



Office of the Los Angeles City Attorney
Hydee Feldstein Soto

REPORT NO. R25-0539
OCT 31 2025

REPORT RE:

**DRAFT ORDINANCE AMENDING SECTIONS 104.03 AND 104.06 OF ARTICLE 4,
CHAPTER X OF THE LOS ANGELES MUNICIPAL CODE TO REGULATE
COMMERCIAL CANNABIS ACTIVITY**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Council File Nos. 17-0653-S1, 25-0418, and 25-0591

Honorable Members:

Pursuant to your request, this Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. The draft ordinance incorporates a number of technical changes that were requested in multiple Council Files as amendments to Sections 104.03 and 104.06 of the Los Angeles Municipal Code (LAMC) regarding processes at the Department of Cannabis Regulation (DCR) and the regulation of Commercial Cannabis Activity. These changes include:

- Revoking DCR's ability to suspend processing timeframes when its vacancy rate is 20 percent or higher (*See Recommendation 4 of the Report from the Government Operations Committee dated June 3, 2025, as adopted in Council File No. 25-0418*);

- Extending the time for the issuance of Type 10 Storefront Retailer Licenses for Commercial Cannabis Activity exclusively to Social Equity Applicants to December 31, 2031 (*See Motion 7-A dated June 11, 2025, as adopted in Council File No. 25-0591*);
- Extending the period to refile an abandoned application from three years to five years (*See Request a. of the Report from the Government Operations Committee dated September 5, 2025, as adopted in Council File No. 17-0653-S1*); and
- Allowing applicants to pay or enter into a payment plan to pay previously due City taxes, fines, and fees to come into “good standing” within 30 days of the time an application is refiled (*See Request b. of the Report from the Government Operations Committee dated September 5, 2025, as adopted in Council File No. 17-0653-S1*).

CEQA Recommendation

DCR recommends that the City Council may rely on Negative Declaration No. ENV-2017-2261-ND, adopted on November 28, 2018, to approve the project. The Council may rely on a negative declaration for a subsequent approval if it finds in its independent judgment, pursuant to CEQA Guidelines Section 15162(b), there are no substantial changes to the project, substantial changes to the circumstances or new information that will require the preparation of an EIR. Staff also recommends that, based on the whole of the administrative record, that the ordinance is exempt pursuant to CEQA Guidelines Sections 15301 (categorical exemption for existing facilities) and 15303 (categorical exemption for new construction or conversion of small structures), and that none of the exceptions under 15300.2 apply. Reliance on a categorical exemption is appropriate when substantial evidence in the record supports a project falls within the categorical exemption and the City determines that none of the exceptions in CEQA Guidelines Section 15300.2 applies.

Council Rule 38 Referral

A copy of the draft ordinance was sent, pursuant to Council Rule 38, to the Department of Cannabis Regulation with a request that all comments, if any, be presented directly to the City Council when this matter is considered.

If you have any questions regarding this matter, please contact Deputy City Attorney Allison Towle at (213) 978-7439. A member of this Office will be available when you consider this matter to answer questions you may have.

Sincerely,

HYDEE FELDSTEIN SOTO, City Attorney

By



for MICHAEL J. DUNDAS
Chief Assistant City Attorney

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Transmittal