

Communication from Public

Name: Ian McMillan

Date Submitted: 07/29/2020 09:15 PM

Council File No: 14-0366-S5

Comments for Public Posting: Hello, my name is Ian , I live & work in district 8 and I am a social equity applicant. Commissioners, this is in regards to PCN eligible criteria for Social Equity Applicant in phase 3 round 1. If 22 (Round 1 Phase 3 invoiced applicants) are counted towards PCN eligibility for the community plans in: Boyle Heights, Hollywood, North Hollywood, and West Los Angeles then it is only fair all Round 1 Phase 3 invoiced applicants count towards the PCN eligibility for every community plan so those applicants who choose to apply through the PCN process can do so. All community plans should be treated the same. Please see attached for further explanation. Thank you for your consideration!

Dear Commission,

I hope this email finds you well. My name is Ian McMillan.

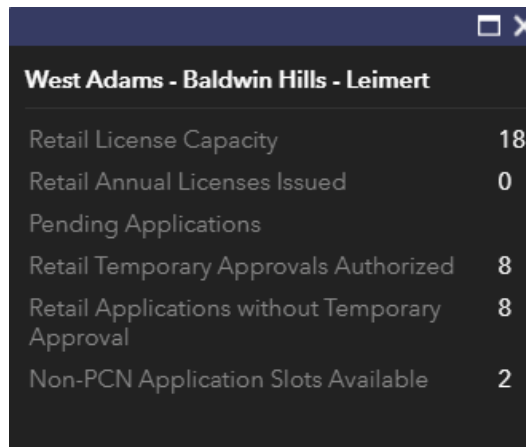
As you know, some applicants gained early access to the application portal on September 3rd, 2019 which created an unfair disadvantage to many applicants. As a result the city is awarding 100 new licenses in Round 1. [Cannabis Business Times July 2nd 2020](#)

Despite the progress we made, the amendments the city proposed, issuing 100 new licenses, seems to create a disadvantage to the PCN application process.

Currently there are **three (3)** main pathways to receive a Social Equity Type 10 Retail license in Los Angeles.

- The first method is through the Department of Cannabis Regulation (DCR) issuing licenses on a first come first serve basis on September 3rd, 2019, inclusive of the additional 100 for a total of 200 licenses for Round 1.
- The **second pathway to obtaining a** license is *through the Public conveniences or necessity (PCN) application process*. There are currently 36 community plan areas in the city of Los Angeles. Some community plan areas have reached undue concentration and the DCR is no longer authorized to issue further licenses. Applicants who identify their proposed Business Premises as being located in a Community Plan Area that has met Undue Concentration will be routed to the PCN request process.
- The third pathway is the Lottery which there is no confirmed date. This will occur at a yet to be determined date in the future.

Allow me to explain the PCN pathway to receiving a retail license. As an example according to the community plan area below, it has 2 Non-PCN Application Slots Available. What does that mean? With the issuance of the additional 100 licenses that will be given as a continuation to Phase 3 Round 1, this community plan should reach undue concentration thus allowing applicants to apply via PCN.



West Adams - Baldwin Hills - Leimert	
Retail License Capacity	18
Retail Annual Licenses Issued	0
Pending Applications	
Retail Temporary Approvals Authorized	8
Retail Applications without Temporary Approval	8
Non-PCN Application Slots Available	2

However, given the DCR's draft amendment wording, the DCR seems to be proposing that the **phase 3 applicants who were invoiced in September 2019** and took some of the remaining

slots in this community plan are now being **exempt** and **will NOT count towards undue concentration**. If this happens it will mean that **community plans will reset to only account for Pre ICO's** (those with Temporary Approvals Authorized) and **not** include the **Phase 3 invoiced applicants from September 3rd 2019**. For example, in the above image West Adams will reset to having only 8 (PRE ICO's) of the 18 slots filled. The 8 slots that **were invoiced as Phase 3 applicants** will not be included in the count. The current 2 remaining slots will now increase by those 8, moving the goal post from 2 to 10 Non-PCN Application Slots before this community plan reaches undue concentration.

Our research shows that during the issuance of invoices for the additional 100 licenses available in Round 1, the number of eligible applicants to receive invoices would take the remaining 2 slots available in this community plan, thus allowing applicants to apply through PCN. If the DCR does not count the Phase 3 invoiced applicants who applied September 3, 2019 as licenses towards undue concentration, applicants will have to wait until 10 slots are filled versus the remaining 2, thus delaying or even preventing applicants from applying through the PCN application process.

Your Proposed Business Located in an Area of Undue Concentration?

