

**DEPARTMENT OF
CANNABIS REGULATION**

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June 16, 2020

The Honorable City Council
City of Los Angeles
City Hall, Room 395
Los Angeles, California 90012

Attention: Rules, Elections and Intergovernmental Relations Committee

Dear Honorable Members:

EXPANDED CANNABIS SOCIAL EQUITY ANALYSIS REPORT; DCR REPORT NO. 3 (3 OF 4)

SUMMARY

At its meeting of December 6, 2017, the Los Angeles City Council adopted Ordinance No. 185343 to implement the City's Social Equity Program based on the October 2017 Cannabis Social Equity Analysis Report and November 2017 Addendum to the Cannabis Social Equity Analysis Report (collectively 2017 Analysis) prepared by the consulting firm Amec Foster Wheeler (Council File No. 17-0653).

On February 28, 2018, the City Council instructed the Department of City Planning and the Department of Cannabis Regulation (Department) to extend the contract with Amec Foster Wheeler to provide further analysis of the San Fernando Valley, the Boyle Heights Community and longstanding residential enclaves in Downtown Los Angeles, and to address which Zip Codes were adversely impacted by the War on Drugs within the San Fernando Valley, the Boyle Heights Community and certain areas Downtown Los Angeles within the Disproportionately Impacted Area definition in LAMC 104.20(b). On April 30, 2019, the City Council further instructed the Department to review the effects of gang injunctions with respect to the War on Drugs in the City while conducting the Expanded Analysis (Council File No. 14-0366-S5).

Pursuant to the February 2018 and April 2019 City Council instructions, transmitted herewith is the Expanded Social Equity Analysis Report (Expanded Analysis) submitted by the consulting firm of Wood Environment & Infrastructure Solutions, Inc (formerly Amec Foster Wheeler Environment & Infrastructure, Inc) (Attachment).

This report is the third of four reports the Department has prepared for consideration by the Los Angeles City Council and is part of a proposed comprehensive reorganization and revision of the Cannabis Procedures Ordinance. Together, these four reports contain the Department's immediate policy objectives which seek to do the following:

- Establish a process for the issuance of temporary approval for all applicants.
- Allow businesses to relocate.
- Clarify the process for applicants to request a finding of Public Convenience or Necessity.
- Allow individuals to participate in the Social Equity Program based on the original criteria or new criteria as supported by the Expanded Cannabis Social Equity Analysis.
- Amend the selection process for Phase 3 Round 2 Type 10 Retailer application processing by establishing a selection process that identifies Social Equity Applicants eligible for further processing via lottery rather than an online, first-come, first serve process.
- Limit Type 10 and Type 9 application processing to Social Equity Applicants until January 1, 2025.
- Expand the definition of Equity Share and establish related requirements to provide additional protections to mitigate against potential predatory practices.
- Reorganize, clarify and include necessary procedures for the administration of the City's commercial cannabis Licensing and Social Equity Program.
- Address recommendations put forth by the Cannabis Regulation Commission.
- Address extensive feedback from the licensing and Social Equity Program stakeholders.

The following table lists the Cannabis Procedures Ordinance sections included in each of the four reports and summarizes the main policy objectives contained therein.

LIST AND SUMMARY OF DCR REPORTS

DCR Report No. 1:	Amends LAMC Sections 104.01, 104.02, 104.03, 104.04, 104.05, 104.07, 104.08 and 104.12. These amendments include proposed language to clarify the Public Convenience or Necessity (PCN) process and to allow Business Premises relocations in Sections 104.03(a)(4) and 104.03(e)(1) respectively.
DCR Report No. 2:	Amends LAMC Sections 104.06, 104.06.1, 104.20, 104.21 and 104.22. These amendments include proposed language to limit Type 9 and Type 10 application processing to only Social Equity Applicants until January 1, 2025 in Section 104.06; to allow the issuance of Temporary Approvals in Section 104.06(d); to create a lottery process for Phase 3 Round 2 application processing in Section 104.06.1(c) and revises the definitions for Equity Share, Low Income and Disproportionately Impacted Area and revises the qualifying criteria for a Social Equity Individual Applicant in Section 104.20
DCR Report No. 3:	Transmits the Expanded Cannabis Social Equity Analysis Report requested by the City Council (Council File No. 14-0366-S5).
DCR Report No. 4:	In conjunction with DCR Report No. 1, this report outlines the step-by-step process to request a public convenience or necessity (PCN) determination from the City Council and recommends approval standards for City Council consideration and adoption by resolution.

