-foot distance from medians has the effect of excluding whole commercial corridors that might otherwise meet the intent of the location restrictions (i.e., protecting children and other vulnerable groups from exposure to cannabis) from being eligible

locations for cannabis retail businesses. Accordingly, the proposed ordinance amends the definition of Public Park to include only those OS-zoned properties that contain actual park or recreation facilities, such as trails, playgrounds, picnic areas, or athletic fields.

Additionally, parks in neighboring jurisdictions are not covered by the existing definition of Public Park, even though they are potentially vulnerable to the same public health and safety impacts on which the 2017 location restrictions are based. Subsequent to the adoption of the 2017 location restrictions, at least one adjoining city has reached out to ask that Los Angeles' sensitive site distancing requirements take parks outside of City limits into account. Accordingly, the proposed ordinance expands the definition of Public Park to account for parks located in neighboring jurisdictions.

Permanent Supportive Housing

Another of the sensitive sites from which cannabis retailers must maintain a 700-foot distance is Permanent Supportive Housing (PSH). At the time the City Council was considering the 2017 location restrictions, the Permanent Supportive Housing Ordinance had not yet been adopted, and as a result the definition of PSH used in the location restrictions references the City Planning case file that was pending at that time.

The proposed ordinance amends the definition of Permanent Supportive Housing to reference the codified definition of Permanent Supportive Housing in Section 12.03 of the Zoning Code.

Sensitive Site Dating

The 2017 location restrictions specify that businesses applying for Department of Cannabis Regulation (DCR) licenses must observe the minimum specified distance from sensitive sites that exist at the time of licensing. This requirement poses challenges for verifying the applicants' compliance, since applicants are required to produce documentation of their compliance at the time of application. Since significant time can elapse between the date of application submittal and the date of license issuance, it is possible for new sensitive sites to come into existence before a license can be issued, and it can be difficult for DCR to account for this new information. To simplify the process, the proposed ordinance amends this provision to require that proposed cannabis businesses observe the minimum specified distance from sensitive sites existing at the time of application submittal.

Additionally, at the request of DCR, the proposed ordinance modifies several of the criteria used to determine when an individual sensitive site came into existence. Depending on the specific site category, the modified criteria include the date the site became licensed by the appropriate agency, the date it appeared on an official list of facilities, and/or the date it actually began operating. The modified criteria are intended to be easier for DCR to verify and will facilitate the orderly implementation and enforcement of the location restrictions.

EMMD Grandfathering: Sensitive Sites

The 2017 cannabis regulations allow Existing Medical Marijuana Dispensaries (EMMDs) that formerly operated under Proposition D to convert to adult-use (i.e., recreational) retail establishments and to continue operating in their existing, Proposition D-compliant locations through December 31, 2022. To continue operating after this date, EMMDs must comply with all current zone and sensitive site restrictions.

Since the Proposition D sensitive site restrictions differ from those of the 2017 location restrictions, it is possible that some EMMDs would need to move to a different location by the end of 2022. During this time, it is likely that DCR will issue dozens to hundreds of licenses to new businesses, potentially creating a scenario in which EMMDs needing to relocate by the end of 2022 find that the locations complying with the current location restrictions have already been exhausted.

To address this challenge, the proposed ordinance amends the grandfathering provision to require EMMDs to comply only with the zone components of the current location restrictions, meaning that the current sensitive site restrictions would not apply to EMMDs. This would allow EMMDs to continue operating in their existing locations in accordance with the sensitive site restrictions contained in Proposition D, which are similar but not identical to the 2017 sensitive site restrictions.

EMMD Grandfathering: Access to Premises

The 2017 location restrictions require EMMDs to observe all of the restrictions of Proposition D in order to continue operating in their Proposition D-compliant locations. Among other restrictions, an EMMD may not allow access to its premises through a door that abuts; is across a street, alley, or walk from; or shares a common corner with residentially-zoned property. Any such door may be used only as an emergency exit. This means that an EMMD with only two doors, one of which faces a residentially zoned property, may accept deliveries only through the customer entrance.

