



CANNABIS REGULATION COMMISSION

January 18, 2024, 2:00 p.m.

(877) 853 - 5257 | Meeting ID: 860-838-7310 #



CANNABIS
REGULATION
COMMISSION

Roll Call



CANNABIS
REGULATION
COMMISSION

General Public Comment & Single / Multiple Agenda Item Comment

Agenda Item #1: Commission Business



**CANNABIS
REGULATION**
COMMISSION

Agenda Item #2: Report from the Executive Director



**CANNABIS
REGULATION**
COMMISSION

Table of Contents



**CANNABIS
REGULATION
COMMISSION**

- I. Commercial Cannabis Activity, Economic Impact**
 - I. LADCR through 2023**
 - II. Goals for 2024**
- III. Licensing Activity**
- IV. 2023 Annual Report**

LADCR Through 2023



**CANNABIS
REGULATION
COMMISSION**



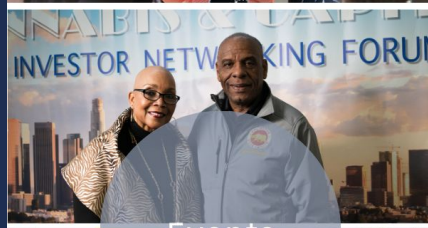
Social
Equity
Program



Licensing &
Compliance



Events



Events



LADCR Through 2023



**CANNABIS
REGULATION
COMMISSION**

This year DCR... hosted:

- 12 Q&A Webinars through which over 600 questions were addressed for attendees
- 8 technical assistance webinars in various topics

... spotlighted:

- 4 Social Equity business operators

... distributed:

- 11 news bulletins

... launched:

- The annual license application process and helped hundreds of social equity applicants and licensees through the existing retail process

.... collaborated :

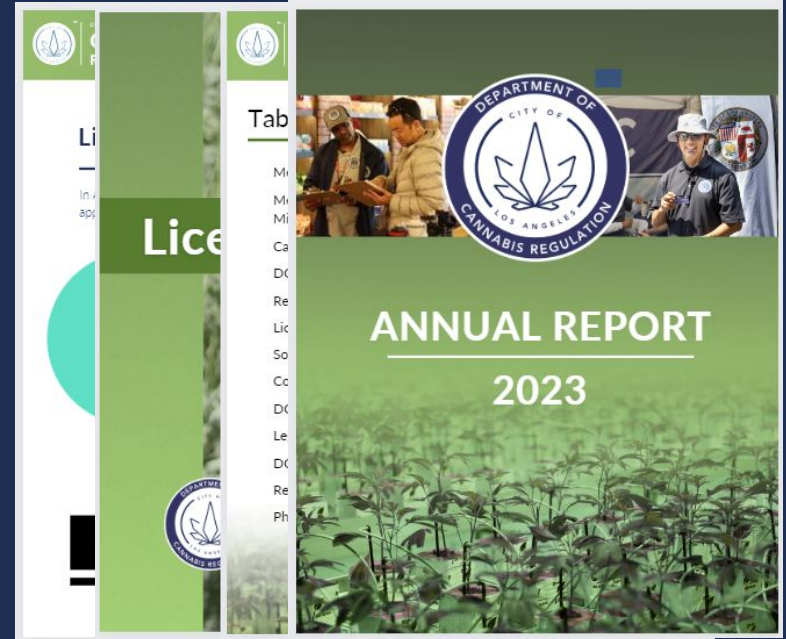
- With social equity organizations to assist with the success of SB 51

2023 - Annual Report



**CANNABIS
REGULATION
COMMISSION**

In 2023, DCR increased its licensing output by 10%, $\frac{1}{3}$ of total licensing granted to Social Equity Applicants. Learn more about DCR's achievements in the upcoming 2023 Annual Report.



