



County of Los Angeles CHIEF EXECUTIVE OFFICE

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May 23, 2017

To: Supervisor Mark Ridley-Thomas, Chairman
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Supervisor Janice Hahn
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From: Sachi A. Hamai
Chief Executive Officer

FIRST QUARTERLY REPORT REGARDING THE DEVELOPMENT OF CANNABIS REGULATIONS AND OTHER ACTIVITIES RELATED TO THE LEGALIZATION OF CANNABIS (ITEMS NO. 3 AND 9, AGENDA OF FEBRUARY 7, 2017)

On February 7, 2017, your Board adopted two motions (collectively referred to herein as the "Cannabis Motions") which directed the CEO's Office of Cannabis Management (OCM)¹ to coordinate with County departments and other agencies to develop regulations for commercial cannabis in unincorporated areas and take other steps to prepare for the legalization and sale of cannabis throughout the County. Your Board further directed the OCM to coordinate with all affected County departments to provide a written status update to your Board on a quarterly basis.

This report is the first quarterly update pursuant to your Board's direction. In this report, we provide updates on the following topics:

- The establishment of a County Departmental Cannabis Implementation and Review Committee;
- Stakeholder outreach and engagement;
- Collaboration with cities and other counties;

¹ Effective April 21, 2017, the CEO changed the name of the Office of Marijuana Management to the Office of Cannabis Management to conform to State laws and regulations utilizing the term "cannabis" instead of "marijuana."

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- Data collection;
- Education and other media campaigns;
- Preparation of a guidance document on cannabis-infused dining offered by restaurants and caterers;
- The report by the Department of Human Resources on employee drug use policies;
- The pending ordinance amendment prepared by the Department of Regional Planning to implement an interim ban on commercial cannabis businesses, and establish reasonable regulations for personal-use cannabis cultivation; and
- Next steps.

Background

The Cannabis Motions directed the OCM to coordinate with departments to prepare ordinance amendments “to allow, license, and appropriately regulate and enforce the cultivation, transportation, distribution, processing, manufacturing, testing, retail sale, and delivery” of medical and adult-use (nonmedical or recreational) cannabis in unincorporated areas.

The Cannabis Motions required that such ordinance amendments consider, among other things, impacts to blight and the health and safety of County neighborhoods, equitable development principles, environmental impacts from cannabis cultivation and sustainability measures, overconcentration of and excessive exposure to cannabis businesses and advertising, safety and security issues, maximizing the transition from unlicensed business activity to a regulated marketplace, benefits to communities disproportionately impacted by past enforcement of drug policies, and consumer protection and safety practices.

To inform the development of commercial cannabis regulations, the Cannabis Motions further directed the OCM to coordinate with departments to conduct “a series of multilingual and culturally competent town halls in each supervisorial district,” include a diverse range of stakeholders at these meetings, and solicit meaningful feedback on regulations and best practices from stakeholder groups.

Further, and among other things, the Cannabis Motions:

- Directed the OCM to coordinate with departments to “[d]eploy a robust data collection program” to monitor the effect of cannabis legalization in the County;
- Directed the OCM to coordinate with departments to develop safety and educational protocols for County employees who will be directly involved in cannabis businesses;

- Directed the OCM to work with local cities to promote uniform regulations and best practices throughout the County;
- Directed the Department of Public Health to coordinate with the OCM and community groups, schools, and other stakeholders to develop education and prevention campaigns to deter young people from consuming cannabis and to educate all people about potential health effects from cannabis use; and
- Directed the Department of Human Resources to coordinate with the OCM and County Counsel to reevaluate County worker drug use policies and report back in writing with any recommended changes.

Finally, the Cannabis Motions directed the Department of Regional Planning to prepare an amendment to Title 22 of the County Code (Zoning Code) to ban medical and adult-use commercial cannabis businesses pending the development of regulations, and to adopt reasonable regulations governing personal-use cannabis cultivation.

Establishment of a County Departmental Cannabis Implementation and Review Committee and County Staff Working Groups

To implement your Board's directives in a comprehensive, effective, and timely manner, the OCM convened a County Departmental Cannabis Implementation and Review Committee (CIRC), which has been meeting regularly. CIRC members include department heads or designees with decision-making authority from the following departments, each of which was identified by your Board in the Cannabis Motions:

- CEO/OCM
- Agricultural Commissioner/Weights and Measures
- Alternate Public Defender
- Assessor
- Consumer and Business Affairs
- County Counsel
- District Attorney
- Fire
- Human Resources
- Public Defender
- Public Health
- Public Works
- Regional Planning
- Sheriff
- Treasurer and Tax Collector

Among other responsibilities, the CIRC will coordinate and implement policies, practices, regulations, ordinance amendments, and other complementary activities in the following areas:

- Education, prevention, and intervention, including, but not limited to, prevention messaging for youth and parents, and treatment services for dependent or addicted youth and adults;