RECOMMENDATION

In conjunction with the proposed amendments to Los Angeles Municipal Code Section 104.20 in DCR Report No. 2, that the City Council, subject to approval by the Mayor:

1. Approve amending Section 104.20(b) of the Los Angeles Municipal Code to redefine "Disproportionately Impacted Area" to be based on 151 Police Reporting Districts as identified in the attached Expanded Cannabis Social Equity Analysis; and
2. Approve amending Section 104.20(b) of the Los Angeles Municipal Code to replace the term "Social Equity Applicant" with "Social Equity Individual Applicant" to mean an individual who meets any two of the following three criteria, as amended: 1) Low-Income; 2) Disproportionately Impacted Area; and 3) Cannabis Arrest or Conviction; and
3. Request the Office of the City Attorney to prepare and present an ordinance to amend Article 4, Chapter X of the Los Angeles Municipal Code in accordance with the proposed amendments.

The above recommendations seek to improve the administration of the City's commercial cannabis Licensing and Social Equity Program. Your time and consideration of this proposal is greatly appreciated. If you have any questions or concerns, please contact Rocky Wiles at (213) 978-0738.

Sincerely,



CAT PACKER
Executive Director

CP:RW

- c: William Chun, Deputy Mayor of Economic Development
Ron L. Frierson, Director of Economic Policy
Richard H. Llewellyn, Jr., City Administrative Officer
Sharon Tso, Chief Legislative Analyst
Heather Aubry, Assistant City Attorney - Cannabis Law Division

Attachments:

A – Expanded Cannabis Social Equity Report prepared by Wood Environment & Infrastructure Solutions, Inc



May 27, 2020

The Honorable City Council
City of Los Angeles
City Hall, Room 395
Los Angeles, California 90012

Attention: Rules, Elections, and Intergovernmental Relations Committee

Dear Honorable Members:

SUBJECT: EXPANDED CANNABIS SOCIAL EQUITY ANALYSIS

SUMMARY

Per the instructions by the City of Los Angeles City Council and in coordination with the City of Los Angeles Department of Cannabis Regulation, Wood Environment & Infrastructure Solutions, Inc (formerly Amec Foster Wheeler Environment & Infrastructure, Inc) respectfully submits this analysis to expand upon its 2017 Cannabis Social Equity Analysis. This Expanded Cannabis Social Equity Analysis (Expanded Analysis) provides a further analysis of the San Fernando Valley, the Boyle Heights Community and longstanding residential enclaves in downtown Los Angeles (collectively “New Study Area”), and addresses which Zip Codes were adversely impacted by the war on drugs within the San Fernando Valley, the Boyle Heights Community and certain areas of Downtown Los Angeles (Figure A), and considers these areas for inclusion within the Disproportionately Impacted Area definition in Section 104.20(b) of the Los Angeles Municipal Code (LAMC). The Expanded Analysis also reviews the effects of gang injunction areas, defined below, with respect to the war on drugs in the City of Los Angeles (City) and considers these areas for inclusion within the “Disproportionately Impacted Area” definition in LAMC Section 104.20(b) (Figure B).

Based on the Expanded Analysis and the City’s goal to provide flexibility in eligibility criteria while meeting the spirit and intent of the overall Social Equity Program (Program) and to more appropriately define disproportionately impacted areas within the City of Los Angeles, the Expanded Analysis recommends that the City revise the definition of “Disproportionately Impacted Area” to be based on the 151 Police Reporting Districts (PRDs) identified herein instead of the 19 Zip Codes referenced in the 2017 Cannabis Social Equity Analysis (2017 Analysis) and referenced in Regulation No. 13 in the Rules and Regulations. These 151 PRDs were identified as those which have greater than the citywide mean number of cannabis-related arrests and meet the 60 percent or greater Low-Income household threshold as defined in the 2017 Analysis.

Further, to address City Council concerns regarding user-friendliness and accessibility and based on ongoing engagement with the Department of Cannabis Regulation, the Expanded Analysis recommends that the City amend the ordinance to replace the term of “Social Equity Applicant” with “Social Equity Individual Applicant” to mean a natural person who meets any two out of the following three criteria, as amended: 1) Low-Income; 2) Disproportionately Impacted Area residency; and, 3) Cannabis Arrest or Conviction.

