MICHAEL N. FEUER
CITY ATTORNEY

REPORT NO. R20-0208
JUN 26 2020

REPORT RE:

DRAFT ORDINANCE AMENDING ARTICLE 4 OF CHAPTER X OF THE LOS ANGELES MUNICIPAL CODE REGULATING 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. 20-0782, 20-0446-S1, 20-0420, 17-0653, and 20-0785

Honorable Members:

Pursuant to the request of the City Council, this Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. The draft ordinance amends Article 4, Chapter X of the Los Angeles Municipal Code (LAMC) to incorporate numerous changes, including the following:

- Adds and clarifies definitions (Sections 104.01, 104,20)
- Clarifies limitations on holding license types (Section 104.02)
- Clarifies the application process (Section 104.03)
- Clarifies and amends the public convenience and necessity (PCN) process and requires PCN applicants to seek input from specified stakeholders (Section 104.03)
- Allows businesses to relocate (Section 104.03)
- Clarifies the pre-licensing inspection, community meeting, and notice requirements (Section 104.04, 104.05)
- Clarifies the renewal process (Section 104.12)
- Authorizes the processing of an additional 100 applications from "Phase 3 Retail Round 1" based on specified criteria (Section 104.06.1)

- Limits the processing of new Type 9 and Type 10 Retailer Licenses to Social Equity Applicants until January 1, 2025 (Sections 104.06, 104.06.1)
- Expands the authority to issue Temporary Approval based on specified requirements (Section 104.06)
- Establishes a lottery process for Round 2 of Type 10 application processing and requires that participants have a prior California cannabis arrest or conviction (Section 104.06.1)
- Deletes the delivery pilot program
- Adds revised eligibility criteria for the Social Equity Program and clarifies benefits and requirements associated with the Program, including expanded equity share requirements (Section 104.20)
- Redefines "Disproportionately Impacted Area" as Police Reporting Districts based on the Expanded Social Equity Analysis (Section 104.20).

The draft ordinance also makes comprehensive organizational changes to improve the clarity of the licensing and regulatory process.

Council Rule 38 Referral

A copy of the draft ordinance was sent, pursuant to Council Rule 38, to the Department of Cannabis Regulation, the Department of Building and Safety, the Department of City Planning, and the Los Angeles Police Department, 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 Taylor C. Wagniere at (213) 978-7439. She or another member of this Office will be available when you consider this matter to answer questions you may have.

Sincerely,

MICHAEL N. FEUER, City Attorney

By Stefan Fauble
for DAVID MICHAELSON
Chief Assistant City Attorney

DM:pj
Transmittal

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