- Permitting and licensing regulations for cannabis businesses in unincorporated areas, including necessary permits, licenses, inspections, and fees;
- Environmental sustainability measures for cannabis cultivation;
- Data collection and monitoring to better understand the impacts of cannabis legalization on County communities and the effectiveness of any regulations adopted by your Board;
- Resentencing, records destruction, and other legalization issues handled by the District Attorney, Public Defender, and Alternate Public Defender;
- Law enforcement and first response issues, such as roadside enforcement, preventing criminal activity in the cultivation, transportation, and sale of cannabis, and emergency response;
- Impacts to County employees, such as safety protocol during inspections of cannabis businesses;
- Consumer protection and product safety, including handling consumer complaints, recalls, and other investigations;
- Examining economic development and cannabis equity concerns, including community reinvestment possibilities and eliminating inequitable barriers to entry into the commercial cannabis market; and
- Regulatory compliance and monitoring of cannabis businesses after permitting and licensing begins.

Tasks are being divided among a number of working groups, with CIRC members providing appropriate staff to participate. The CIRC will also request the assistance and participation of nonmember departments and agencies with expertise on particular issues. Examples of nonmember departments and agencies which may be asked to participate in working groups include, but are not limited to, the Departments of Health Services, Mental Health, Parks and Recreation, Probation, Public Social Services, and Workforce Development, Aging and Community Services, as well as the Los Angeles County Office of Education.

Stakeholder Engagement and Outreach

In close coordination with the CIRC and each Board office, the OCM has developed a stakeholder engagement plan for outreach to community members and stakeholders. The plan includes the following interrelated components to maximize community participation and feedback:

- Convening a Los Angeles County Advisory Cannabis Working Group;
- Approximately 20 community listening sessions throughout the County;
- Presentations to town councils and other community organizations;
- Presentations to commissions and committees; and
- Maintaining a public-facing website and email address.

Los Angeles County Advisory Cannabis Working Group (June – August 2017)

The OCM will convene a Los Angeles County Advisory Cannabis Working Group (Advisory Working Group) to provide the CIRC with recommendations for cannabis regulations and best practices. The Advisory Working Group will consist of 15 to 20 members. Members will be chosen by the OCM in consultation with Board offices and will be representative of major stakeholder groups, including community members, business owners, advocacy groups, public health experts, and cannabis industry participants. Members will contribute their time on a volunteer basis and will meet approximately eight times beginning in June 2017 through August 2017. The Advisory Working Group will finalize and submit a public report of recommendations which the CIRC will consider when drafting regulations for the Board's consideration.

Community Listening Sessions (June – July 2017)

Beginning in June 2017, the OCM will convene approximately 20 community listening sessions throughout the County, with 3-5 meetings per supervisorial district depending on attendance and need. Meetings will be open to all members of the public, with translation services available at each meeting, if required. Community feedback will be documented, and a report will be provided to the CIRC and Advisory Working Group for their consideration. Listening sessions will be in a "tabletop" format, which allows participants to break into small groups and provide feedback and concerns in a safe, facilitated meeting space.

Presentation to Town Councils and other Community Organizations (May – June 2017)

In advance of the listening sessions, the OCM will be presenting to town councils and community organizations identified by your Board offices to alert councilmembers and community leaders to the County's stakeholder engagement plan and upcoming opportunities to participate. To date, OCM staff has presented to community groups in each supervisorial district, and will continue to make presentations throughout the County. Comments and concerns raised by constituents are being documented and will be provided to the CIRC for its consideration in drafting regulations.

Presentations to Commissions and Committees (Ongoing)

The OCM, CEO Intergovernmental Relations, and other departments, including the District Attorney, Sheriff, the Department of Regional Planning, and the Department of Public Health, have presented to various commissions and committees, including, but not limited to, the Countywide Criminal Justice Coordination Committee (CCJCC) and the County Commission on Alcohol and Other Drugs, to alert County, city, and agency leaders and staff about the County's concerns and plans with respect to cannabis legalization and regulation.

Website, Email Address, and Listserv (Ongoing)

The OCM has established a public-facing website to provide cannabis-related information to community members and stakeholders. The website will also host information about upcoming community and Advisory Working Group meetings. The website can be accessed via <http://cannabis.lacounty.gov>.

In addition, the OCM maintains an email address, cannabis@lacounty.gov, to answer questions from the public. Since establishing the email address, the OCM has responded to approximately 70 public inquiries.

Finally, the OCM has worked with the Internal Services Department and CEO staff to establish a Listserv to communicate with interested community members.

The Department of Public Health also maintains information on its website related to the health effects of cannabis use. Public Health's website can be accessed via <http://publichealth.lacounty.gov/sapc/Prop64/Proposition64.htm>.

