

GOVERNMENT OPERATIONS COMMITTEE REPORT relative to amending the Los Angeles Municipal Code (LAMC) to allow Existing Medical Marijuana Dispensaries (EMMD) to continue conducting their licensed cannabis activities at their existing business premises.

Recommendation for Council action, pursuant to Motion (Padilla – Hernandez):

INSTRUCT the Department of Cannabis Regulation, in coordination with the City Attorney, Department of Building & Safety, City Planning Department, and other relevant City Departments, to report on amending LAMC Chapter X, Article 5, Section 105.03 that would allow EMMDs to continue conducting their licensed cannabis activities at their existing business premises, and permanently grandfather said EMMDs in a manner that would exempt them from complying with the non-conforming use requirements, as defined under LAMC Section 105.02.

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

Community Impact Statement: None submitted.

Summary:

On February 4, 2025, your Committee considered a Motion (Padilla – Hernandez) relative to amending the LAMC to allow EMMDs to continue conducting their licensed cannabis activities at their existing business premises. According to the Motion, in 2013, the voters of the City passed Proposition (Prop) D, which established a framework for limiting Medical Marijuana Dispensaries, and exempting them from zoning requirements as long as they observed certain standards. Those standards included the following: forbidding minors from entering the premises; ensuring that each location is not within a 1,000 foot radius of a school or within a 600-foot radius of a public park, public library, religious institution, child care facility, youth center, alcoholism/ drug abuse recovery or treatment facility, or any other medical cannabis business; prohibiting cannabis from being visible from the exterior of the premises; disallowing illumination of the business premises; and, registration under the City’s 2007 Interim Control Ordinance.

As a result, 135 businesses successfully registered under the City’s 2007 Interim Control Ordinance. After the passage of Measure M in 2017, these medical marijuana businesses received limited grandfathering under LAMC Section 105.03. These businesses, also known as EMMDs, were permitted to continue operating as long as they applied for a regular license with the City, and complied with the regulatory structure for cannabis activities created by Sections 104 and 105 of Chapter X of the LAMC. The limited grandfathering as authorized under LAMC Section 105.03 further clarified that these EMMDs were exempt from the new zoning, distancing and sensitive use requirements under LAMC Section 105.02 until December 31, 2025. After December 31,

2025, all EMMDs are required to comply with the zoning requirements of Section 105.02(a) and must cease conducting any commercial cannabis activities that do not comply with such zoning requirements.

Many of these EMMDs have successfully completed the Annual Licensing process and have been engaging in licensed commercial cannabis activities, including retail, cultivation, manufacturing, and/or distribution at their existing premises. While some of these uses may not be compliant with the zoning and sensitive use requirements of LAMC Section 105.02, these businesses continue to be located on parcels that are 1,000 feet away from schools and 600 feet away from what would otherwise be considered a sensitive use. Additionally, these locations are compliant with State law's 600 feet distancing and sensitive use requirements. Many licensed cannabis businesses are facing struggles finding compliant real estate because commercial landlords are hesitant to lease to cannabis businesses due to the depressed market and high operator failure rate. In order to help alleviate these barriers surrounding real estate, the City should grandfather EMMDs and allow them to continue operating at their existing business premises. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the Motion. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Government Operations Committee

**COUNCILMEMBER VOTE**

PADILLA: YES

LEE: YES

JURADO: YES

ARL

2/4/25

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**