However, a State Bureau of Cannabis Control regulation, adopted after Proposition D, prohibits cannabis retailers from using the customer entrance to accept deliveries during business hours [Cal. Code Regs. tit. 16, § 5422 (2019)]. Additionally, DCR regulations further limit delivery activities to 7 a.m. to 6 p.m. Monday through Friday and 10 a.m. to 4 p.m. on Saturday, with no deliveries on Sunday [*Rules and Regulations for Cannabis Procedures*, Regulation No. 10(A)(22)]. These restrictions, combined with the Proposition D prohibition against the use of a door facing residential property, create potentially challenging situations in which EMMDs must use the customer entrance for deliveries, but must schedule the deliveries to avoid violating the specified delivery window or taking place during business hours. In some cases, an EMMD might be forced to open later than desired, close earlier than desired, or temporarily close in the middle of the business day in order to comply with the delivery restrictions.

To address these challenges, the proposed ordinance amends the EMMD grandfathering provisions to relax the prohibition on accessing the premises through a door facing residentially zoned property. The amended provision states that the door may be used, but only by employees, vendors, and contractors. Customers would still be prohibited from entering or exiting through any door facing residentially-zoned property.

Public Outreach and Participation

City Planning released a draft ordinance, along with a hearing notice and fact sheet, to the public on October 18, 2019. The ordinance was distributed to City Planning's list of interested parties accumulated during the consideration of the 2017 location restrictions and other cannabis-related legislation, as well as any individuals or organizations who asked to be notified. The ordinance was also distributed to all certified Neighborhood Councils and Council Offices and posted to the City Planning website.

City Planning held a public hearing to gather feedback on the draft ordinance on November 13, 2019. The hearing was held at 10:00 a.m. in Ronald F. Deaton Civic Auditorium at 100 West 1st Street. A total of 19 members of the public signed in and seven speaker cards were received. Members of the public also had the opportunity to comment in writing via email and U.S. Mail. A total of five written comments were received.

Comments on the ordinance were mostly supportive, with some commenters requesting modifications to the October 18, 2019 draft. Substantive comments included the following:

- The dating provisions for sensitive sites should reflect the fact that the California Department of Social Services sometimes issues backdated licenses to day care centers, making timely information challenging for commercial cannabis license applicants to obtain.
- The ordinance should allow cannabis retailers to locate within 700 feet of properties that are federally owned and developed with uses that do not fall within one of the permitted uses for the OS Zone.
- The City should ease regulatory burdens on licensed businesses to push out the illicit cannabis market and allow legal establishments to thrive.
- The ordinance should repeal the minimum distance between retailers.
- The ordinance should eliminate the Los Angeles River and bicycle/pedestrian paths from the range of sensitive sites.
- The ordinance should allow immunity from the buffer between retailers through 2021 for EMMDs.
- The amended definition of Public Park should not include passive open space.
- The amended Public Park definition should apply to license applicants that are being processed as part of Phase 3, Round 1.
- On-site retail should be allowed as part of a microbusiness in the MR1 Zone.
- All C Zones should allow packaging and infusion licenses because the Department of Building and Safety classifies them as hydroponic agricultural enterprises, which are permitted in C Zones.
- The EMMD grandfathering timeline should be extended to 2024.

- City Planning should publish maps of eligible locations for cannabis businesses.
- Cannabis businesses should be required to observe minimum distances from only those sensitive sites existing as of January 2017.
- The amended regulations should not apply to businesses that have already applied for licenses and are waiting to have their applications processed.

Some comments speak to challenges relating to the dates on which a particular business' compliance with minimum distancing requirements is to be evaluated. These challenges are being addressed through the change in the sensitive site dating provisions. One comment in particular references an administrative challenge stemming from occasional delays in updating online records by the State licensing agency for day care centers, resulting in some records being backdated. This specific issue is an administrative matter that staff recommends be further addressed through DCR regulations and procedures, and not as part of the proposed ordinance.

Additional comments express the view that OS-zoned properties having no recreational facilities beyond bicycle or walking trails (such as those along the Los Angeles River) should not be included in the amended Public Park definition because they do not provide the same recreational benefit to children as full-fledged parks and therefore do not require buffering from cannabis retail activity. However, many OS-zoned properties with limited recreational facilities still provide benefits to sensitive users. Trails, for instance, are often the only safe, car-free environments available to children and adults who are learning to ride bicycles or who do not desire to ride bicycles in city traffic.

