



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"

August 7, 2018

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

From:  Joseph M. Nicchitta
Director of Consumer and Business Affairs

SIXTH 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 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.

The OCM filed quarterly reports on May 23, 2017; August 16, 2017; November 17, 2017; February 12, 2018; and May 7, 2018. In the OCM's fifth quarterly report filed on May 7, 2018, the OCM updated your Board on the efforts to develop a regulatory framework for commercial cannabis in unincorporated areas, development of recommendations on cannabis resentencing and reclassification, preparation of a health impact assessment for commercial cannabis regulations, development of a strategic plan to close unlicensed cannabis businesses, engagement with local cities that allow cannabis businesses, and continuing public outreach and communication.

¹ The OCM now reports to the Interim Director of Consumer and Business Affairs.

Additionally, on June 19, 2018, the OCM submitted a report outlining options for regulating commercial cannabis in the unincorporated areas. Your Board received and ordered the report filed at your regular meeting on June 19, 2018.

This sixth quarterly report updates your Board on:

- The development of recommendations on cannabis resentencing and reclassification;
- The development of an emblem program for authorized cannabis stores;
- Continued engagement of local cities regulating commercial cannabis;
- The preparation of a health impact assessment for commercial cannabis regulations;
- The development of a strategic plan to close unlicensed cannabis businesses;
- Continued deployment of the Youth Cannabis Prevention media campaign;
- The status of the Medical Marijuana ID card program.

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. On May 22, 2018, your Board passed a motion directing the County to support AB 1793 which proposes to expeditiously and efficiently provide the relief stipulated in Proposition 64 for qualified individuals with prior cannabis-related convictions. The OCM has continued to meet with all involved departments and is in the process of finalizing its recommendations in response to your Board's motion. The OCM requested an extension to respond, and the report is now due August 13, 2018.

Universal Emblem Program

On June 26, 2017, your Board allocated \$350,000 to the OCM to develop an emblem program for licensed cannabis retailers aimed at allowing consumers to identify legal cannabis stores and avoid illegal stores. On June 26, 2018, your Board adopted a motion directing the Interim Director of the Consumer and Business Affairs to report back on the status of the Emblem Program for Authorized Cannabis Stores (Emblem Program) and recommendations for moving forward. On August 3, 2018, the OCM submitted a written

report to your board detailing the status of development of the Emblem Program and recommendations on how to move forward.

City Engagement

Staff from the OCM and the Departments of Agricultural Commissioner/Weights and Measures, Fire, and Public Health have continued to meet with local cities to discuss cannabis regulations, best practices, and available County contract services.

On May 31, 2018, the OCM convened the initial meeting of the LA County Cannabis Regulators Roundtable, which included a panel with representatives from five state agencies including the Bureau of Cannabis Control, Public Health, Fish and Wildlife, Tax and Finance Administration, and CalCannabis. The meeting provided an open forum for city regulators to ask State agencies questions and to discuss new developments and challenges that local jurisdictions are facing in the cannabis regulatory environment. In all, there were 64 attendees, which included the State officials, as well as representatives from 13 cities in Los Angeles County and from relevant County departments.

The OCM will continue to coordinate future meetings with local jurisdictions to facilitate discussions on emerging trends and to develop solutions with a regional perspective. The next meeting is tentatively planned for September 2018.

Health Impact Assessment

On November 7, 2017, your Board adopted a 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 and DPH's Center for Health Impact Evaluation are working together to conduct a Health Impact Assessment (HIA) on commercial cannabis. The HIA will assess the health equity impacts of commercial cannabis in Los Angeles County so that any future policies are informed by a consideration of these impacts. Specifically, the HIA will analyze how the location, density, and operating practices of cannabis businesses affect health equity, including both social determinants of health and health outcomes, and will develop evidence-based and practical recommendations for business and regulatory practices that promote health equity.

An Advisory Group of stakeholders representing Board offices, County departments, non-profit organizations, and academia was convened to assist in the development of the HIA and held its first meeting on June 28, 2018. During the meeting the project scope and member roles were developed as DPH gave an overview of the HIA process and received feedback from the group on specific topics that should be analyzed in the HIA.

DPH will spend the next several months reviewing literature, collecting quantitative and qualitative data, and conducting focus groups, key informant interviews, and observational surveys. In December 2018, the Advisory Group will reconvene a final time to review the HIA's preliminary findings and recommendations. The finalized HIA is projected to be completed by February or March 2019, with ongoing monitoring of key data indicators.

Strategic Plan to Close Unlicensed Cannabis Businesses

On July 3, 2018, your Board adopted a motion directing the OCM to collaborate with the County Counsel, District Attorney, Sheriff, Treasurer and Tax Collector, Fire Chief, and the departments of Public Health, Public Works, and Regional Planning to submit an unlicensed cannabis business closure plan to the Board in 90 days. The plan will include strategies in the following categories: public education and outreach; enhanced direct enforcement; legislative advocacy; and strategic partnerships. The OCM will continue to update your Board on the development of unlicensed cannabis business closure strategies.

Youth Cannabis Prevention Campaign

The Department of Public Health launched the Youth Cannabis Prevention media campaign on May 10, 2018, with a press event introducing the first set of youth-generated content inspired by teens for teens and tweens. Under the theme of making "bigger choices" (#BiggerChoices) and using a variety of mediums commonly used by teens (Instagram, Snapchat, YouTube, Hulu, Spotify), the campaign includes a series of videos, roundtable talks, and influencers to provide accurate information from trusted sources and peers about the dangers of using cannabis before the legal age of 21. To further supplement the campaign, a webpage was created and housed within the DPH's Substance Abuse Prevention and Control (SAPC) website dedicated to providing information to teens. Public Health also partnered with Ventura County to provide information to parents, schools and professionals on MJFactcheck.org, a website that was created to provide "one voice/one message" for all Southern California counties to utilize when talking about cannabis. This fact-based website is available in both English and Spanish. MJFactCheck-branded fact sheets, postcards, and social media messages and images are provided free to community partners. Additionally, a campaign program toolkit was created for county departments, community partners, and schools to utilize when serving their communities. The toolkit includes social media content, web graphics, fact sheets, local data presentation slides, and promotional materials from the campaign. As new videos are launched, the program toolkit will be updated.

The campaign's performance is currently being monitored, analyzed, and optimized so that the videos receiving the most interest are used more in the paid media component

of the campaign. Currently, a quantitative survey of 500-800 youth throughout the County is seeking further feedback on the videos. New campaign videos are slated to be launched up until November 2018 to keep the campaign interesting, fresh, and relevant for its intended youth audience.

Medical Marijuana Identification Card Program

As described in the quarterly reports filed on February 12 and May 7, 2018, the DPH's Environmental Health Division assumed responsibility for the Medical Marijuana Identification Card (MMIC) Program from the department's Health Assessment and Epidemiology office at the beginning of 2018. As of June 30, 2018, the new MMIC Program has accepted 686 applications, and issued 656 identification cards.

Future Office of Cannabis Management Quarterly Reports

After the submission of this quarterly report, OCM has requested and received permission from your Board to amend the reporting periods to bi-annual. The next report will be due February 7, 2019.

Should you have any questions concerning this matter, please contact Joseph M. Nicchitta, Interim Director of Consumer and Business Affairs, at (213) 974-9750 or at jnicchitta@dcbalacounty.gov, or Julia Orozco at (213) 974-1151 or at jorozco@ceolacounty.gov.

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