



INFORMATION AND PROCEDURE BULLETIN

LIC-4001-IPB

September 08, 2020

PUBLIC CONVENIENCE OR NECESSITY (PCN) PROCEDURE

The Cannabis Procedures Ordinance limits the number of Retail, Cultivation and Volatile-Manufacturing Commercial Cannabis Activity Licenses by Community Plan Area (CPA) based on the definition of Undue Concentration under Los Angeles Municipal Code (LAMC) Section 104.01(a)(48). An area is considered unduly concentrated when DCR issues the maximum number of these License types in that CPA.

Pursuant to LAMC Section 104.03(a)(4), Applicants seeking to engage in Retail, Cultivation, and Volatile-Manufacturing Commercial Cannabis Activity in a CPA that is unduly concentrated are required to file a request that the City Council find that approval of the License application would serve a public convenience or necessity (PCN) supported by evidence in the record. This bulletin, in conjunction with the PCN Workflow ([LIC-4001-WF](#)), provides general information, procedure and requirements for an Applicant to submit a PCN request to the City Council.¹

Overview of Responsibilities

Applicant Responsibilities:

- Reach out to key stakeholders as early as possible in the process.
- Perform due diligence to verify that the location of the Business Premises complies with LAMC Section 105.02(a)(1).
- Complete and submit the “Public Convenience or Necessity Finding Request Form” (“PCN Request Form”) to DCR.
- Pay the PCN Filing Fee and the Written Notice Fee.
- After the City Clerk assigns a Council File to the PCN request, complete and send the “Stakeholder Input Request Form” (“Stakeholder Form”) to key stakeholders.
- Submit any additional documentation in support of the PCN request to DCR prior to the City Council meeting.
- Subscribe to the Council File to receive notifications from the City Clerk related to the PCN request.

DCR Actions:

- Review PCN request.
- Transmit PCN request to the City Clerk within 30 days of the PCN Filing Fee payment.
- Provide Written Notice in accordance with LAMC Section 104.05(b)(1).
- Transmit any additional documentation from the Applicant to the City Clerk.
- Communicate Council’s final action to the Applicant.

City Clerk Actions:

- Issue a Council File Number to the PCN request and inform the City Council or processing deadlines.

City Council Actions:

- May schedule the item in Council Committee and/or City Council within 90 days of the PCN request receipt.

¹ This document is intended to serve as an informational guide only. It does not replace or supersede the Los Angeles Municipal Code and does not constitute legal advice. This document is subject to change and may not constitute the most up-to-date or complete information. Applicants are encouraged to conduct their own due diligence and research to ensure that they are in compliance with all legal requirements.

Forms Associated with the PCN Request Procedure:

- PCN Request Form ([LIC-4001-FORM](#))
- Stakeholder Input Request Form ([LIC-4002-FORM](#))

Instructions to File a PCN Request:

1. **PCN Request Form.** The Applicant completes the PCN Request Form and submits to DCR via Accela.
2. **Invoice.** DCR will prepare and issue an invoice for the PCN Filing Fee and the Written Notice Fee that must be paid within 10 days of the date of issuance. When the invoice is generated, the Applicant will receive a notification from dcrlicensing@lacity.org. The invoice will be located in the “Documents” section of the Accela PCN Application Record. Payments must be submitted to the Office of Finance. Please visit the Office of Finance [website](#) for information related to business hours, locations, and payment methods.
3. **DCR Review.** After DCR confirms payment, the PCN Request Form will be reviewed to verify compliance with zoning requirements and sensitive use restrictions in accordance with LAMC Section 105.02(a)(1).
4. **Transmittal to Office of the City Clerk.** DCR will transmit the PCN request to the City Clerk within 30 days of the invoice payment. The City Clerk will assign a Council File (“CF”) number to the PCN request which can be used to track its status.
5. **Subscribe to the Council File.** The Applicant may subscribe to the Council File to receive updates related to the Committee/City Council meeting where the PCN request will be considered.
 - a. Go to lacouncilfile.com
 - b. If the CF number is known, input the CF number in the search field and skip to Step 4.
 - c. If the CF is unknown, search using either the address of the Business Premises (no abbreviations) or the dedicated CF number that follows the naming convention of YR-0420-S_. For example, in the year 2020 files will be numbered as follows, , 20-0420-S1, 20-0420-S2, etc.). This search can be performed by selecting advanced search and entering “20-0420*” into the field labeled “Council File.”
 - d. Click Search. The search results will appear on the right side of the screen.
 - e. Click on the CF number to open the file.
 - f. On the CF page, click on the envelope icon with a purple arrow at the top of the screen to subscribe via email.
 - g. Enter the email address where the notifications should be sent.
 - h. Click Subscribe. A confirmation request will be sent to the email entered.
 - i. Verify the subscription to the Council File.
6. **Notice.** As required by LAMC Section 104.05(c)(4), DCR will provide Written Notice in accordance with LAMC Section 104.05(b)(1) within 10 days of the City Clerk receiving the PCN Request Form. The notice will contain the link to the Council File with instructions on how to subscribe for notifications.
7. **Stakeholder Input.** Once a Council File number is assigned by the City Clerk, the Applicant must complete and send the Stakeholder Input Request Form to the Neighborhood Council, the Police Department Division, the local chamber of commerce, and at least one substance abuse intervention, prevention and treatment organization with[in] the Community Plan Area. Click

[here](#) for a list of local chambers of commerce and substance abuse intervention, prevention and treatment organizations. Stakeholders may submit any comments and/or documents to the City Council pertaining to the request at: LACouncilComment.com. **Please note:** the list(s) referenced above is included for the Applicant's convenience and informational purposes only. It may not constitute the most up-to-date or complete information. Applicants are encouraged to conduct their own due diligence and research.