Goals for 2024



**CANNABIS
REGULATION
COMMISSION**

- Continue the Annual Licensing process
- Advocate for new and increased funding for the Social Equity Program
- Successfully launch a Public Information Campaign in April 2024
- Launch a partnership with the Office of Finance to streamline the payment process
- Finalize a study with UCLA on enforcement strategies across the U.S. and work with City Partners on ensuring comprehensive enforcement of illegal operators
- Assist the remaining Dec 2022 lottery participants through the application process
- Host another SEIA verification and retail lottery and, if desired another PCN process
- Produce a draft of new policy proposals, and legislative amendments to ensure applicant and licensee sustained success.
- Continue increasing department reach and communications
- Host and attend more online and IN-PERSON industry events

Licensing Activity



**CANNABIS
REGULATION
COMMISSION**

General Licensing



Retail

279



Delivery

137



Non-Volatile Manufacturing

322



Distribution

411



Cultivation

369



Testing Lab

10

November 2023

Social Equity Licensing



Retail

104



Delivery

137



Non-Volatile Manufacturing

61



Distribution

77



Cultivation

78

November 2023

Economic Impact



**CANNABIS
REGULATION
COMMISSION**

An illustration of a city skyline with several skyscrapers. In the background, there are stacks of US dollar bills, including \$100 and \$20 bills, suggesting economic activity.

\$4.5 BILLION
in local economic activity

An illustration of the Los Angeles City Hall building, a tall, classical-style structure with a central tower.

\$467 MILLION
in tax revenue

Dollars generated by licenced cannabis
businesses in the City of LA since 2018



Agenda Item #3: Report on the Social Equity Program



**CANNABIS
REGULATION**
COMMISSION

Social Equity Program



**CANNABIS
REGULATION
COMMISSION**

Mission:

The Mission of the Social Equity Program is “to promote equitable ownership and employment opportunities in the cannabis industry in order to decrease disparities in life outcomes for marginalized communities, and to address the disproportionate impacts of the War on Drugs in those communities.”



**CANNABIS
REGULATION
COMMISSION**



BLC

Business,
Licensing and
Compliance

Program Benefits and Resources



**CANNABIS
REGULATION
COMMISSION**

- Application Processing
- Business, Licensing, Compliance and Technical Assistance Program
- Pro Bono & Low Bono Legal Services Program
- Workforce Development Program
- SEED Rental Assistance Grant Program

Launched in 2023:

- Job Board
- Stakeholder Advisory Workgroup

Social Equity Licenses



**CANNABIS
REGULATION
COMMISSION**



Retail

104



Delivery

137



Non-Volatile Manufacturing

61



Distribution

77



Cultivation

78

November 2023

The City of Los Angeles has issued 457 Social Equity Licenses split into 5 activities. This represents close to **30%** of all licensees. DCR anticipates that at least half of licensed businesses will be owned by Social Equity Individual Applicants by 2025.

BLC Program Overview



**CANNABIS
REGULATION
COMMISSION**

2023

Learning Management System:

- 86 Live Webinars to date
- 160 hours of self-paced course content
- 8 Learning Pathways
- 98 Pro Bono and Low Bono Referrals
- 350 hours of one-on-one business, professional and workforce development coaching
- 5 Beachside Chat Q&A Sessions
- Virtual & in-person events
- Distributed \$5,000,000 in direct financial assistance

BLC Website



**CANNABIS
REGULATION
COMMISSION**

The SEP Team has developed a standalone website for the Business, Licensing Compliance and Technical Assistance Program. This website features include the following:

- Access to the Online Learning Management System (LMS)
- Webinar Registration
- Job Board
- One-on-One Coaching Registration
- Cannadispatch Monthly Newsletter
- Video Archives
- Events



Monthly Newsletter

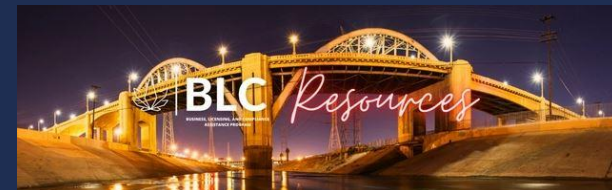
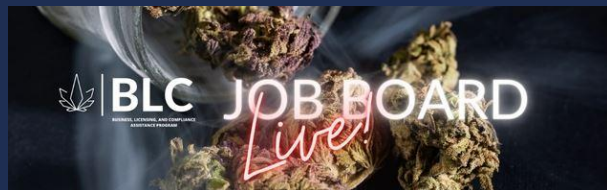
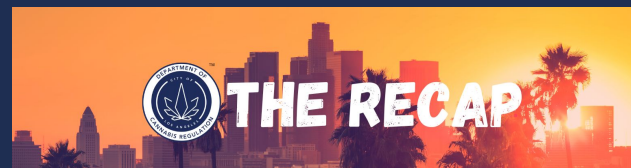


CANNABIS
REGULATION
COMMISSION

January 2024 Cannadispatch Newsletter

Welcome back to the BLC Cannadispatch, providing Los Angeles's social equity community with the latest cannabis jobs, resources, news, and events!

