



JOSE HUIZAR
COUNCILMEMBER, 14TH DISTRICT

August 11, 2017

Dear Colleagues,

Over the past year, the City Council has embarked on a dialogue with the residents of the City of Los Angeles to examine the complexities, responsibilities and opportunities of regulating the commercial cannabis industry. I am proud to serve as Vice Chair on the Rules, Elections, Intergovernmental Relations, and Neighborhoods Committee, which has led the discussion of possible regulatory frameworks.

As Chair of the Planning and Land Use Management Committee, I initiated discussion over the local land-use implications of an expanding cannabis industry and the strategies needed to manage these implications, such as controls over locating cannabis outlets near sensitive uses like schools, youth centers, parks, libraries, and rehab centers.

It is evident that all segments of this industry are going to have land-use implications and neighborhood impacts, and I want to ensure that we have adequate oversight on these issues.

The City has experience with cannabis regulation through Proposition D and the challenge of responding to an over-proliferation of illegal dispensaries in our communities. This experience is a reminder that any new ordinance permitting commercial cannabis activity must incorporate strong protections for our residents and neighborhoods.

Community Protections

I look forward to continuing to improve the proposed regulations. It is critical that we protect our communities from an over-proliferation and over-concentration of allowed uses to ensure no neighborhood is disproportionately burdened by new retail operation. The Council must provide clear rules and sufficient enforcement capacity from the outset of the program, so that illegal operations can be quickly shut down.

Social Equity Program

One important aspect of this policy is to provide economic opportunity for new entrants to the market, especially from communities of color and low-income areas. It is imperative the City of Los Angeles establish a Social Equity Program that prioritizes applicants from marginalized and economically disadvantaged communities. By maximizing the benefits through increased ownership and economic opportunities, the program can help offset and minimize negative impacts on local communities.

The program model must examine ways to alleviate economic disparities in these communities by (1) promoting minority-owned businesses and participation from disadvantaged communities, (2) requiring local hire provisions, and (3) prioritizing applicants who are committed to community stewardship.

Proposed Amendments

The current proposed ordinance includes some protections, such as training for employees by LAPD, which I fully support. To ensure it is even stronger, I request the following amendments to the proposed regulation of commercial cannabis activity in the City of Los Angeles.

1. Create a system of licenses and permits instead of relying upon “certificates of compliance” to maintain the strongest tools for strict enforcement;
2. Clarification on enforcement capacity and protocols in order to protect communities and ensure those legal entities getting permitted are not undercut by competition from illegal operations. It is critical that the City have enough enforcement staff in place to quickly shut down illegal operators;
3. When approving permits, the Commission and department must be able to add site-specific conditions to the requirements for compliance, subject to City Attorney approval;
4. Public hearings should be provided during the permit process, including for large non-retail facilities. Under Non-Retailer Commercial Cannabis Activity, section “i” should be amended to read:
 - i. Department Approval: The Department staff shall have authority to approve an application for non-retail commercial cannabis activity, subject to an appeals process, unless an applicant for non-retail commercial cannabis activity’s premises is larger than 20,000 square feet. Applications for non-retail commercial cannabis activity with a premises larger than 20,000 square feet must go through the public hearing process as outlined in the retailer commercial cannabis activity application processing;
5. Existing businesses eligible for Proposition M Priority Processing must also be provided a public hearing. The following condition should be added under Proposition M Priority Processing:

All applicants that are approved for eligibility under Proposition M Priority processing are subject to a public hearing as outlined in the retailer commercial cannabis activity application processing;
6. Clearer rules related to vehicles used in delivery are needed to facilitate enforcement and reduce disputes over enforcement. I recommend adding the following requirements:

On the first of every month and upon request, a Business shall provide the Commission and the Police Department with information regarding any motor vehicles used for the delivery of cannabis goods, including the vehicle's make, model, color, Vehicle Identification Number and license plate number. Any motor vehicle used by a Business to deliver cannabis goods may be inspected at any premises or during delivery;

7. Proposed zoning regulations should be amended to allow for specific commercial cannabis activities to be located within the Hybrid Industrial (HI) Zone. The HI Zone was developed and intended to allow for a robust and evolving mix of job and housing opportunities within the City. The following uses should be consistent in regards to the policy goals of the HI Zone:
 - a. Microbusiness Commercial Cannabis Activity - M1, M2, or M3 and various specific plan areas. - AMEND TO INCLUDE HI Zone
 - b. Indoor Commercial Cannabis Cultivation Activity - MR1, M1, MR2, M2, or M3 and various specific plan areas. - AMEND TO INCLUDE HI Zone
 - c. Manufacture Commercial Cannabis Activity - MR1, M1, MR2, M2, or M3 and various specific plan areas. AMEND TO INCLUDE HI Zone;
8. Land use controls and review are critical in maintaining life and safety, land use compatibility, and neighborhood integrity. They ensure that new uses, developments, and business activities are in line with the intent of land use regulations that the City has in place and must remain as part of the City's review process; and,
9. Council offices must be notified of applications at all levels, similar to Planning's bi-weekly case filing early notification system, to allow the tracking of applications from the initial filing through a public hearing process.

As we near the finalization of these important regulations, I would like to thank my fellow committee members in the Rules Committee and Planning and Land Use Management Committee for their thorough deliberations in order to achieve a comprehensive policy that is fair, enforceable and appropriate for the City of Los Angeles. I would also like to thank the members of the public who have attended to provide input. Your perspectives are important, and your voices are being heard.

I am committed to ensuring neighborhood protections through the City's regulation of an expanding cannabis industry. We must minimize the nuisances and negative impacts experienced in the past. To this end, I encourage consideration of my proposed amendments and welcome any suggestion to achieve the key policy objectives of neighborhood protection, fairness and enforceability.

Sincerely,



José Huizar
Councilmember, 14th District