8. **Council Agenda.** The City Clerk will publish the agenda prior to the meeting in which the Applicant's PCN request will be considered.
9. **Council Action.** The City Council will either approve or deny the request. If the City Council does not act on the request within 90 calendar days of the City Clerk's date of receipt, then the City Council shall be deemed to have not made the necessary findings to support the public convenience or necessity, the request shall be denied by operation of law, and the application shall not be processed by DCR.
10. **City Council Approval.** If the City Council approves the request, the Applicant may submit a Pre-Application Review request to DCR via Accela. The system will require that a Council File number be entered in order to proceed.
11. **City Council Denial.** If the City Council denies the PCN request, or if City Council fails to act and the PCN request is denied by operation of law, the License Application shall not be processed by DCR. Applicants may apply during a later phase of licensing.

Standards:

The following standards were adopted by the City Council to be used in their assessment to determine if approval of the License Application would serve the public convenience or necessity. On the PCN Request Form, Applicants are required to explain how a standard or standards apply to their PCN request.

1. The existing commercial cannabis businesses in the requestor's Community Plan Area are concentrated in one area, such that the requestor's business, located in another area, would serve the public convenience or necessity; or
2. The proposed Business Premises would serve an area of increased density or consumer traffic, including but not limited to an entertainment or commercial corridor, such that the proposed location would serve the public convenience or necessity by satisfying a higher demand for retail locations; or
3. The proposed Business Premises would be located in an area with a high number of unlicensed commercial cannabis retail establishments, such that an additional licensed location would serve the public convenience or necessity by satisfying a higher demand for retail locations and reduce patronage of unlicensed establishments; or
4. The requestor's business would include clear specified public safety related features, such that the operation of the requestor's business would serve the public convenience or necessity by likely reducing crime or nuisance activity in the surrounding area.

Applicable Code Sections:

LAMC Section 104.01(a)(48):

“Undue Concentration” means an Applicant’s Business Premises is located within a higher cannabis license/population ratio within the community plan based on the American Community Survey, updated annually, than the following: ratio of one license per 10,000 residents for Retailer (Type 10); ratio of one license per 7,500 residents for Microbusiness (Type 12); a maximum aggregate number of 15 Licenses at a ratio of one License for every 2,500 square feet of allowable cultivated area for Cultivation (Types 1A, 1C, 2A, 3A, and 5A); and ratio of one license per 7,500 residents for Manufacture (Type 7). An EMMD is not subject to a finding of Undue Concentration. An Applicant eligible for processing under Section 104.08 is not subject to a finding of Undue Concentration. A Microbusiness involved in on-site retail counts towards the Undue Concentration License limits applied to Retailer (Type 10) Licenses, and a Microbusiness involved in Cultivation counts towards the Undue Concentration limits applied to Cultivation Licenses (Types 1A, 1C, 2A, 3A, and 5A).

LAMC Section 104.03(a)(4):

If the Applicant's Business Premises is located in a Community Plan Area of Undue Concentration, DCR shall not conduct a preliminary review of the application pursuant to Subsection (a) and, instead, the Applicant shall file a request, on a form provided by DCR, that the City Council find that approval of the License application would serve the public convenience or necessity, supported by evidence in the record. The Applicant shall also pay a Public Convenience or Necessity Application Fee pursuant to Section 104.19(g) within 10 days from the date of invoice issuance. DCR shall transmit the request to the City Clerk within 30 days of the Applicant’s payment of the Public Convenience or Necessity Application Fee. The Applicant shall engage with and seek written input from the following key stakeholders for the area in which the proposed Business Premises will be located, which at a minimum should include: area Neighborhood Council; Los Angeles Police Department (LAPD) Division; local chamber of commerce; and at least one substance abuse intervention, prevention and treatment organization with[in] the Community Plan Area. LAPD shall provide the City Council with crime data for the area, and a letter stating their position on the application request. DCR shall promulgate standards subject to City Council approval by resolution, which may be amended from time to time. DCR shall provide written notice of the Applicant's request pursuant to Section 104.05(b). If the City Council does not act on the Applicant's request within 90 calendar days of the City Clerk’s date of receipt, then the City Council shall be deemed to have not made the necessary findings to support the public convenience and necessity, the request shall be denied by operation of law, and the License application shall not be processed by DCR.

Questions regarding these procedures may be referred to dcrlicensing@licity.org.