BACKGROUND

In 2017, after passing an initiative to authorize the City to tax, license and regulation commercial cannabis activity, the City of Los Angeles established the Department of Cannabis Regulation and the Cannabis Regulation Commission. In June 2017, the City Council instructed various City departments to solicit a social equity analysis which, among other directives, included the prioritization of individuals who live or have lived in communities that were subject to high drug arrest rates. On October 18, 2017, the City Legislative Analyst provided the City Council with the Cannabis Social Equity Analysis (2017 Analysis) prepared by Amec Foster Wheeler Environment & Infrastructure, Inc., (Council File No. 17-0653).

On December 19, 2017, the City's Commercial Cannabis Regulation Ordinance was adopted establishing licensing procedures and regulations for the sale, cultivation, manufacturing, testing, transport, storage, and distribution of medicinal and adult-use cannabis. The City Council also adopted the City's Social Equity Program whose purpose is to promote equitable ownership and employment opportunities in the cannabis industry, to decrease disparities in life outcomes for marginalized communities, and to address disproportionate impacts of past cannabis enforcement in those communities. The Department of Cannabis Regulation was charged with the responsibility of administering and implementing the Program. Under the Program, individuals who met certain eligibility criteria would qualify for the opportunity for certain benefits when applying for cannabis related permits like priority processing, fee deferrals and business, licensing, and compliance assistance, as established.

The 2017 Analysis identified criteria associated with individuals and communities disproportionately impacted by cannabis arrests and the war on drugs. Despite limitations, the 2017 Analysis provided a comprehensive view of the geographic distribution of arrests and Low-Income households across the City by PRD. Recommendations were based on best available data and methodology of analysis given the time constraints.

Specifically, the 2017 Analysis considered LAPD cannabis-related arrest data from 2000 to 2016, the 2015 American Community Survey (ACS) income data, and 2010 Decennial Census race and ethnicity data¹ by PRD or census tract. PRDs are the smallest administrative units by the LAPD, with over 1,200 PRDs in the City. Census tracts are the basic geographic unit from which U.S. Census Bureau data is collected every 10 years for the nationwide Decennial Census and the continuous ACS, which periodically samples communities to track community changes between censuses.

The 2017 Analysis acknowledged that, 'federal guidelines recommend the selection of the smallest geographic areas for evaluating social and environmental justice impacts to disadvantaged communities' and further articulated that the smaller geographic units permit better resolution of the supplied arrest data. The 2017 Analysis further acknowledged that within the City limits, census tracts are generally smaller than PRDs which could not be divided along census boundaries. To reconcile these sets of data, census tracts were combined when necessary to align with PRD boundaries.

¹ Although the analyses looked at race and/or ethnicity, these demographic data were not used as the basis to determine eligibility into the Program.

In selecting a methodology, the 2017 Analysis identified and recommended PRDs as the geographic unit to assess which communities had been disproportionately impacted. PRDs were evaluated against a Community of Comparison (i.e., City of Los Angeles), the larger geographical area that represents the general population of the entire community. In summary, whenever the percentage of Low-Income households and number of cannabis-related arrests in a PRD was substantially greater than that of the City as a whole, it was recommended that the City select it for inclusion in the Program.

To determine which areas were subject to high cannabis arrest rates, the number of cannabis-related arrests in each PRD from 2000 to 2016 was calculated. The median number of arrests per PRD for the City was 714 and the mean was 72, demonstrating the high degree of variance between reporting districts throughout the City. The 2017 Analysis identified PRDs that had a greater number of cannabis-related arrests and a higher percentage of low-income households than the City as a whole (Community of Comparison).

In order to provide the City with options that would maintain ‘flexibility in determining which police reporting districts were eligible for the Program based on initial statistical analysis’ the 2017 Analysis provided the following two options for consideration to determine which PRDs would be included in the definition of Disproportionately Impacted Area, based on a measure of the amount of variation or dispersion in the data:

- **Most Restrictive Option:** The Most Restrictive Option included 16 PRDs with both a greater number of cannabis-related arrests (more than 2.5 standard deviation from the mean number of arrests) than the City overall and with 60 percent Low-Income households.

