

Date: 11/20/17

Submitted in Rules Committee

Council File No: 14-0366-55

Item No.: 1

~~RECEIVED~~ Communication from  
the public

November 20, 2017

The Honorable Members of the REIG Committee  
Los Angeles City Council  
200 N Spring Street  
Los Angeles, CA 90012

Re: Caps By Community Plan

Dear Honorable Members of the REIG Committee:

Our organization was very disturbed to see that caps were included in the ordinance released Friday (see page 4 Item No. 25 of the Urgency Ordinance). Insisting on capping by community plan census could well destroy the Social Equity Program and makes it nearly impossible for the cannabis industry to survive, much less thrive. There is no evidence that the Department of City Planning has studied the matter, nor created maps to demonstrate what effect caps would have on the City's Cannabis Industry.

Populations throughout the City of Los Angeles (the COLA) are not evenly dispersed. By imposing population caps you frustrate manufacturing, cultivation, testing and distribution development because the parts of the COLA best suited to this activity don't have the population numbers required to designate enough licenses for that area.

If you look at the map generated by City Planning which shows zoning for cultivation and manufacturing, the top, bottom and sides of the map contain most all of the areas zoned for manufacturing, but districts in the middle of the map have little or no zoning for manufacturing despite healthy population numbers. See: [https://planning.lacity.org/ordinances/docs/CommercialCannabis/maps/Citywide/Indoor Cultivation and Level 1 Manufacturing.pdf](https://planning.lacity.org/ordinances/docs/CommercialCannabis/maps/Citywide/Indoor%20Cultivation%20and%20Level%201%20Manufacturing.pdf) for a copy of the map referred to above.

The most meaningful reason for abandoning population caps rests with the Social Equity Program. Population caps, existing zoning, and the maintenance of sensitive uses are components of land use regulation and cannot be waived for a social equity candidate. These mechanisms are meant to regulate land use and thus to be effective, have to apply to all licensees no matter what their status.

By layering in a population cap on top of existing zoning regulations/sensitive uses, the Social Equity Program is horrifically affected because sooner or later every social equity candidate must have land on which to conduct his or her business. Population caps are deadly in this respect because the licensee is not just looking for a compliant spot, he or she is racing the clock. At any time the quota in his/her business category may have been reached in the community plan area where a candidate is able to lease, and with it the complete inability to achieve licensure.

Holding out a percentage of licenses for social equity candidates when a population cap exists city-wide doesn't work because land is scarce and there's no way to predict where someone might find a spot or at

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what point a community plan would have filled its quota. You'd have to halt all licensing including Measure M candidates until every equity candidate had found a spot, rather than offering a 1:1 ratio for licensing.

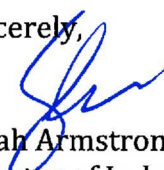
If, instead, you remove the population cap, leaving zoning regulations/sensitive uses in place, a social equity candidate has a lot more choice because a huge impediment to land use, a quota system, has been removed.

The sensitive uses combined with zoning restrictions were previously thought to be sufficient to control land allocations for cannabis businesses. Population caps have never been a component of any previous cannabis ordinance. We are at a loss to understand why the Council would institute a policy that hobbles the industry it's trying to create while simultaneously injuring the most revolutionary component of that industry, a meaningful social equity program.

Founded in 2002, Americans for Safe Access (ASA) is the largest national member-based organization of patients, medical professionals, scientists, and concerned citizens promoting safe and legal access to marijuana for therapeutic use and research. ASA works in partnership with state, local and national legislators to overcome barriers and create policies that improve access to marijuana for patients and researchers. ASA has more than 100,000 active members with chapters and affiliates in all 50 states.

If there's any way I can help please let me know. I am always available at (805) 279-8229 or [industry@safeaccessnow.org](mailto:industry@safeaccessnow.org)

Sincerely,



Sarah Armstrong JD  
Director of Industry Affairs  
Americans for Safe Access

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The Honorable REIG Committee  
Los Angeles City Hall  
200 N. Spring Street  
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Council File No: 14-0366-S5  
Item No.: 1  
~~Proposition~~ Communication from the  
Public

Re: Request To Include Delivery Services As Part of Provisional Licensing

Dear Honorable Members of the REIG Committee:

I'm writing today in the hopes that some last minute changes can be made to the ordinance. To release it on a Friday, then vote in committee on Monday is eerily reminiscent of the mechanism used to shove Proposition D on to the ballot and this is making the cannabis community very nervous.

In this case, the proposed urgency ordinance has the potential to do extreme and lasting damage to the sick and dying of this community because the way it's structured, delivery services are awarded to the Prop M dispensaries giving them the exclusive right to apply for delivery licenses during the provisional licensing phase.

The problem is Measure M candidates cannot operate delivery services because they can't make any physical changes to their businesses locations until after they receive their permanent licenses, both at the local and state level. Delivery services have to operate call centers, have dedicated spaces for parking delivery vehicles and other things, like increased space to accommodate additional personnel. I'm sure you've visited a number of dispensaries by now, as have I. They are mostly small storefronts already cramped, with no room to expand. But since Measure M candidates can't make any changes to their businesses once they apply for priority licensing, they can only sit on their delivery licenses; they have no choice in the matter.

Because the City is insisting on caps by community plan, if all Prop M candidates apply for delivery licenses it eats up quotas imposed by the City and those who might be set up exclusively to deliver may be shut out of the marketplace.

Awarding Delivery Service Licenses exclusively to Prop D operators will mean that all delivery will cease, leaving the patients who depend on them without any access to their medicine. This is an acute and dangerous situation which rises to the level of an emergency and we are hopeful the City will address this.

What we'd like to suggest is that the Prop D's remain eligible to apply for delivery licenses during the provisional phase. They have a dedicated, aging clientele who sooner or later would benefit from deliveries from their favorite dispensary. Because the Measure M candidates already have a dedicated clientele and a location if they come late into the marketplace they would still prosper.

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However, to preserve the ability of ALL patients to receive their medicine at home, the City needs to open up provisional licensing to delivery services. Unlike dispensaries, delivery services are set up to deliver and can do so as soon as they have their provisional licenses, patients would have no disruption in their service.

The City is going to have to consider additional licenses anyway, the State Regulations released this week added license types N and P as well as a transport only distributor licenses. Because these license types would be helpful to the Social Equity Program, as they add more choices that are inexpensive entry points into the industry, the City could easily add delivery services when they add these additional categories.

Delivery services are a wonderful way to advance the Social Equity Program as the Delivery service organizations have previously evidenced a marked willingness to participate in the program. Delivery services are an easier entry point for those in the Social Equity Program as they are less expensive to set up than many other types of businesses.

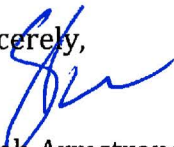
Delivery services would be subject to the same audit and requirements to bring their taxes current that any other provisional applicant and would be. They would only be eligible if operating in accordance with state and local law which means a dedicated premise subject to inspection. There is no more risk in provisionally licensing delivery services than there is in licensing any other category, but if the City does not do so, they will be hurting all of the homebound patients, who will no longer be able to receive deliveries.

This is an intolerable situation that will bring needless pain and suffering to the City's most vulnerable residents, the sick and dying. If there is anything that can be done to right this situation, it would be most appreciated.

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As always, if there is anything I can do to help I can be reached at [\(805\) 279-8229](tel:8052798229) or [industry@safeaccessnow.org](mailto:industry@safeaccessnow.org).

Sincerely,



Sarah Armstrong JD  
Director of Industry Affairs  
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