



County of Los Angeles CHIEF EXECUTIVE OFFICE

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August 16, 2017

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

SECOND 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) 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.

The OCM submitted its first quarterly report on May 23, 2017, which discussed:

- The establishment of a County departmental cannabis implementation and review committee (CIRC) and County staff working groups;
- Stakeholder engagement and outreach;
- Collaboration with cities and other counties;
- Data collection;
- Education and media campaigns;
- Preparation of a guidance document on cannabis-infused dining;
- A report by the Department of Human Resources regarding employee drug use policies; and

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- A zoning code amendment banning commercial cannabis businesses and establishing reasonable regulations for personal-use cannabis cultivation.

Since filing the first quarterly report in May 2017, the OCM has been primarily engaged in executing its stakeholder engagement and outreach plan. This second quarterly report updates your Board on the two primary components of the plan: convening an advisory working group on cannabis regulation and holding community listening sessions throughout the County. In addition, this second quarterly report updates your Board on the OCM's efforts to engage cities and other counties on cannabis legalization issues.

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

In close coordination with each Board office and with the CIRC,¹ the OCM convened the Los Angeles County Advisory Working Group on Cannabis Regulation (Advisory Working Group) on June 29, 2017. The purpose of the Advisory Working Group is to prepare recommendations to guide the County's development of a regulatory program for cannabis in unincorporated County areas. Working group members represent a diverse range of stakeholders and experts, including public health experts, drug policy experts, academics, drug prevention specialists, cannabis industry representatives, a local mayor, and concerned community members. Each Board office recommended up to two working group members to represent their respective districts.

The Advisory Working Group has met five times and has discussed the following topics:

- June 29, 2017 Kickoff and orientation
- July 20, 2017 Preventing youth access and exposure to cannabis
- July 27, 2017 Public health and safety issues
- August 3, 2017 Regulations for cannabis retailers
- August 10, 2017 Regulations for cannabis cultivators, manufacturers, distributors, testing laboratories, and microbusinesses

¹ As explained in the first quarterly report submitted to your Board on May 23, 2017, the CIRC consists of department heads and designees from the 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, and Treasurer and Tax Collector. Among other responsibilities, the CIRC is responsible for coordinating and implementing policies, practices, regulations, ordinance amendments, and other activities related to cannabis legalization.

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The Advisory Working Group is scheduled to meet three more times, on August 17, 24, and 31, 2017, to discuss taxation, compliance, economic development, and equity issues.

The OCM provides working group members with a preparation packet in advance of each meeting, which contains background on the issues, policies, and regulatory challenges to be discussed at the meeting. During each meeting, working group members work with each other to reach consensus on recommendations related to the meeting's topics.

The Advisory Working Group will conclude its meetings on August 31, 2017. The OCM will provide your Board with a report containing the recommendations of the Advisory Working Group shortly thereafter.

More information about the Advisory Working Group is available on the OCM website: <http://cannabis.lacounty.gov/cannabis-advisory-working-group/>.

Community listening sessions on cannabis regulation (June – July 2017)

In consultation with each Board office and the CIRC, the OCM has been holding public community listening sessions throughout the County at locations identified by each Board office. Listening sessions commenced on July 12, 2017, at the Topanga Canyon Library. To date, the OCM has conducted 18 community listening sessions throughout the County:

- **First District:** La Puente, two sessions in East Los Angeles, and West Covina;
- **Second District:** Athens/Willowbrook, West Athens/Westmont, Lennox, and Florence-Firestone;
- **Third District:** Topanga Canyon and Santa Monica Mountains/Calabasas;
- **Fourth District:** South Whittier, Hacienda Heights, West Whittier/Los Nietos, Rowland Heights; and
- **Fifth District:** Quartz Hill, Altadena, Santa Clarita Valley/Castaic, and Claremont/La Verne/San Dimas.

One pending listening session remains:

- August 16, 2017, Walnut Park, First District.

The purpose of the listening sessions is to obtain feedback from the community *before* County staff develops proposed cannabis regulations for unincorporated County areas.

Receiving community feedback at the outset will ensure that County cannabis regulations are informed by the community and address key areas of concern to local residents.

Listening sessions are conducted in a workshop style, which allows attendees to break into small groups and participate in discussions guided by professional facilitators. A note-taker is present during each discussion and documents community concerns, feedback, and suggestions.

During listening sessions, OCM staff provides an overview of state law regarding cannabis legalization and a summary of your Board's directives contained in the Cannabis Motions. Participants are also provided with worksheets containing key information about the following topics:

- Youth access and exposure to cannabis;
- Considerations about where cannabis businesses should locate;
- Taxation and revenue;
- Cannabis cultivation for personal use;
- Equity and economic development; and
- General concerns.

These worksheets guide discussions at tables that correspond to the worksheet topics. Participants are encouraged to rotate from table to table to provide feedback on different topics.

In addition, the OCM continues to accept comments, concerns, and questions via its email address, cannabis@lacounty.gov, and through a comment portal on its website, <http://cannabis.lacounty.gov>.

Listening sessions were widely publicized via email, social media, newspaper coverage, and radio reports on KPCC and KFI. Community groups, such as town councils, were also encouraged to provide the listening sessions calendar to their members and contacts. As a result, listening sessions have been well attended. Staff from elected city, state, and federal officials have been present at many of the listening sessions to observe the community's response to cannabis legalization.

Community listening sessions are scheduled to conclude on August 16, 2017. After the listening sessions conclude, the OCM will provide your Board with a report of community feedback received at each listening session and sent to the OCM via email or through its website.

More information about the community listening sessions, including materials and worksheets provided to community members at the listening sessions, is available on the OCM's website at: <http://cannabis.lacounty.gov/listening-sessions/>.

Outreach to cities and other counties

The OCM continues to collaborate with officials from the Cities of Los Angeles and Long Beach to discuss important cross-jurisdictional concerns, including regulations for cannabis delivery and areas of potential collaboration to reduce the profitability of unlicensed cannabis storefronts, such as a cross-jurisdictional emblem program that will clearly identify licensed businesses, combined with a consumer education campaign to encourage consumers to avoid unlicensed storefronts.

In addition, since the filing of the first quarterly report in May 2017, the Countywide Coordinator for the OCM has presented to the Local Governmental Services Commission, a multiagency commission, to describe cross-jurisdictional considerations, and presented at the Counties Cannabis Summit in Sacramento in July 2017, which was sponsored by the California State Association of Counties (CSAC), the Urban Counties of California (UCC), and the Rural County Representatives of California (RCRC) to discuss community concerns about cannabis legalization.

OCM staff continues to schedule presentations at area councils of government, including a presentation to the South Bay Council of Governments on August 24, 2017, during which OCM staff will seek input from councilmembers on ways to collaborate with cities and share information and best practices.

OCM staff also actively participates in several cannabis working groups organized by CSAC, including working groups on banking and technology.

Finally, the Countywide Coordinator for the OCM maintains open dialogue with State officials responsible for implementing Proposition 64 and related laws.

Next Steps

The OCM will conclude its Advisory Working Group and public listening sessions in August 2017, and report back to your Board on those efforts.

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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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JO:rd

c: Executive Office, Board of Supervisors
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