The following PRDs were included: 156, 1258, 155, 397, 166, 1822, 1842, 1844, 1846, 245, 1269, 363, 1849, 157, 1259, and 1345. These police reporting districts encompass all or portions of downtown (San Julian Park and Skid Row), Florence, Vermont Square, Broadway-Manchester, Green Meadows, Watts, and Central Alameda.

- **More Inclusive Option:** The More Inclusive Option included 33 PRDs with both a greater number of cannabis-related arrests (more than 1.5 standard deviations above the mean number of arrests) than the City overall and with 60 percent low income households.

These police reporting districts generally encompass all or portions of downtown, Vermont Knolls, Baldwin Hills/ Crenshaw, Vermont Square, Watts, Hyde Park, Hyde Park/Crenshaw, Boyle Heights, Florence, Vermont-Slauson, Broadway Manchester, Central Alameda and East Hollywood.

After considering the findings in the 2017 Analysis, the City selected the More Inclusive Option which identified 33 police reporting districts as disproportionately impacted areas. However, through the legislative process, the City ultimately defined Disproportionately Impacted Area to mean,

“eligible Zip Codes based on the "More Inclusive Option" as described on page 23 of the "Cannabis Social Equity Analysis Report" commissioned by the City in 2017, and referenced in Regulation No. 13 of the Rules and Regulations, or as established using similar criteria in an analysis provided by an Applicant for an area outside of the City.”

The use of Zip Codes was chosen as a user-friendly option compared to the use of the less known PRD. However, the extrapolation from the smaller PRDs to the larger Zip Codes increased the geographic scope of the Program to include portions of the City outside of the PRDs identified as disproportionately impacted by cannabis arrests. This resulted in the incorporation of 19 Zip Codes into Program eligibility where there was a presence of at least one PRD with cannabis-related arrests greater than 1.5 standard deviation above the citywide mean and populations with 60 percent or greater low-income households within the boundary of the Zip Code (Figure C).

EXPANDED ANALYSIS – NEW STUDY AREA

The Expanded Analysis consideration of New Study Areas for inclusion in the definition of Disproportionately Impacted Area by evaluating which PRDs within the San Fernando Valley, the Boyle Heights Community, and longstanding residential enclaves in Downtown Los Angeles were adversely impacted by the war on drugs.

The existing Program includes 19 Zip Codes that were selected based on the presence of at least one PRD with both cannabis-related arrests greater than 1.5 standard deviations above the citywide mean and populations with 60 percent or greater Low-Income households within the boundary of the Zip Code. Of the 1,212 PRDs for which cannabis arrest records were recorded by the LAPD, 33 PRDs were recorded with both a greater number of cannabis-related arrests than the citywide mean and with 60 percent Low-Income households. It is these 33 PRDs that determined the 19 Zip Codes identified as Disproportionately Impacted Areas within the Program (Figure C).

To evaluate expansion of the Program’s geographic scope, altering the threshold value of the arrest counts by PRDs as the criteria for designating Disproportionately Impacted Areas was analyzed. Specifically, transitioning from a standard deviation-based analysis to consideration of all PRDs with greater than the citywide mean number of cannabis arrests over the study period (72 arrests) was analyzed.

Of the 1,212 PRDs for which cannabis arrest records were recorded by the LAPD, 330 PRDs included greater than 72 cannabis-related arrests, the citywide mean arrest count value. Cannabis-related arrests recorded in these PRDs total to 58,569 of the citywide value of 89,553. Therefore, 27 percent of PRDs record approximately 65 percent of the City’s total cannabis-related arrests over the study timeframe.

Table 1. Police Reporting Districts Above, At, and Below the Citywide Mean Arrest Count

Arrest Count Description	Arrests	Percent of Total Arrests*	Number of Reporting Districts	Percent of Total Reporting Districts*
Citywide	89,553	100%	1,212	100%
Mean	72		1	<0.01
Above Mean	58,569	65.4%	330	27.3%
Below Mean	30,912	35.5%	881	72.7%

*Percentile values do not total to exactly 100% due to rounding

Of the 330 PRDs with greater than the citywide mean number of cannabis-related arrests, 151 PRDs meet the 60 percent or greater Low-Income household threshold used in the 2017 Analysis. The demographic makeup (i.e. percent Low-Income households and percent persons of color²) of these 151 PRDs was reviewed and income levels are depicted in Figure D. Expansion of the Program to include all PRDs with greater the citywide mean value of cannabis-related arrests and then gating the subset at 60 percent Low-Income households or greater would incorporate additional impacted areas in close proximity to areas of the existing Program while also incorporating additional areas of the City including the San Fernando Valley, a greater portion of Boyle Heights along with adjacent communities of Lincoln Heights and Ramona Gardens, and the southern portion of Downtown Los Angeles and the neighboring Westlake District.