[Click here to read the newsletter](#)





BLC Overview Statistics

In 2023, the Social Equity Program:

- Published 12 Cannadispatch newsletters
- Hosted 24 live webinars and Q&A sessions
- Added 198 jobs to the Job Board
- Hosted 2 in-person events-Cannabis & Capital Investor Networking Forum and Los Angeles Cannabis Unite: Summer Edition
- Organized the DCR Stakeholder Equity Advisory Workgroup and held 2 meetings to date.

2023 Events



**CANNABIS
REGULATION
COMMISSION**

1. **CANNABIS AND CAPITAL** -An investor networking forum at the Los Angeles Convention Center that gathered the cannabis community which informed participants about the investor journey and connected them with DCR resources, industry investors, funding and capital opportunities. Equity entrepreneurs were given access to information on grant assistance, business plan guidance, and the tools and resources the Social Equity Program provides.
2. **LOS ANGELES CANNABIS UNITE: SUMMER EDITION** -A business and professional development mixer at the beautiful historic Mayfair Hotel that hosted a business supply chain networking segment and highlighted DCR resources including a new and improved job board.

Cannabis and Capital-February 2023



**CANNABIS
REGULATION
COMMISSION**



450 cannabis industry investors, experts and leaders, Los Angeles operators, licensees, entrepreneurs, start-ups, exhibitors, and cannabis brand representatives attended the inaugural event at the Los Angeles Convention Center.

Panels included how to “get to yes,” guidance on perfecting your pitch, and preparing for the investment journey.



**CANNABIS &
CAPITAL EVENT**

February 24th, 2023



LA Cannabis Unite: Summer Edition-June 2023



**CANNABIS
REGULATION
COMMISSION**



- Over 560 attendees
- DCR Resource Room, including access to DCR-SEP Job Board
- One on one coaching
- SEED Grant Direct Assistance
- SEIA exhibitors supply chain networking

Job Board



**CANNABIS
REGULATION
COMMISSION**

Cultivation - Green Dragon Caregivers

Green Dragon Caregivers -



Cultivation

We are looking for enthusiastic and reliable employees to join our team. Our perfect candidate is kind, friendly, reliable, adaptable, professional, and most importantly; a passionate cannabis advocate! Our customers are why we are here, and it is our goal to meet their unique needs. We have openings for 3 full time positions. Weekends are mandatory, of course we respect your life but some weekend shifts will be scheduled each week.

[View Job](#)

Accounting Manager

Kush Collective -

Bookkeeping/Accounting



Accounting Manager Responsibilities include, but are not limited to the following: The controller position is responsible for the accounting operations of the company, including the production of financial reports, maintenance of accounting records, and a comprehensive set of controls and budgets Monitors and confirms financial condition by conducting audits; provides information to external auditors Oversee Budget forecasting and cash flow management Ensure

Budtender

Fountain of Wellbeing -



Budtending/Customer Service

- Provide exceptional customer service to all patrons - Assist customers in selecting and purchasing cannabis products - Educate customers on different strains, products, and consumption methods - Maintain knowledge of current cannabis laws and regulations - Handle cash transactions accurately and efficiently - Maintain a clean and organized sales floor - Conduct product demos and provide recommendations based on customer preferences - Ensure compliance with age verification procedures

[View Job](#)

Part Time Cannabis Delivery Driver

New Age Compassion Care Center -



Driver (Delivery)

You must have driving experience on your resume to be considered. Must possess valid driver's license, and be able to send driving abstract. We are looking for a responsible Delivery Driver to distribute products promptly to our customers. You will represent our company in a professional and cost-effective manner to increase our profitability and customer satisfaction.

[View Job](#)

Job Board Features:

- Gives job seekers real time updates on available positions and job requirements
- Allows job seekers to view job descriptions and apply
- Have the confidence to know that they are working for a licensed cannabis operator
- Allow licensed operators to recruit for local, transitional and social equity hires
- 50 active job postings, 198 jobs posted in 2023

Good Faith Hiring Requirements Report



**CANNABIS
REGULATION
COMMISSION**



Good Faith Hiring Requirements Report

CONTINUE →

The Good Faith Hiring Requirements Report is found in the Employer Tool Kit on DCR's Licensed Employer's Resources Page.

