



Joseph M. Nicchitta
Interim Director

**COUNTY OF LOS ANGELES
DEPARTMENT OF
CONSUMER AND BUSINESS AFFAIRS**

Members of the Board

Hilda L. Solis
Mark Ridley-Thomas
Sheila Kuehl
Janice Hahn
Kathryn Barger

"To Enrich Lives Through Effective and Caring Service"

May 7, 2018

To: Supervisor Sheila Kuehl, Chair
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Janice Hahn
Supervisor Kathryn Barger

From: 
Interim Director of Consumer and Business Affairs

FIFTH 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 (the "Cannabis Motions") which directed the 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.

On November 7, 2017, your Board adopted a motion (the "Health Equity Motion") directing the CEO to work with County Counsel and the Department of Public Health (DPH) and its Center for Health Equity to develop a health equity model for commercial cannabis permitting, including a discretionary hearing process for cannabis retailers, a strategic phase-in for cannabis permitting, and a grant program, among other things.

The OCM filed quarterly reports on May 23, 2017; August 16, 2017; November 17, 2017; and February 12, 2018. In the OCM's fourth quarterly report filed on February 12, 2018, the OCM updated your Board on the development of draft policies for regulating commercial cannabis in unincorporated areas, efforts to engage with local cities

¹ The OCM was formally established on February 7, 2017 as a unit within the Chief Executive Office, with reporting responsibilities to the Chief Executive Officer. On May 1, 2018, executive responsibility for the OCM was transferred to the Interim Director of the Department of Consumer and Business Affairs (DCBA).

regulating cannabis and implement contract services for cannabis facilities, and continuing public outreach and communication on cannabis-related issues.

This fifth quarterly report updates your Board on:

- Efforts to develop a regulatory framework for commercial cannabis in unincorporated areas;
- The development of recommendations on cannabis resentencing and reclassification;
- The preparation of a health impact assessment for commercial cannabis regulations;
- The development of a strategic plan to close unlicensed cannabis businesses;
- The upcoming launch of the Department of Public Health's teen cannabis use prevention campaign;
- Contract services and engagement for local cities regulating commercial cannabis;
- Continued public outreach and communication; and
- The status of Medical Marijuana Identification Card Program.

Regulatory Framework for Commercial Cannabis in Unincorporated Areas

The OCM continues to partner with affected departments to prepare a regulatory framework for commercial cannabis in response to your Board's directives in the Cannabis Motions and the Health Equity Motion. The OCM expects to file the draft regulatory framework for your Board's consideration on June 6, 2018.

Cannabis Resentencing and Reclassification

On February 13, 2018, your Board adopted a motion directing the OCM to collaborate with the District Attorney, Public Defender, and other specified County departments and criminal justice agencies to develop recommendations for a countywide plan on the resentencing and reclassification of past cannabis-related crimes. The OCM has met with all involved departments and is in the process of finalizing its recommendations in response to your Board's motion. Additionally, the OCM has engaged the State Department of Justice to understand the background check process and its implications for juveniles and adults. OCM has also engaged the Department of Public Health's Center for Health Impact Evaluation to develop a general assessment of economic, health and other relevant benefits to the County and individuals who are eligible for recall, re-designation, or dismissal of qualified cannabis charges. The OCM's recommendations are due to your Board on June 13, 2018.

Health Impact Assessment

In response to your Board's Health Equity Motion, the Department of Public Health, in collaboration with OCM, is conducting a health impact assessment (HIA) to identify unincorporated areas with relatively poor health outcomes and evaluate how adding a cannabis business to that area could affect health. The HIA will serve as a foundational tool for commercial cannabis permitting decisions in unincorporated areas, and will establish a baseline against which changes to community health conditions can be measured. The HIA is scheduled to be completed in February 2019.

Strategic Plan to Close Unlicensed Cannabis Businesses

In an effort to reduce unlicensed cannabis activity, the OCM is working with County Counsel, District Attorney, Sheriff, Treasurer and Tax Collector, and the Departments of Consumer and Business Affairs, Public Health, and Regional Planning to develop a comprehensive plan to eliminate unlicensed cannabis businesses in the unincorporated areas. The plan will supplement existing enforcement efforts with an expanded toolkit of strategies that fall under four broad categories: (1) public education and outreach; (2) direct enforcement, which could include increased civil penalties, utility shut-off, and lock-outs; (3) advocacy to support legislation to make it easier for the County to close illegal businesses; and (4) partnerships, including partnering with cities and the state to share information and implement strategies.

The OCM has begun education and outreach to inform the public about unlicensed dispensaries and reasons to avoid such businesses. In April 2018, the OCM partnered with the Department of Consumer and Business Affairs and the City of Los Angeles' Department of Cannabis Regulation and Office of Wage Standards to issue a press release alerting the media to dangerous conditions for employees working at unlicensed businesses and providing guidance on how to determine whether a business is unlicensed.