As stated above and in the 2017 Analysis, ‘federal guidelines recommend the selection of the smallest geographic areas for evaluating social and environmental justice impacts to disadvantaged communities.’ The 2017 Analysis further articulated that smaller geographic units (i.e., PRDs versus larger LAPD Divisions) permit finer resolution of the supplied LAPD arrest data. PRDs are the smallest administrative units of the LAPD, with over 1,200 PRDs in the City. The selection of the 19 Zip Codes, rather than the 33 PRDs into the Program as the geographic unit to define disproportionately impacted area, was a user-friendly option compared to the use of the less widely known PRD. However, the City maintains at least two GIS applications available to the public, namely Zoning Information and Map Access System (ZIMAS) and NeighborhoodInfo.lacity.org, which allows address queries and returns site specific information, including the PRDs. These applications are available on desktop computers and mobile devices which facilitates public access and makes it easier for members of the public to determine which PRD is assigned to a specific area for the purpose of assessing Program eligibility based on a new definition of Disproportionately Impacted Area, if revised.

Based on the Expanded Analysis, to define a Disproportionately Impacted Area within the City of Los Angeles which includes the San Fernando Valley, the Boyle Heights Community and longstanding residential enclaves in Downtown Los Angeles, it is recommended that the City revise the basis for the definition of “Disproportionately Impacted Areas” from the existing 19 Zip Codes to the 151 PRDs identified by this Expanded Analysis as those which have greater than the citywide mean number of cannabis-related arrests and meet the 60 percent or greater Low-Income household threshold used in the 2017 Analysis (Figure E).

² Although the analyses looked at race and/or ethnicity, these demographic data were not used as the basis to determine eligibility into the Program.

EXPANDED ANALYSIS - GANG INJUNCTION AREAS

This Expanded Analysis reviews the effects of gang injunctions with respect to the war on drugs in the City of Los Angeles. Gang injunctions imposed on various groups and individuals have been authorized by the courts for areas both inside and outside City limits. This analysis evaluates the 55 gang injunction areas within the City, considers potential correlation of gang injunction areas with disproportionate cannabis-related arrest counts based on the 2017 Analysis, and assesses potential modifications to the existing definition of Disproportionately Impacted Areas. This analysis is based on the relationship between injunction areas, not previously considered, and the 19 Zip Codes in the existing Program. Gang injunction areas are not evenly distributed throughout the City and frequently overlap one another and existing Program Zip Codes. Generally, when viewed at a City Council District-level, District 9 has the greatest portion covered by one or more injunction areas, followed by Districts 1, 13, 8, and 10, which all exceed 60 percent coverage (Figure B). Conversely, some districts, namely Districts 5 and 12, lack any gang injunction coverage.

Overlap between differing injunction areas is common and creates areas of the City where two, three, and four injunction areas co-occur and are simultaneously enforced. One portion of the City includes overlap of four separate injunction areas and includes individual injunctions directed at 1) Playboys; 2) 42nd St., 43rd St., and 48th St. Gangster Crips; 3) 38th St.; and 4) Florence-Pueblo Del Rio 6 Gang Area (All for Crime, Barrio Mojados, Florencia 13, Pueblo Bishops, Bloodstone Villains, and Oriental Boyz). This four-part overlap is located in Southeast Los Angeles and is bounded on the north by E. Vernon Avenue, on the east by S. Central Avenue, on the south by E. Slauson Avenue, and S. San Pedro Street. Three other three-part overlap areas occur outside of the previously described four-part overlap area. The first occurs just east of Interstate 110 between W. Florence Avenue and W. Manchester Avenue. Overlapping injunction areas in this overlap include the Figueroa Corridor area (related to the Hoover Trouble gangs); Fremont Free Passage around John C. Fremont High School and directed at the Swans, F-13, 7-Trey, and Main Street Crips; and Florence-Pueblo Del Rio 6 Gang Area as described above. The second is located in Hollywood and informally bounded by Sunset Boulevard, N. Bronson Avenue, Santa Monica Boulevard, and N. Gower St. Specific injunctions in this area are directed at White Fence (Hollywood), Mara Salvatrucha, and 18th St. – Hollywood. The third is located in Northeast Los Angeles and includes the Highland Park, Dogtown (North), and Avenues injunction areas.

