**Contact Information** 

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The Board approved this CIS by a vote of: Yea(12) Nay(1) Abstain(0) Ineligible(0) Recusal(0)

Date of NC Board Action: 1/18/2017 Type of NC Board Action: For

Impact Information
Date: 01/20/2017

Update to a Previous Input: No

Directed To: City Council and Committees

Council File Number: 14-0366-S5

Agenda Date: Item Number:

Summary: The Board of the Studio City Neighborhood Council supports the development of a regulatory framework for the cannabis industry in an open and transparent process. As the oversaturation, proliferation and illegal operation of marijuana businesses is a major concern to our stakeholders, we support the request of the PLUM Committee for a report including data on the impact of Prop D with respect to the distribution of dispensaries throughout the City as an important first step in the process. We submit the additional recommendations set forth in the attached letter.

## **SCNC Board**

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January 19, 2017

Council President Wesson, councilmember.wesson@lacity.org

## Re: CF 14-0366-S5

At its meeting on January 18, 2017, the board of the Studio City Neighborhood Council (the "SCNC") passed the motion below with respect to the development of a regulatory framework for the cannabis industry and has submitted a CIS to council file 13-1339 supporting the code amendment with conditions.

The Board of the Studio City Neighborhood Council supports the development of a regulatory framework for the cannabis industry in an open and transparent process. As the oversaturation, proliferation and illegal operation of marijuana businesses is a major concern to our stakeholders, we support the request of the PLUM Committee for a report including data on the impact of Prop D with respect to the distribution of dispensaries throughout the City as an important first step in the process. We submit the following additional recommendations:

- 1. An overriding concern in the development of any regulation is that such regulations are enforceable and that they are enforced. Regulations without meaningful penalties for the failure to comply with the regulations and an adequate budget to enable such enforcement is pointless.
- 2. Immediate action should be taken to ensure that Prop D compliant business be issued some form of license or permit so that they will be able to qualify for a state license when they become available in January 2018. Additionally, compliance with Prop D should be enforced.

- 3. The regulatory framework should be developed in such a way that we ensure that, not only is there equal access in the permitting process for all interested stakeholders, but that priority be given to those that are already here and who have worked hard to achieve the legalization of this business.
  - **4.** Additionally, provisions should be incorporated to ensure that small businesses and minorities are able to enter the market, such as the adoption of cottage licenses as provided for in state law.
  - 5. Los Angeles is a large and diversified city composed of many unique neighborhoods. Development of land use requirements should take this into account. The regulatory framework should provide every community a way to restrict the number and type of marijuana businesses in their area. This could be done by requiring neighborhood councils input in the permitting process. Licenses should be given to a business based upon location and should not travel with the owner unless the owner is able to obtain a permit transfer it to another location.
  - **6.** There are several distinct types of marijuana businesses including cultivation, manufacture, testing, dispensing, distribution and transportation. Licensing for each of these business segments should be distinct.
  - **7.** Consideration must be given to the impact of vertical integration within the industry. The number of segments a business can be licensed to operate in should be limited.
  - **8.** Cultivation and manufacture of marijuana should be restricted to agricultural and commercial zones and compliance with appropriate building and safety as well as OSHA regulations should be required.
  - **9.** Provisions defining the proximity to other sensitive land uses for each type of marijuana business should be distinct.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Denise Welvang

Denise Welvang, President Studio City Neighborhood Council

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