Collaboration with Cities and Other Counties

The OCM has been collaborating with City of Los Angeles and City of Long Beach staff to discuss important cross-jurisdictional concerns, such as consumer protection and law enforcement issues. In addition, on May 3, 2017, the OCM presented to the San Gabriel Valley Council of Governments' City Managers' Executive Steering Committee, during which the OCM provided city leaders with information about the County's efforts to regulate commercial cannabis and answered questions about cities' concerns.

The OCM and the Agricultural Commissioner/Director of Weights and Measures are actively participating in the California State Association of Counties (CSAC) Cannabis Working Group, and OCM staff has met with officials from the States of Colorado and Oregon, and the Cities of Denver, Seattle, and Portland, to discuss regulations and best practices. OCM staff is scheduled to meet with San Francisco officials in May 2017 to discuss San Francisco's approach to cannabis regulation and their public outreach and engagement efforts.

Additional work is needed to finalize an engagement and collaboration plan with area cities to promote uniformity of regulations and best practices within the entire County. The OCM will update your Board on this effort in subsequent reports.

Data Collection

The OCM has developed a phased approach to collecting cannabis-related data. The first phase consists of mapping out existing data and establishing a data management infrastructure. Future phases will include capturing data related to licensing, permitting, business compliance, enforcement, and changes in consumption rates and health effects, among other indicators.

In the first phase, the OCM is coordinating with the Chief Information Officer, District Attorney, Sheriff, Fire, Public Health, Internal Services, the Information Systems Advisory Body (ISAB) (a CCJCC policy subcommittee), and the Los Angeles Interagency Metropolitan Policy Apprehension Crime Task Force (LA IMPACT).

Data collected is expected to provide important information about the effects of cannabis legalization on local law enforcement activities, identify public health trends among youth and adults, and allow departments to adjust regulations to address gaps and emerging issues. In a future phase, the OCM plans to make public data available via online dashboards similar to those on the County's Open Data portal located at <https://data.lacounty.gov>.

Education and Other Media Campaigns

The Department of Public Health, Division of Substance Abuse Prevention and Control, intends to launch a media campaign to inform and educate youth, young adults, parents and guardians on emerging public health concerns of smoking or ingesting cannabis. In particular, the media campaign is intended to address the impact of consuming cannabis on the brain development of adolescents and young adults, and potential individual and community impacts from the increased use or availability of cannabis.

In December 2016, the Department of Public Health issued a work order solicitation (WOS) for media services. The WOS closed in March 2017. The Department of Public Health expects to retain a consultant in July 2017 and kickoff the media campaign later this year.

The OCM is conducting research on other types of media campaigns and available funding to support County efforts to regulate cannabis and educate consumers and the general public about cannabis legalization. The OCM will update your Board on these efforts in future reports.

Preparation of a Guidance Document on Cannabis-Infused Dining

Multiple articles in major publications, including the *Los Angeles Times* and *LA Weekly*, have described an increase in cannabis-infused dinners being offered by chefs and caterers to the general public. Dinners may be located at restaurants or private residences, and attendees typically buy a ticket or pay a fee. Often, the dinners consist of multiple course meals with various ingredients infused with cannabis.

The Department of Public Health, Division of Environmental Health, in coordination with the OCM, County Counsel, and the District Attorney's office, is currently evaluating whether and to what extent such dinners are permissible under State law governing retail food sales. The Department of Public Health expects to finalize a guidance document in the coming months intended to inform chefs and caterers about any legal restrictions on preparing food infused with cannabis.

Department of Human Resources Report on Employee Drug Use Policies

On April 20, 2017, the Department of Human Resources submitted a memorandum to your Board recommending no changes to Board Policy 9.050, *Drug Free Workplace Program*. However, the memorandum indicated that revisions to County Code Chapter 2.126, *Smoking in County Facilities*, which currently covers tobacco smoking, and employment hiring protocols and/or procedures, such as background checks, may need to be revised. Recommendations regarding next steps are laid out in the memorandum.

Pending Zoning Code Amendment Banning Commercial Cannabis Businesses and Establishing Reasonable Regulations for Personal-Use Cannabis Cultivation

On April 12, 2017, the County Regional Planning Commission considered and recommended approval of an amendment to the Zoning Code to prohibit the operation of commercial cannabis businesses in unincorporated areas, and to reasonably regulate personal-use cannabis cultivation. A public hearing on the proposed Zoning Code amendment is scheduled to take place at your Board on June 6, 2017.

Next Steps

The OCM will be working closely with each Board office and the CIRC to identify volunteer members for the Advisory Working Group, and to identify suitable meeting locations, dates, and times for the community listening sessions scheduled to begin in June 2017.

Each Supervisor
May 23, 2017
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Should you have any questions concerning this matter, please contact Joseph M. Nicchitta, Countywide Coordinator for the Office of Cannabis Management, at (213) 974-4530 or jnicchitta@ceo.lacounty.gov.

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Fire Department
Human Resources
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Public Health
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