Furthermore, as stated in City Planning's recommendation report to the City Planning Commission concerning the 2017 location restrictions, the range of sensitive sites is not limited to locations where minors may be exposed to incidental cannabis use, and many groups other than children stand to benefit from being separated from cannabis retail locations. For this reason, no change to the proposed ordinance's amended Public Park definition is recommended.

Other comments advocate for repealing the minimum distance between retailers, extending EMMD grandfathering past 2022, opening up additional zones to different types of licensed activity, or applying the amended provisions retroactively to businesses whose applications are currently being processed or may be processed in the near future. These requested changes are outside the scope of the City Council's instructions to City Planning and/or concern details of the licensing procedures that are not part of the location restrictions drafted by City Planning or approved by the Commission.

Conclusion

The Technical Amendment to Cannabis Location Restrictions responds to the City Council's direction to address specific technical issues that pose challenges for the administration of the City's regulatory system for commercial cannabis activity and that place unnecessary constraints on the cannabis industry. It has been developed with input from the public and will help to ensure that residents have access to employment and business opportunities through this growing industry while maintaining needed

protections for neighborhoods and vulnerable groups. City Planning recommends that the Commission approve and recommend that the City Council adopt the proposed ordinance, findings, and environmental document.

Exhibits

- A. Proposed Ordinance
- B. Findings
- C. Environmental (ENV-2019-6204-SE)

ORDINANCE NO. _____

An ordinance amending Sections 105.01, 105.02, and 105.03 of the Los Angeles Municipal Code to modify definitions, location restrictions and sensitive site dating provisions relating to commercial cannabis activity, and provisions governing the continuing operation of Existing Medical Marijuana Dispensaries.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. The following definition is added to Section 105.01 of the Los Angeles Municipal Code in proper alphabetical order as follows:

[“Applicant” means an Applicant as defined in Section 104.01 of this Code.](#)

Sec. 2. The following definitions in Section 105.01 of the Los Angeles Municipal Code are amended to read:

“Public Park” means an open space, park, playground, swimming pool, beach, pier, reservoir, golf course, or similar athletic field ~~within the City of Los Angeles~~, which is under the control, operation or management of the City Board of Recreation and Park Commissioners; ~~the Santa Monica Mountains Conservancy; the Mountains Recreation and Conservation Authority; the County of Los Angeles Department of Beaches and Harbors; the County of Los Angeles Department of Parks and Recreation; or the California Department of Parks and Recreation;~~ a recreation and park district authorized under Chapter 4 of the California Public Resources Code; or a community services district authorized under Division 3 of the California Government Code; and shall further include any property in the City of Los Angeles zoned Open Space (“OS”) as defined under Section 12.04.05 of the Los Angeles Municipal Code that is maintained or operated as a parks and recreation facility, including bicycle trails, equestrian trails, walking trails, nature trails, park land/lawn areas, children’s play areas, child care facilities, picnic facilities, and athletic fields used for park and recreation purposes.

“Permanent Supportive Housing” means Supportive Housing as defined in ~~the Draft Permanent Supportive Housing Ordinance initiated August 30, 2017, CPC-2017-3136-CA, as may hereafter be adopted or amended~~ Section 12.03 of the Los Angeles Municipal Code, to include housing with no limit on length of stay that is occupied by persons with low incomes who have one or more disabilities and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people, but only to the extent such Permanent Supportive Housing provides on-site Supportive Services. As may hereafter be adopted or amended, Supportive Services means services that are provided on a voluntary basis to residents of Supportive Housing, including, but not limited to, a combination of

subsidized, permanent housing, intensive case management, medical and mental health care, substance abuse treatment, employment services, benefits advocacy, and other services or service referrals necessary to obtain and maintain housing.