Gang injunction areas were evaluated for cannabis-related arrests based on a PRD's presence fully or partially within each area. In assessing arrest counts, the full arrest count value of partial reporting districts was assigned to the relevant injunction area to remain consistent with the 2017 Analysis (Table 2). Given the wide variance in size between injunction areas (e.g. the Florence-Pueblo Del Rio 6 Gang area encompasses nearly 8,800 acres compared to the combined 187 acres of the north and south components of the Dogtown injunction area) total arrest counts within an injunction area does not necessarily provide the best measure of disproportionate enforcement of cannabis. Instead, the number of cannabis-related arrests per reporting district was calculated for each injunction area along with a count of Above and Below Mean cannabis-related arrest districts wholly or partially located within each gang injunction area (Table 2).

Table 2. Cannabis-Related Arrest Counts by Gang Injunction Area

Injunction Area	Area (acres)	Number of Police Reporting Districts (PRD)	Total Arrests	Above Mean PRD	Below Mean PRD
Venice Shoreline	533	5	2328	4	1
18th St. - Hollywood	1231	13	4633	9	4
Bounty Hunters	291	4	1276	4	4
Fremont Free Passage (Swans, F-13, 7-Trey, Main Street Crips)	908	8	2431	7	1
Crenshaw District (Baldwin Village Zone)	598	4	1078	3	1
Venice 13-Oakwood	1190	8	1684	5	3
Vernon Corridor (Rolling 40s, 46 Top Dollar Hustler Crips, 46 Neighborhood Crips)	2060	14	2848	10	4
Grape St. Crips	870	6	1219	5	1
Figueroa Corridor (Hoover and Trouble)	2501	21	4114	18	3
5th & Hill	356	23	4432	12	11
Florence-Pueblo Del Rio 6 Gang Area (All for Crime, Barrio Mojados, Florencia 13, Pueblo Bishops, Bloodstone Villains, Oriental Boyz)	8792	61	9299	46	15
Rolling 60s	1800	9	1307	6	3
White Fence (Hollywood)	1122	13	1542	8	5
Playboys (South)	902	8	932	7	1
38th St.	2473	24	2784	15	9
18th St. Wilshire (Wilshire/Smiley Dr.)	159	2	222	2	0
18th St. - Wilshire (Wilshire/Rimpau)	264	5	550	4	1
Crenshaw District (Mid-City Zone)	298	3	321	2	1
Blythe St.	897	8	834	5	3
Dogtown (North)	165	3	308	0	5
Eastside/Westside Wilmas	2688	13	1296	7	6
42 nd /43 rd /48 th St. Gangster Crips	4827	41	4082	23	18
San Pedro	5000	20	1860	11	9
Langdon St.	268	3	276	2	1
Barrio Van Nuys	3011	13	1156	9	4
White Fence (Boyle Heights)	843	7	617	3	4
Harbor City Boys/Harbor City Crips	328	4	332	3	1
204th / Eastside Torrance	1248	5	407	3	2
Schoolyard Crips/Geer St.	3058	28	2255	15	13
Columbus St.	1723	15	1202	6	9
18th St. -Southwest	94	2	157	1	1
10 Gangs (18 th Street, Crazy Riders, DIA, Krazy Town, La Rza Loca, Orphans, Rockwood, Varrio Vista Rifa, Wanderers, Witmer Street)	1853	31	2244	10	21
Mara Salvatrucha (A)	1703	18	1178	6	12
Toonerville	2782	5	289	2	3
Crenshaw District (Wilshire Zone)	593	9	492	2	7