In June 2018, the OCM will launch the Emblem Program for Authorized Cannabis Stores and associated public education campaign, which will identify licensed cannabis retail stores and educate the public on how and why to avoid unlicensed stores. The Cities of Los Angeles and Long Beach are partnering with the County for the initial roll out and the OCM is working to partner with all local cities that will have cannabis stores.

The OCM will continue to update your Board on the development of unlicensed cannabis business elimination strategies and will publish a formal plan once finalized.

Teen Cannabis Use Prevention Campaign

The Department of Public Health is developing a media campaign for youth focused on cannabis use prevention that is scheduled to launch on May 10, 2018. To inform its youth prevention campaign, the Department of Public Health held creative workshops and focus

groups between January and March 2018. County departments that are a part of the Cannabis Education, Prevention, and Intervention workgroup helped coordinate focus groups with youth served, such as OCM, the Los Angeles County Office of Education, Probation Department, and the Department of Children and Family Services. High school-age youth attended the workshops and developed media and creative concepts that are being incorporated into the campaign. Production has begun on the creative concepts, and community organizations partnered with the Department of Public Health to film the first set of videos for the campaign. Youth subject matter experts are working with a media consultant to complete video scripts and participate in the next phase of video production. Outreach has already begun as youth leaders participated in break-out sessions at the April 7, 2018, Substance Abuse Prevention and Control youth summit.

Contract Services and Engagement for Local Cities that Allow Cannabis Businesses

As described in the OCM's third and fourth quarterly reports, filed on November 17, 2017, and February 12, 2018, respectively, the OCM developed a strategic plan for city engagement and has been implementing this plan. Because of the rapidly changing cannabis regulatory landscape, the strategic plan is reviewed regularly and has been updated to ensure objectives remain current. The revised strategic plan is attached (Attachment I). The OCM is currently working to develop milestones to incorporate into and guide plan implementation.

A major focus of the strategic plan for city engagement has been to connect directly with local cities allowing commercial cannabis. As reported in the fourth quarterly report, the OCM had, at that time, identified 15 cities allowing some form of commercial cannabis and has been communicating with each. From the time the fourth quarterly report was filed, the OCM became aware of three additional cities that are now planning on allowing commercial cannabis facilities: Avalon, Bell, and Montebello. Below is a complete list of cities that have been identified as allowing some form of commercial cannabis. Together, these cities represent approximately 55% of the total population in Los Angeles County.

CITY	POP	SUP DISTRICT	RETAIL
Avalon	3,678	4	
Baldwin Park	74,738	1	
Bell	36,716	1	
Bellflower	76,363	4	Y
Carson	93,993	2	
Cudahy	24,602	1	
Culver City	40,448	2	Y
El Monte	113,885	1	
Huntington Park	59,718	1	Y

CITY	POP	SUP DISTRICT	RETAIL
Lancaster	160,106	5	
Long Beach	484,958	4	Y
Los Angeles	4,030,904	1, 2, 3, 4, 5	Y
Lynwood	72,505	2	
Malibu	12,706	3	Y
Maywood	28,219	1	Y
Montebello	63,924	1	
Santa Monica	93,640	3	Y
West Hollywood	35,923	3	Y

Staff from the OCM and the Departments of Agricultural Commissioner/Weights and Measures, Fire, and Public Health have met with each of the above cities, except Avalon and Montebello, to discuss cannabis regulations, best practices, and available County contract services. The OCM is working to schedule meetings with Avalon and Montebello.

Consistent with your Board's directives under the Cannabis Motions, the main purpose for meeting with cities is to promote uniform regulation and best practices for commercial cannabis throughout Los Angeles County cities and unincorporated areas. At these meetings, the OCM and partner departments inform cities about cannabis-related services performed by the Departments of Agricultural Commissioner/Weights and Measures, Fire, and Public Health, and the steps cities should take to implement these services. The Departments of Fire and Public Health have also been involved in the review of building plans for cannabis businesses in contract cities and expect to begin onsite inspections of facilities and permitting for operations in those cities in the coming months.

