



HERB J. WESSON, JR.
COUNCILMEMBER, 10TH DISTRICT
PRESIDENT, LOS ANGELES CITY COUNCIL

August 3, 2017

Mr. Vincent Bertoni
Director of Planning
Department of City Planning, City of Los Angeles
200 N. Spring Street, Fifth Floor
Los Angeles, CA 90012

RE: COMMERCIAL CANNABIS RESTRICTION ORDINANCE AND SUPPLEMENT

Dear Mr. Bertoni:

As the 60-day public comment period is coming to a close with respect to developing new ordinances and regulations for the commercial cannabis industry, I want to thank you and your staff's ongoing commitment and collaboration with my office, the City Council, and other City Departments on this issue.

After listening to the dozens of comments at your June 29th public hearing, comments received by my office and the City Clerk, reading media reports and editorials on this issue, as well as internal staff conversations throughout the City, **I am requesting that you revise the initial draft ordinance initiated by your office prior to the Citywide Planning Commission (CPC) meeting in September.** Due to the time sensitivity with respect to enacting this ordinance and allowing the Cannabis Department and Cannabis Commission to begin accepting applications before the end of the calendar year, it is highly important that the CPC has before them the necessary changes to recommend to the City Council in order for the Council process to move quickly.

LICENSES/PERMITS

While I appreciate the due diligence on the part of your Department and the City Attorney's office, **I am requesting that we move forward with a legal licensing/permitting system that is in conformance with state law and provides certainty for the commercial cannabis industry,** similar to every other business under Chapter 1: General Provisions and Zoning of the

Los Angeles Municipal Code. Over the previous eleven years, the City's attempt at regulating the commercial cannabis industry has been a litigious and failed exercise whose time has ended. Limited Immunity, as described in the draft ordinance and enacted by the voters under Proposition D in 2013, is no longer necessary after the enactment of Proposition 64 in 2016 by the voters of the State of California and the enactment of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) by the State Legislature and signed by Governor Jerry Brown on June 27, 2017. **After a complete and thorough review of the relevant legal issues, a licensing/permitting system as indicated in Proposition M that provides certainty under the Zoning Code is the best and only way to proceed towards regulating the commercial cannabis industry.**

ADDITIONAL USES/TYPES OF BUSINESSES

Under the proposed draft ordinance, there are several uses that would not be allowed by the City of Los Angeles, as well as certain zones that disallow certain uses. I am requesting that the following changes be made to those sections of the draft ordinance in order to move forward with a smooth transition to a regulated commercial cannabis industry.

MANUFACTURING

After consulting industry experts, non-cannabis manufacturers, and the Los Angeles Fire Department, I am confident that the City of Los Angeles has the inspection, safety, and regulatory expertise to allow for safe volatile manufacturing described as a Type 7 – Manufacturer 2 license/permit. **I am requesting that the Type 7 – Manufacturer 2 license/permit be allowed and provided in the same zones and under the same provisions as a Type 6 – Manufacturer 1 license/permit.**

SMALL OUTDOOR AND MIXED-LIGHT CULTIVATION

Although the City of Los Angeles has limited agricultural zones and areas of the City, otherwise known as A1, A2, and RA zones, certain types of small outdoor and mixed-light cultivation should be allowed in the City of Los Angeles, allowing for a robust commercial cannabis cultivation industry. **I am requesting that the following licenses/permits be allowed under the City's Zoning Code in A1, A2, and RA zones to provide City residents to participate in, and the Cannabis Department the opportunity to regulate, these areas of cultivation: Type 1 – Cultivation, Specialty Outdoor, Small; Type 1B – Cultivation, Specialty Mixed-Light, Small; Type 1C – Cultivation, Specialty Cottage, Small; Type 2 – Cultivation, Outdoor, Small; Type 2B – Cultivation, Mixed-Light, Small; Type 3B – Cultivation, Mixed-Light, Medium.**

TESTING

In order for cannabis testing laboratories to have the maximum opportunity to locate in the City of Los Angeles and given the type of business, licenses for the Type 8 – Testing laboratory should be allowed in the commercially zoned areas of the City of Los Angeles. **I am requesting that a license/permit for a Type 8 – Testing laboratory be allowed in the same zoning areas that are proposed for the Type 10 – Retailer license/permit.**

ENVIRONMENTAL REVIEW

As enacted in the MAUCRSA, the City of Los Angeles should take advantage of the California Environment Quality Act (CEQA) exemption provided in this new law, that allows for “the adoption of a specified ordinance, rule, or regulation by a local jurisdiction that requires discretionary review and approval of permits, license, or other authorizations to engage in commercial cannabis activity.” While this exemption will likely require the Cannabis Department to conduct an environmental review for each application submitted to the Department, **I am requesting the use of this CEQA exemption under state law that provides the best opportunity for the expedient enactment of ordinances and regulations by the City Council to allow the Cannabis Department to begin processing applications this calendar year.**

ORDINANCE SUPPLEMENT – LAND USE REVIEW OPTION

In light of the draft regulations contained in the “Proposed Requirements for Commercial Cannabis Activity in the City of Los Angeles”, the Land Use Review option is no longer necessary given the extensive vetting and application process contained in the draft regulations. **I am requesting that this option be removed in order to provide certainty for the industry and the City Council to move forward with the proposed regulatory process.**

TECHNICAL CHANGES

In your review of making these requested changes with the assistance of the City Attorney’s office, it is important that both the Department of City Planning draft ordinance and the “Proposed Requirements for Commercial Cannabis Activity in the City of Los Angeles” are consistent with MAUCRSA. **I am requesting that your Department, with the assistance of the City Attorney’s office, make any necessary technical changes to ensure consistency and conformity to this new state law.**

URGENCY CLAUSE

Lastly, **I am requesting that an urgency clause be included in the draft ordinance.** In order for the Cannabis Department to effectively begin to accept and process applications this calendar year, an urgency clause is necessary to meet the timelines under state law and provide that some commercial cannabis businesses have the ability to begin the state licensing processing that will open on January 2, 2018.

As previously stated, I appreciate your continued collaboration with respect to providing for a legal and regulated framework for the commercial cannabis industry and look forward to your Department moving forward with these requested changes. If you have any questions or need further guidance on these issues, please feel free to contact myself or my Assistant Chief Deputy Andrew Westall.

Sincerely,

A handwritten signature in black ink, appearing to read "Herb J. Wesson, Jr.", written in a cursive style.

HERB J. WESSON, JR.
President, Los Angeles City Council
Councilmember, 10th District

HJW:aw:slw

Cc: The Honorable Mike Feuer, City Attorney
The Honorable Eric Garcetti, Mayor
Members of the Los Angeles City Council