Sec. 3. Subsection (c) of Section 105.02 of the Los Angeles Municipal Code is amended to read:

(c) Commercial Cannabis Activity ~~that has received licenses by the State of California and City for its location and otherwise~~ meeting all other restrictions and requirements of this article shall not be in violation of the distance restrictions in this article required from:

(1) An Alcoholism or Drug Abuse Recovery or Treatment Facility, if the date the Applicant applied for a City license for the Commercial Cannabis Activity to operate in the location identified in its application was prior to the date the Alcoholism or Drug Abuse Recovery or Treatment Facility first opened for use by its patrons received a license from the State and began providing on-site non-medical residential services prior to the date the Commercial Cannabis Activity received licenses by the State and City for its location;

(2) A Day Care Center, if the date the Applicant applied for a City license for the Commercial Cannabis Activity to operate in the location identified in its application was prior to the date the Day Care Center first received a license from the State as a Day Care Center prior to the date the Commercial Cannabis Activity received licenses by the State and City for its location;

(3) Permanent Supportive Housing (PSH), if the date the Applicant applied for a City license for the Commercial Cannabis Activity to operate in the location identified in its application was prior to the date (a) the Housing and Community Investment Department notified the Department of Cannabis Regulation of the PSH development which includes the location identified by the Applicant in its application; (b) one or more PSH units were certified for occupancy; or (c) the PSH development began to provide on-site Supportive Services Permanent Supportive Housing ~~first appeared on a list of addresses and parcel numbers of Permanent Supportive Housing developments that have received entitlement approvals or a building permit from the City, provided by the Housing and Community Investment Department to the Department of Cannabis Regulation, prior to the date the Commercial Cannabis Activity received licenses by the State and City for its location;~~

(4) A Public Park, Public Library, or private School, if the date the Applicant applied for a City license for the Commercial Cannabis Activity to operate in the location identified by the Applicant in its application was prior to the date the Public Park, Public Library, or private School: (a) first opened for use by its patrons or students before the Commercial Cannabis Activity received licenses by the State

~~and City for its location, even if the Public Park, Public Library, or private School opened without a permit, authorization or approval for a Public Park, Public Library, or School; or (b) first received a permit, authorization or approval for a Public Park, Public Library, or School and began to operate as a Public Park, Public Library, or private School before the Commercial Cannabis Activity received licenses by the State and City for its location; and~~

(5) A public School, if the date the Applicant applied for a City license for the Commercial Cannabis Activity to operate in the location identified by the Applicant in its application was prior to the date the public School began providing instruction in kindergarten or any grades 1 through 12: ~~(a) first opened for use by students before the Commercial Cannabis Activity received licenses by the State and City for its location, even if the public School first opens without a permit, authorization or approval for a public School; or (b) first received a permit, authorization or approval by from the Office of Public School Construction or the California Department of Education or the Division of the State Architect, before the Commercial Cannabis Activity received licenses by the State and City for its location.~~

For the purpose of this Section 105.02, the date the Applicant applied for a City license for the Commercial Cannabis Activity shall mean the date that the Department of Cannabis Regulation deemed the application eligible for further processing and received full payment of all appurtenant license fees from the Applicant.

Sec. 4. Subsection (b) of Section 105.03 of the Los Angeles Municipal Code is amended to read:

(b) Limited Grandfathering if the City Issues a License. If the City issues the EMMD a City license for Commercial Cannabis Activity, the EMMD shall continue to operate at its location within the City in accordance with the rules and regulations set forth by the City. Such EMMD shall not be subject to the zone, distance and sensitive use restrictions stated in Section 105.02 of this article until after December 31, 2022, on the condition that the EMMD: (1) operates and continues to operate in compliance with the distance and sensitive use restrictions (Los Angeles Municipal Code Section 45.19.6.3 L. and O. of Proposition D, notwithstanding those restrictions would have been repealed, except that the EMMD need not comply with the prohibition on ingress or egress on a side of the premises that abuts, is across a street, alley, or walk from; or shares a common corner with Residentially Zoned Property so long as the ingress or egress is restricted to employees, vendors and contractors of the EMMD; and (2) limits on-site cultivation at the Business Premises to not exceed the size of the EMMD's existing square footage of building space as of March 7, 2017, as documented by dated photographs, building lease entered into on or before March 7, 2017, or comparable evidence. If the EMMD issued a License fails to operate in compliance with these provisions of Proposition D, the EMMD's