The City of Los Angeles Municipal Code establishes good-faith hiring requirements for all licensed operators.

Every licensed cannabis business in the City of Los Angeles must participate in this survey and complete it annually by submitting the GFHR Survey jotform created by DCR.



DCR Equity Stakeholder Advisory Workgroup



**CANNABIS
REGULATION
COMMISSION**

Purpose:

The DCR Equity Stakeholder Advisory Workgroup is designed to constructively discuss and contribute ideas to our program so that it continues to serve the cannabis equity community.

This is a diverse group of social equity entrepreneurs from the licensed cannabis industry, including retail business owners, delivery service owners, emerging entrepreneurs, medical cannabis business owners, manufacturers and growers.

DCR Equity Stakeholder Advisory Workgroup



**CANNABIS
REGULATION
COMMISSION**

Requirements:

- Completed 5 hours of training in the Learning Management System
- Has received at least one grant
- Attended 3 webinars

Two groups of 12 participants were selected to attend the quarterly Advisory Workgroup Meetings.



Social Equity Applicants and Licensees gather to discuss important issues, concerns and brainstorming ideas for the future of the Social Equity Program.

LACBA Legal Assistance



**CANNABIS
REGULATION
COMMISSION**

Pro Bono:

- Available to all verified Social Equity Individual Applicants/10 hours of free legal services

Low Bono:

- Program launched on October 6, 2022.
- Available to all verified Social Equity Individual Applicants
- 30 hours of legal consultation and services at \$35/hour per applicant

98 Pro Bono and Low Bono referrals to date

If you have questions about eligibility, please contact us at DCR.SEP@lacity.org

Pro Bono/Low Bono Legal Services

This referral service is available to ALL Social Equity Individual Applicants who have passed the Pre-Application stage. You may now be eligible to receive up to 40 hours of legal services -- 10 hours of free Pro Bono and 30 hours of Low Bono for only \$35 per hour.

SIGN UP HERE

[Pro Bono/Low Bono Legal Services Survey](#)

[Pro Bono/Low Bono Authorization Agreement](#)

The Los Angeles County Bar Association's Cannabis Section, in partnership with DCR, has created a Pro Bono/Low Bono Legal Assistance program which will operate through the Bar Association's Smart Law Referral Service for Social Equity Applicants.

The goals of this referral resource are to promote fair and equitable participation in the licensed commercial cannabis industry, and to foster a level playing field as it relates to access to legal counsel, and help deter predatory practices targeting the social equity community.

The Pro Bono program provides up to 10 hours of free legal advice for verified Social Equity Individual Applicants (SEIA) who meet eligibility criteria. In addition, SEIA's can access the Low Bono program that allows those who qualify to receive up to 30 hours of legal advice at a discounted rate of \$35 per hour.

If you are qualified and interested in this free and reduced cost service, please complete the online survey titled "Pro Bono/Low Bono Legal Services Survey." You must complete the required information in the [Pro Bono/Low Bono Legal Services Survey](#) and upload the Pro Bono/Low Bono [Authorization Agreement](#) to the survey to complete the intake process.

LA SEED Rental Assistance Grant Program



**CANNABIS
REGULATION
COMMISSION**

In partnership with Elevate Impact LA, the City of Los Angeles Department of Cannabis Regulation disbursed \$5 million in funding from the 2022 Cannabis Equity Grant for Local Jurisdictions.

SEED Rental Assistance Grant funds may be used for the following purposes:

- To pay rent or a security deposit pursuant to a fully executed commercial lease
- To finance up to one month of back rent due on a fully executed commercial lease
- To secure a binding Letter of Intent by paying the required security deposit
- To assist with build out or construction costs for the purposes of renovating a location to operate a licensed commercial cannabis storefront retail location

LA SEED Rental Assistance Grant Program Statistics



- The Department hosted a series of 4 Lunch and Learns that walked verified SEIAs through the SEED Rental Assistance grant application process.
- 181 verified Social Equity entrepreneurs have received grants of up to \$50,000 deposited **directly into their bank accounts**



LA SEED Rental Assistance Grant Program



**CANNABIS
REGULATION
COMMISSION**

\$5,000,000

DISBURSED TO 181 RECIPIENTS

- SEED 1.0-
 - \$4,300,000 disbursed
- SEED 2.0-
 - \$700,000 disbursed

The SEED Rental Assistance Grant application period opened on September 30, 2022 and closed on March 30, 2023.