- Currently, the following Community Plan Areas are subject to Undue Concentration findings for Type 10 Retail Storefront licenses:
 - Central City
 - Central City North
 - Harbor Gateway
 - Sherman Oaks - Studio City - Toluca Lake - Cahuenga Pass
 - Sun Valley - La Tuna Canyon
 - Venice
- <https://neighborhoodinfo.lacity.org/>

(Image A) above was taken on August 6, 2019 before Phase 3, Round 1

Currently, the following Community Plan Areas have reached Undue Concentration for Retail licenses:

- Boyle Heights
- Central City
- Central City North
- Harbor-Gateway
- Hollywood
- North Hollywood-Valley Village
- Sherman Oaks - Studio City-Toluca Lake-Cahuenga Pass
- Sun Valley - La Tuna Canyon
- Venice
- West LA

The above image is currently on the DCR Website July 2020

According to image (A) above, 6 community plans reached undue concentration before September 3, 2019. After the processing of the first 100 invoiced applicants in Phase 3 Round 1, the number of community plans that reached undue concentration are now 10. The below four community plans: Boyle Heights, Hollywood, North Hollywood and West Los Angeles reached undue concentration as a **direct** result of the Phase 3 Round 1 applicants from September 3, 2019 and took the remaining slots thus reaching undue concentration. Every red circle in the community plans images below are Phase 3 Round 1 applicants from September 3, 2019 and are counting towards Undue Concentration according to the [DCR website](#).

Boyle Heights		Hollywood		North Hollywood - Valley Village	
Retail License Capacity	9	Retail License Capacity	21	Retail License Capacity	15
Retail Annual Licenses Issued	0	Retail Annual Licenses Issued	0	Retail Annual Licenses Issued	0
Pending Applications		Pending Applications		Pending Applications	
Retail Temporary Approvals Authorized	5	Retail Temporary Approvals Authorized	14	Retail Temporary Approvals Authorized	9
Retail Applications without Temporary Approval	4	Retail Applications without Temporary Approval	8	Retail Applications without Temporary Approval	6
Non-PCN Application Slots Available	0	Non-PCN Application Slots Available	0	Non-PCN Application Slots Available	0

West Los Angeles	
Retail License Capacity	9
Retail Annual Licenses Issued	0
Pending Applications	
Retail Temporary Approvals Authorized	6
Retail Applications without Temporary Approval	4
Non-PCN Application Slots Available	0

If 22 Round 1 Phase 3 invoiced applicants (which are exempt from the undue Concentration count) are counted towards **PCN eligibility** for the following community plans: Boyle Heights, Hollywood, North Hollywood, and West Los Angeles, then it is only fair all Round 1 Phase 3 invoiced applicants count towards the **PCN eligibility** for every community across the board. All community plans should be treated the same.

Honorable members, we are proposing the City maintain the Phase 3 invoiced September 3rd, 2019 applicants in the PCN eligibility for each community plan similar to Boyle Heights, Hollywood, North Hollywood and West Los Angeles which includes Phase 3 Round 1 invoiced applicants.

Respectfully,

Ian McMillan

Communication from Public

Name: Cristian

Date Submitted: 07/30/2020 02:06 PM

Council File No: 14-0366-S5

Comments for Public Posting: Hello, my name is Cristian, Commissioners, this is in regards to PCN eligible criteria for Social Equity Applicants in phase 3 round 1. If 22 (Round 1 Phase 3 invoiced applicants) are being counted towards PCN eligibility for the four (4) community plans in: Boyle Heights, Hollywood, North Hollywood, and West Los Angeles then it is only fair ALL Round 1 Phase 3 invoiced applicants count towards the PCN eligibility for every community plan so those applicants who choose to apply through the PCN process can do so. All community plans should be treated the same. Thank you for your consideration!

Communication from Public

Name: Kevin B Payne

Date Submitted: 07/30/2020 02:51 PM

Council File No: 14-0366-S5

Comments for Public Posting: Hello, my name is Kevin Payne , I live/work in district8 and I am a social equity applicant. Commissioners, this is in regards to PCN eligible criteria for Social Equity Applicants in phase 3 round 1. If 22 (Round 1 Phase 3 invoiced applicants) are counted towards PCN eligibility for the community plans in: Boyle Heights, Hollywood, North Hollywood, and West Los Angeles then it is only fair all Round 1 Phase 3 invoiced applicants count towards the PCN eligibility for every community plan so those applicants who choose to apply through the PCN process can do so. All community plans should be treated the same. Thank you for your consideration!