License shall be subject to revocation. This limited grandfathering shall not create, confer, or convey ~~and any~~ vested right or nonconforming right or benefit regarding any activity conducted by the EMMD beyond the term and activities provided by the License. This limited grandfathering shall cease immediately after December 31, 2022, except that an EMMD shall not be required to be located outside of a 700-foot radius of the sites listed in Section 105.02(a)(1)(B) of this Code so long as it is located in one of the eligible zones listed in Section 105.02(a)(1)(A). After December 31, 2022, all EMMDs shall be required to be located on a Business Premises that ~~meets all the requirements of Article 5 of Chapter X~~ is located within one of the eligible zones listed in Section 105.02(a)(1)(A) of this Code. Any EMMD located on a Business Premises that ~~does not meet all the requirements of Article 5 of Chapter X~~ is not located within one of the eligible zones listed in Section 105.02(a)(1)(A) of this Code shall cease operating immediately after December 31, 2022.

Sec. 5. The City Clerk shall certify, etc.

Findings

Land Use Findings

The Department of City Planning recommends that the City Planning Commission find:

1. In accordance with **City Charter Section 556**, the proposed ordinance (Exhibit A) is in substantial conformance with the purposes, intent, and provisions of the General Plan. The proposed ordinance balances the objective of realizing the economic and other benefits of commercial cannabis activity with protecting public safety and neighborhood quality-of-life.

The proposed ordinance refines and clarifies the range of sensitive sites in order to avoid conflicts between commercial cannabis activity and sensitive sites. This will help to ease unnecessary constraints on the siting of new cannabis retail businesses. Additionally, the proposed ordinance eases constraints that would otherwise prevent some existing cannabis retailers from continuing to operate in their existing locations, while retaining zone and minimum distance provisions that protect public safety and neighborhood quality-of-life and ensure compatibility with surrounding neighborhoods.

Finally, in refining the minimum distancing requirement between on-site cannabis retail sales and public parks, the proposed ordinance helps reduce exposure to health risks such as secondhand smoke, and helps reduce minors' exposure to cannabis and cannabis-derived products, all while enhancing opportunities for businesses to locate in areas where these risks either are not present or are significantly lower.

In doing these things, the ordinance supports the following General Plan goals, objectives, and policies:

Framework Element:

- **Goal 7B.** A City with land appropriately and sufficiently designated to sustain a robust commercial and industrial base.
 - **Objective 7.2.** Establish a balance of land uses that provides for commercial and industrial development which meets the needs of local residents, sustains economic growth, and assures maximum feasible environmental quality.
- **Goal 7D.** A City able to attract and maintain new land uses and businesses.

Housing Element:

- **Objective 2.1.** Promote safety and health within neighborhoods.
 - **Policy 2.1.2.** Establish development standards and other measures that promote and implement positive health outcomes.

2. In accordance with **City Charter Section 558(b)(2)**, the adoption of the proposed ordinance will be in conformity with public necessity, convenience, general welfare and good zoning practice. The proposed ordinance addresses key challenges stemming from the 2017 location restrictions for commercial cannabis activity, namely the inclusion of sites with no recreational value in the definition of Public Park, the administrative challenge associated with the cutoff date for complying with minimum distancing requirements, and burdensome restrictions on access to cannabis retailers' premises. The proposed ordinance makes refinements and clarifications to these provisions that remove unnecessary barriers to new cannabis retailers and lessen unanticipated operational burdens on existing cannabis retailers. These refinements will, where appropriate, provide enhanced access to a category of business for which there is considerable public demand, while retaining zone and minimum distance provisions that protect public safety and neighborhood quality-of-life and ensure compatibility with surrounding neighborhoods.

Environmental Finding

The Department of City Planning recommends the following environmental finding:

Based on the whole of the administrative record, the lead agency finds that the project is exempt from CEQA pursuant to California Business and Professions Code Section 26055(h) on the basis that the project will adopt ordinances, rules and/or regulations, that will require discretionary review under CEQA to approve licenses to engage in commercial cannabis activity in the City (Exhibit C; ENV-2019-6204-SE).