2024 Goals for the Social Equity Program



**CANNABIS
REGULATION
COMMISSION**

Continue the expansion of the Business, Licensing, Compliance and Technical assistance program through the following elements:

- Online webinars and self-paced educational content
- Expansion of one-on-one Subject Matter Expert coaching
- Expansion of Pro Bono/Low Bono legal services
- Secure additional grant funding

Outreach:

- Host and participate in community events
- Create public information campaigns highlighting equity businesses
- In-person education and technical training for equity entrepreneurs

Workforce Development:

- Creation and development of an Apprenticeship program
- In-person workshops and advanced training for career building

Agenda Item #4: Report on the Licensing Program



**CANNABIS
REGULATION**
COMMISSION

Licensing Program Updates:

No. of Business Premises By Phase and Record Status



- Phase 1 - Existing Medical Marijuana Dispensaries (EMMDs)
- Phase 2 - Non-Retail EMMD Suppliers
- Phase 3 - General and Social Equity Businesses
 - Retail Round 1
 - Retail Round 2
 - Social Equity
 - General

Agenda Item #5: Report on the Compliance and Enforcement Program



**CANNABIS
REGULATION**
COMMISSION

Work Program Overview



**CANNABIS
REGULATION
COMMISSION**



Compliance Inspection Program

- Includes the Emblem Placard Program (LACDPH)
- Annually
- Complaints (minor, moderate violations)



Progressive Enforcement Procedures

- Complaint Portal (moderate, major violations)
- Unauthorized Activity associated with a Licensee



Resources for Program Effectiveness & Success

- Prop 64 Enforcement Study
- Coordination and collaboration with other agencies
- Pooling resources, sharing information
- Education and Training Program

Emblem Placard Program and Health Permit



**CANNABIS
REGULATION
COMMISSION**



- DCR conducted a [webinar](#) alongside DPH about the Commercial Cannabis Facility Public Health Inspections Compliance and Emblem Program on April 28, 2022.
- DPH verifies items that impact the public health and safety such as:
 - General Sanitation (vermin, construction requirements)
 - Equipment standards and requirements
 - Water supply safety
 - Produce safety (storage, packaging)
 - Employee health, hygiene

Emblem Placard Program



**CANNABIS
REGULATION
COMMISSION**

DCR Performs Research

DCR staff reviews building permits and C of Os' on LADBS online building records search database and saves latest records + BP Diagram provided to DCR by Licensee. Verification form is initiated for LADBS to complete.

DCR Publishes Eligible Locations

DCR publishes the list of Business Premises locations on its website.

Placard is Issued by LACDPH

If the location passes the Site Evaluation, the Emblem Placard will be issued upon payment of the Health Permit Fee.

DBS verifies use at BP locations

LADBS reviews records provided by DCR and determines if the permitted use per building records is consistent with the retail use as proposed by licensee; DBS completes verification form and returns to DCR.

LACDPH Coordinates Site Evaluation with Licensee

LACDPH only accepts site evaluation requests from licensees whose Business Premises locations have been verified to have all the required permits and approvals from the City (i.e. Certificate of Occupancy).



Emblem Placard Program



**CANNABIS
REGULATION
COMMISSION**



CITY OF LOS ANGELES DEPARTMENT OF™
**CANNABIS
REGULATION**

About ▾Laws & Policy ▾Licensing ▾Social Equity ▾**Compliance ▾**Personal Activity ▾

The Compliance Program	Cannabis Activity Complaints	Compliance and Inspections	Enforcement
Mission Compliance Program Updates Forms and Resources	Unlicensed Commercial Cannabis Activity Complaint Portal	LA County Department of Public Health Inspection Program	Notice of Violation (NOV)

Home > Compliance > Compliance And Inspections > LA County Department of Public Health Inspection Program