Public Outreach and Communication

At the request of, and in partnership with each Board office, the OCM has continued conducting outreach to unincorporated communities about commercial cannabis regulation in unincorporated County areas, and general information and education on the legal status of cannabis use and sales. During the reporting period, the OCM has attended community meetings in East Los Angeles (First District), Maravilla (First District), Florence-Firestone (Second District), Monrovia (Fifth District), and South San Gabriel Valley (First District). Additionally, the OCM has presented to numerous agencies and at various organized events, including the Antelope Valley Marijuana Alcohol and Pharmaceutical Prevention Coalition, Countywide Criminal Justice Coordination Committee, Los Angeles County Small Business Commission, Local Governmental Services Commission, Coalition for a Tobacco Free Los Angeles County, Los Angeles City's Cannabis Commission, Assembly Member Ed Chau's Cannabis Workshop, Empowerment Congress Leadership Conference, University of Southern

California County/City Management Fellows Summit, and the Los Angeles County Older Adults Summit. Additionally, the OCM has met with staff for state elected officials to discuss the County's approach to cannabis regulation, and continues to respond to frequent inquiries at the Los Angeles County public-facing email address, cannabis@lacounty.gov.

Medical Marijuana Identification Card Program

As described in the fourth quarterly report, the Department of Public Health's Environmental Health Division (EH) assumed responsibility for the Medical Marijuana Identification Card (MMIC) Program from the department's office over Health Assessment and Epidemiology at the beginning of 2018. As of April 3, 2018, the new MMIC Program has scheduled 544 appointments, accepted 419 applications, and issued 383 identification cards.

Our next report is due August 7, 2018.

Should you have any questions concerning this matter, please contact me at (213) 974-9750 or jnicchitta@dcba.lacounty.gov; Julia Orozco at (213) 974-1151 or jorozco@ceo.lacounty.gov; or Daniel Kelleher at (213) 974-6879 or dkelleher@ceo.lacounty.gov.

JJ:JMN
DSK:rlid

Attachment

c: Executive Office, Board of Supervisors
Chief Executive Officer
County Counsel
Assessor
District Attorney
Sheriff
Agricultural Commissioner/Weights and Measures
Alternate Public Defender
Fire
Human Resources
Public Defender
Public Health
Public Works
Regional Planning
Sherriff Civilian Oversight Commission
Treasurer and Tax Collector



Office of Cannabis Management

Strategic Plan for City Engagement

Version 2

Revised: May 7, 2018

Purpose

The purpose of this plan is to promote uniform regulations and best practices for commercial cannabis regulation throughout the Los Angeles County region.

Goals

1. Prevent impacts to any one city or unincorporated community from cannabis businesses in nearby cities or communities.
2. Prevent disparate impacts to and an overconcentration of cannabis businesses in economically disadvantaged communities.

Strategies and Objectives

Strategy 1: Actively engage cities and other counties to establish uniform regulations and best practices on cross-jurisdictional cannabis issues.

Objective 1.1: Build coalitions to address cross-jurisdictional concerns including, but not limited to, rules for cannabis delivery, commercial cannabis advertising, and unlicensed cannabis business elimination, with a particular focus on unfair business practices that impact consumers, businesses, and youth.

Objective 1.2: Work with the Departments of Fire, Public Health, and Public Works to ensure that contract cities adopt model ordinances to regulate environmental health, fire, and building and safety laws, and provide for appropriate county enforcement and cost recovery.

Strategy 2: Serve as a resource to cities and other counties and provide research, expertise, and information on best practices for cannabis regulation that empower local regulators to pass laws and regulations that control cannabis effectively and equitably.

Objective 2.1: Present at public commissions, seminars, symposiums, and government bodies, including, but not limited to, councils of governments, to inform local government officials of the County's available resources and information on commercial cannabis regulation.

Objective 2.2: Develop content on the <http://cannabis.lacounty.gov> website specific to local governments considering regulation of commercial cannabis to help guide and inform effective and equitable policy decisions.

Objective 2.3: Host a series of webinars featuring subject matter experts and government officials discussing the challenges and issues to be addressed with local regulations and efforts made to address them.

Objective 2.4: Upon Board direction to implement cannabis business regulations, organize a symposium or workshop for local city governments to facilitate open dialogue and sharing of best practices, featuring experts and local officials discussing emerging issues and important developments.

Objective 2.5: Communicate directly with city officials across the County to supply information and invite engagement and collaboration with the County and local governments.

Strategy 3: Partner with city, county, and state agencies to educate consumers about responsible cannabis use, and minimizing impacts to those who choose not to use cannabis.

Objective 3.1: Organize recurring meetings between partner agencies to provide updates and discuss education and messaging.

Objective 3.2: Promote unified messaging to consumers throughout the County on responsible cannabis use and cannabis laws.

Objective 3.3: Secure city participation in the County's Emblem Program for Authorized Cannabis Stores, and provide outreach materials to promote the program and protect consumers from unlicensed cannabis stores.

Ongoing Evaluation

The cannabis regulatory landscape is changing rapidly, both at the state and local levels. This plan will be reevaluated periodically, but not less than quarterly, and revised as needed to ensure that existing objectives remain current, and that new issues are addressed.