COUNTY CLERK'S USE	CITY OF LOS ANGELES OFFICE OF THE CITY CLERK 200 NORTH SPRING STREET, ROOM 395 LOS ANGELES, CALIFORNIA 90012 CALIFORNIA ENVIRONMENTAL QUALITY ACT <h2 style="margin: 0;">NOTICE OF EXEMPTION</h2> (PRC Section 21152; CEQA Guidelines Section 15062)	
Filing of this form is optional. If filed, the form shall be filed with the County Clerk, 12400 E. Imperial Highway, Norwalk, CA 90650, pursuant to Public Resources Code Section 21152(b) and CEQA Guidelines Section 15062. Pursuant to Public Resources Code Section 21167 (d), the posting of this notice starts a 35-day statute of limitations on court challenges to reliance on an exemption for the project. Failure to file this notice as provided above, results in the statute of limitations being extended to 180 days.		
PARENT CASE NUMBER(S) / REQUESTED ENTITLEMENTS CPC-2019-6203-CA		
LEAD CITY AGENCY City of Los Angeles (Department of City Planning)	CASE NUMBER ENV-2019-6204-SE	
PROJECT TITLE Technical Amendment to Cannabis Location Restrictions	COUNCIL DISTRICT All	
PROJECT LOCATION (Street Address and Cross Streets and/or Attached Map) Citywide		<input type="checkbox"/> Map attached.
PROJECT DESCRIPTION: The proposed project is a proposed ordinance modifying location and related restrictions for commercial cannabis activity.		<input checked="" type="checkbox"/> Additional page(s) attached.
NAME OF APPLICANT / OWNER: City of Los Angeles (Department of City Planning)		
CONTACT PERSON (If different from Applicant/Owner above) Niall Huffman	(AREA CODE) TELEPHONE NUMBER (213) 978-3405	EXT. N/A
EXEMPT STATUS: (Check all boxes, and include all exemptions, that apply and provide relevant citations.) STATE CEQA STATUTE & GUIDELINES		
<input checked="" type="checkbox"/> STATUTORY EXEMPTION(S) Business and Professions Code Section(s) <u>26055(h)</u>		
<input type="checkbox"/> CATEGORICAL EXEMPTION(S) (State CEQA Guidelines Sec. 15301-15333 / Class 1-Class 33) CEQA Guideline Section(s) / Class(es) _____		
<input type="checkbox"/> OTHER BASIS FOR EXEMPTION (E.g., CEQA Guidelines Section 15061(b)(3) or (b)(4) or Section 15378(b)) _____		
JUSTIFICATION FOR PROJECT EXEMPTION: The project is exempt from CEQA pursuant to Business and Professions Code Sec. 26055(h) on the basis that the project will adopt ordinances, rules and/or regulations, that will require discretionary review under CEQA to approve licenses to engage in commercial cannabis activity in the City of Los Angeles.		<input type="checkbox"/> Additional page(s) attached
<input type="checkbox"/> None of the exceptions in CEQA Guidelines Section 15300.2 to the categorical exemption(s) apply to the Project. <input type="checkbox"/> The project is identified in one or more of the list of activities in the City of Los Angeles CEQA Guidelines as cited in the justification.		
IF FILED BY APPLICANT, ATTACH CERTIFIED DOCUMENT ISSUED BY THE CITY PLANNING DEPARTMENT STATING THAT THE DEPARTMENT HAS FOUND THE PROJECT TO BE EXEMPT. If different from the applicant, the identity of the person undertaking the project.		
CITY STAFF USE ONLY:		
CITY STAFF NAME AND SIGNATURE	STAFF TITLE	
ENTITLEMENTS APPROVED		

FEE:	RECEIPT NO.	REC'D. BY (DCP DSC STAFF NAME)
------	-------------	--------------------------------

DISTRIBUTION: County Clerk, Agency Record
Rev. 3-27-2019

PROJECT DESCRIPTION

The proposed project consists of a proposed ordinance which would modify the City of Los Angeles' location restrictions for commercial cannabis activity adopted in 2017. The ordinance would amend Article 5 of Chapter X of the Los Angeles Municipal Code to modify the definitions of certain sensitive sites used to establish distance buffer requirements and eligible locations for the issuance of commercial cannabis activity licenses; establish that distance buffer requirements are to be based on sensitive sites in existence at the time of application submittal for a commercial cannabis activity license; and modify rules relating to grandfathering of Existing Medical Marijuana Dispensaries. The proposed project, by itself, does not propose or authorize any development and would not authorize or expand any new or existing land uses.