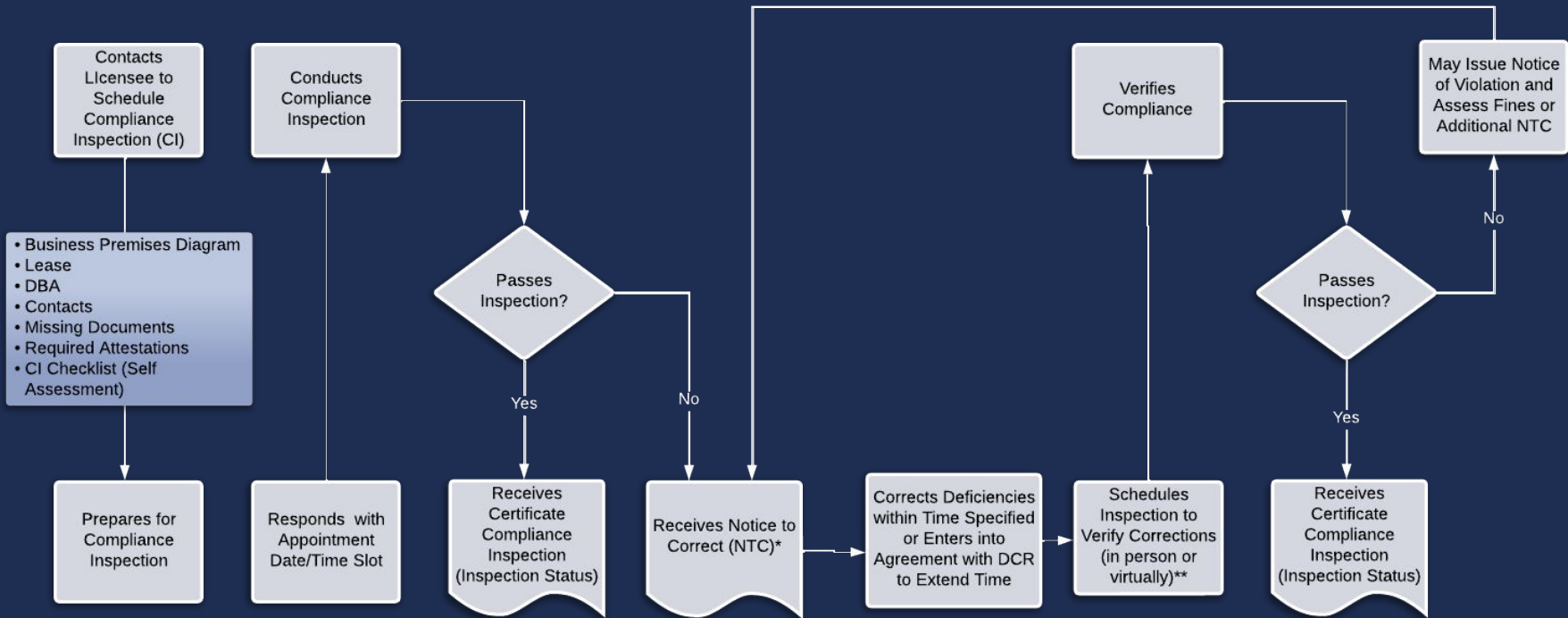
Commercial Cannabis Facility Public Health Inspection Compliance and Emblem Program



Compliance Inspection Workflow

Licencee

DCR



Progressive Enforcement



**CANNABIS
REGULATION
COMMISSION**



- All Operators must submit Attestation of Compliance with Rules & Regs ([ENF-3003-FORM](#)).
- Due within 30 days of the beginning date of operations.
- **DCR may contact the Operator prior to issuance of NTC (if applicable).
- DCR conducts investigation
- DCR issues NTC if violation(s) is found.
- NTC does not include penalty fees, only administrative costs.
- DCR issues NOV if violations are not corrected within the time frame allotted in the NTC.
- NOV is appealable to an Administrative Hearing Officer.
- NOV carries hefty penalties \$\$\$\$.
- DCR may suspend the License concurrently with an NOV or may revoke the license if compliance is not achieved or penalties are not paid.

CED's Complaint Portal by the Numbers



**CANNABIS
REGULATION
COMMISSION**

DCR Complaint Portal

Since August 2018

6,767*

Complaints received

17

Open

4,673

Closed

293

Pending CED
investigation

*As of January 12, 2024



CITY OF LOS ANGELES DEPARTMENT OF
**CANNABIS
REGULATION**