

PLANNING AND LAND USE MANAGEMENT (PLUM) COMMITTEE REPORT relative to the implementation of changes to the Department of Cannabis Regulation's (DCR) cannabis licensing process.

Recommendations for Council action, as initiated by Motion (Harris-Dawson – Price – de León – Ridley-Thomas – Raman):

1. REQUEST the City Attorney to prepare and present an Ordinance, with an Urgency Clause, to implement cannabis licensing changes to increase speed and equity in the process, as detailed in the draft proposal attached to Motion (Harris-Dawson – Price – de León – Ridley-Thomas – Raman).
2. AMEND the Motion as follows:
 - a. Change the sentence in the sixth paragraph stating that the City was recently granted \$22 million from the State of California to expedite cannabis licensing, to state the following:
 - i. First, the State of California has allocated \$100 million for municipalities to expedite license processing, and the City of Los Angeles should be eligible to receive approximately \$22 million of those funds for license processing for this budget year and the next two years.
 - b. Add the following sentence to the opening of the detailed language in the Motion's Attachment:
 - i. Any timelines provided in this Motion will commence only after all correct and complete documents have been submitted.
 - c. Add an amendment consistent with the DCR report dated October 29, 2021, attached to the Council file, relative to allowing a Standalone Social Equity Applicant Entity Verification process, as detailed on Page 28 of said DCR report, to allow the DCR to conduct an Equity Share review before a Temporary Approval Application is submitted; and, add a timeline of 30 additional days to allow the Standalone Social Equity Applicant Entity Verification process. With this additional timeline, the pre-application and temporary approval process will total 190 days, or over 6 months.
3. INSTRUCT the DCR as follows:
 - a. Upon adoption by the City's Council of any of the provisions described in the Motion, the DCR shall immediately implement such provisions into its licensing process; and, to the extent the DCR believes changes are necessary to its Accela licensing software (Accela), the DCR shall make such changes while continuing to process license applications and/or modification requests in conformity with said provisions without delay or interruption.
 - b. Within 15 days of the City Council's adoption of this instruction, the DCR shall conduct and complete a review of: (i) all pending Phase 3 applications whose premises comply with the provisions of Article 5 of Chapter X of the Los Angeles Municipal Code (LAMC); (ii) all pending relocation requests whose new premises comply with the provisions of Article 5 of Chapter X of the LAMC; and, (iii) all pending modification requests to change the business entity on an application. For all of these licensees/applicants, within 30 days of this instruction, the DCR shall notify them of their land use compliance and/or update the entity name on their application/license; and, thereafter confirm Local Compliance Underway in response to an inquiry from the State licensing agencies. The DCR may collect any additional documents required to complete the processing of the entity change or relocation, but shall not delay confirming the applicant/licensee's Local Compliance Underway status if contacted by the State licensing agencies.
 - c. Effective immediately, the DCR shall allow applicants/licensees to continue to operate pending an ownership modification, if at least one existing Owner remains as an Owner in any capacity that meets the definition of Owner under applicable State law. For sake of clarity, if an individual remains

as an officer or director of the licensee or is otherwise participating in the management, direction, or control of the licensee, that shall satisfy the requirement.

- d. Within 15 days, the DCR shall update the licensing map on its website to accurately reflect the current location of all: (i) retailers with Temporary Approval; (ii) all pending retail relocation requests that the DCR has deemed to have location priority relative to other retail applicants and licensees; and, (iii) new sensitive use locations, such as libraries, schools, drug treatment facilities, parks, etc. Thereafter, the DCR shall update the licensing map no less frequently than on a weekly basis thereafter.
- e. Within 45 days, the DCR shall report to the PLUM Committee within 45 days with a comprehensive overview of the process by which the DCR intends to meet its obligations under the California Environmental Quality Act, which report shall include the following:
 - i. A timeline for when the DCR will begin its environmental review for each licensing phase.
 - ii. A general description of the categories of information and documents that the DCR will require from applicants and licensees.
 - iii. A workflow of the environmental review process that the DCR will follow.
- f. Beginning on November 1, 2021, and continuing on the first of every month thereafter, the DCR shall report to the PLUM Committee with the following information:
 - i. The number of pending applications that have not received a Local Compliance Underway status in Accela.
 - ii. The number of pending relocation requests that have not received a Local Compliance Underway status in Accela.
 - iii. The number of pending applications that have not received Temporary Approval.
 - iv. The number of modification requests that are pending in any status, and broken down by time since submission in increments of 3, 6, 9, and 12 months.
- g. Effective immediately, the DCR shall rescind its deadline of August 31, 2021 for applicants without Temporary Approval to make relocation requests, ownership modification, and entity changes; and its December 31, 2021 deadline for Phase 3, Round 1 applicants to request relocation. The DCR shall not impose any new deadlines in place of these rescinded deadlines; and, on an ongoing basis, applicants without Temporary Approval shall be eligible to make the same types of modifications afforded to applicants with Temporary Approval.
- h. The DCR shall report to the PLUM Committee on the additional resources that will be needed to effectuate the aforementioned changes, and on the possible revenue sources, including anticipated State funding, the DCR's internal funding from Fiscal Year 2021-22, and other recommended City funding sources.

Fiscal Impact Statement: Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: Yes

For: Bel Air-Beverly Crest Neighborhood Council

Summary:

At a regular meeting held on November 2, 2021, the PLUM Committee considered Motion (Harris-Dawson – Price – de León – Ridley-Thomas – Raman) relative to the implementation of changes to the DCR’s cannabis licensing process, requesting the City Attorney to prepare and present an Ordinance with an Urgency Clause, and with instructions to the DCR. DCR provided an overview of the matter. After providing an opportunity for public comment, the Committee recommended to approve the recommendations contained in the Motion as amended, and amendments to the language of the Motion and its Attachment, as detailed above. This matter is now transmitted to the Budget and Finance Committee, Immigrant Affairs, Civil Rights, and Equity Committee; and, Information, Technology, and General Services Committee, for consideration.

Respectfully Submitted,

PLANNING AND LAND USE MANAGEMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
HARRIS-DAWSON:	YES
CEDILLO:	YES
BLUMENFIELD:	YES
RODRIGUEZ:	YES
LEE:	ABSENT

AXB
21-1083_rpt_PLUM_11-02-21

-NOT OFFICIAL UNTIL COUNCIL ACTS-