Injunction Area	Area (acres)	Number of Police Reporting Districts (PRD)	Total Arrests	Above Mean PRD	Below Mean PRD
Temple St.	809	9	483	3	6
Eastside Pain	563	2	102	0	2
Glendale Boulevard (6 Gang)	2527	19	958	3	16
Highland Park	2920	19	956	5	14
Harpys	932	14	703	3	11
KAM	380	4	197	1	3
Avenues	6214	30	1465	8	22
Pacoima Project Boys	410	2	92	0	2
Mara Salvatrucha (B)	1181	24	1097	2	22
Lincoln Heights/Clover/Eastlake	1709	13	587	2	11
Culver City Boys	1509	7	311	1	6
18th St. - Pico Union	437	10	413	1	9
Canoga Park Alabama	2963	19	784	2	17
Varrio Nueva Estrada	792	5	197	1	4
San Fer	6280	19	711	2	17
Dogtown (South)	22	1	27	0	1
Big Hazard	262	3	70	2	1
Playboys (North)	230	5	90	0	5
18th St. - Wilshire (Wilshire/Shatto Park)	322	4	72	0	4
18th St. - Hollywood (Lake Hollywood)	151	1	14	0	1

Shaded injunction areas are not part of the current recommended Program

Of the 55 gang injunction areas in the City, 50 include at least one PRD with greater than the mean number of cannabis-related arrests recommended for inclusion in the Program. While there appears to be correlation between gang injunction areas and greater than mean numbers of cannabis-related arrests, it is unclear if the designation of gang injunction areas is driving greater enforcement actions by law enforcement leading to higher cannabis-related arrests or if higher numbers of cannabis-related arrests were used as evidence to support the designation of gang injunction areas. Further, while many gang injunction areas include Program-recommended PRDs, gang injunction areas also include large areas within areas of PRDs with less than the mean number of cannabis-related arrests not recommended for inclusion in the Program as discussed above. Therefore, because a precise correlation between gang injunction areas and potentially disproportionate cannabis related arrest cannot be made, it is recommended that PRDs be retained as the geographic unit for Program incorporation while acknowledging a potential correlation between cannabis-related arrests and imposition of gang injunctions.

CONCLUSION

As directed by the Los Angeles City Council, this Expanded Analysis evaluated the effects of the New Study Areas and Gang Injunction Areas with respect to cannabis-related arrests in the City for inclusion in the definition of “Disproportionately Impacted Area”. To evaluate the expansion of the geographic scope, the method of analysis transitioned from a standard deviation-based analysis used in the 2017 Analysis to consideration of all PRDs with greater than the citywide mean number of cannabis arrests (72 arrests) over the study period with a 60 percent or greater Low-Income household threshold. Limiting the PRDs to 60 percent or greater Low-Income households, prevents the inclusion of more affluent areas of the City (e.g., Brentwood, Venice and Shadow Hills near Hansen Dam). Of the 330 PRDs with greater than the citywide mean number of cannabis arrests (72 arrests), 151 PRDs were found to also meet the 60 percent or greater Low-Income household threshold.

Therefore, to define a Disproportionately Impacted Area within the City of Los Angeles which includes the San Fernando Valley, the Boyle Heights Community and longstanding residential enclaves in downtown Los Angeles, the basis for selecting disproportionately impacted areas should be revised from the existing 19 Zip Codes to the 151 PRDs identified by the Expanded Analysis as those which have greater than the citywide mean number of cannabis-related arrests and meet the 60 percent or greater low-income household threshold.

RECOMMENDATION

Based on the Expanded Analysis and furthering the City’s goal to provide flexibility in eligibility criteria while meeting the spirit and intent of the overall Social Equity Program, and to more appropriately define disproportionately impacted areas within the City of Los Angeles, the Expanded Analysis recommends that the City amend the ordinance to redefine “Disproportionately Impacted Area” to be based on the 151 PRDs identified herein instead of the 19 Zip Codes referenced in the 2017 Analysis. These PRDs were identified as those which have greater than the citywide mean number of cannabis-related arrests and meet the 60 percent or greater Low-Income household threshold as defined in the 2017 Analysis

Further, to address City Council concerns regarding user-friendliness and accessibility and suggested by ongoing engagement with the Department of Cannabis Regulation, this Expanded Analysis recommends that the City amend the definition of “Social Equity Applicant” to “Social Equity Individual Applicant” and to mean a natural person who meets any two out of the following three criteria, as amended: 1) Low-Income; 2) Disproportionately Impacted Area (as revised above) residency; and, 3) Cannabis Arrest or Conviction.

Sincerely,



Matt Sauter

Senior Environmental Scientist
Wood Environment & Infrastructure Solutions, Inc.
104 West Anapamu Street, Suite 204A
Santa Barbara, CA 93101

Attachments:

Figure A – New Study Areas

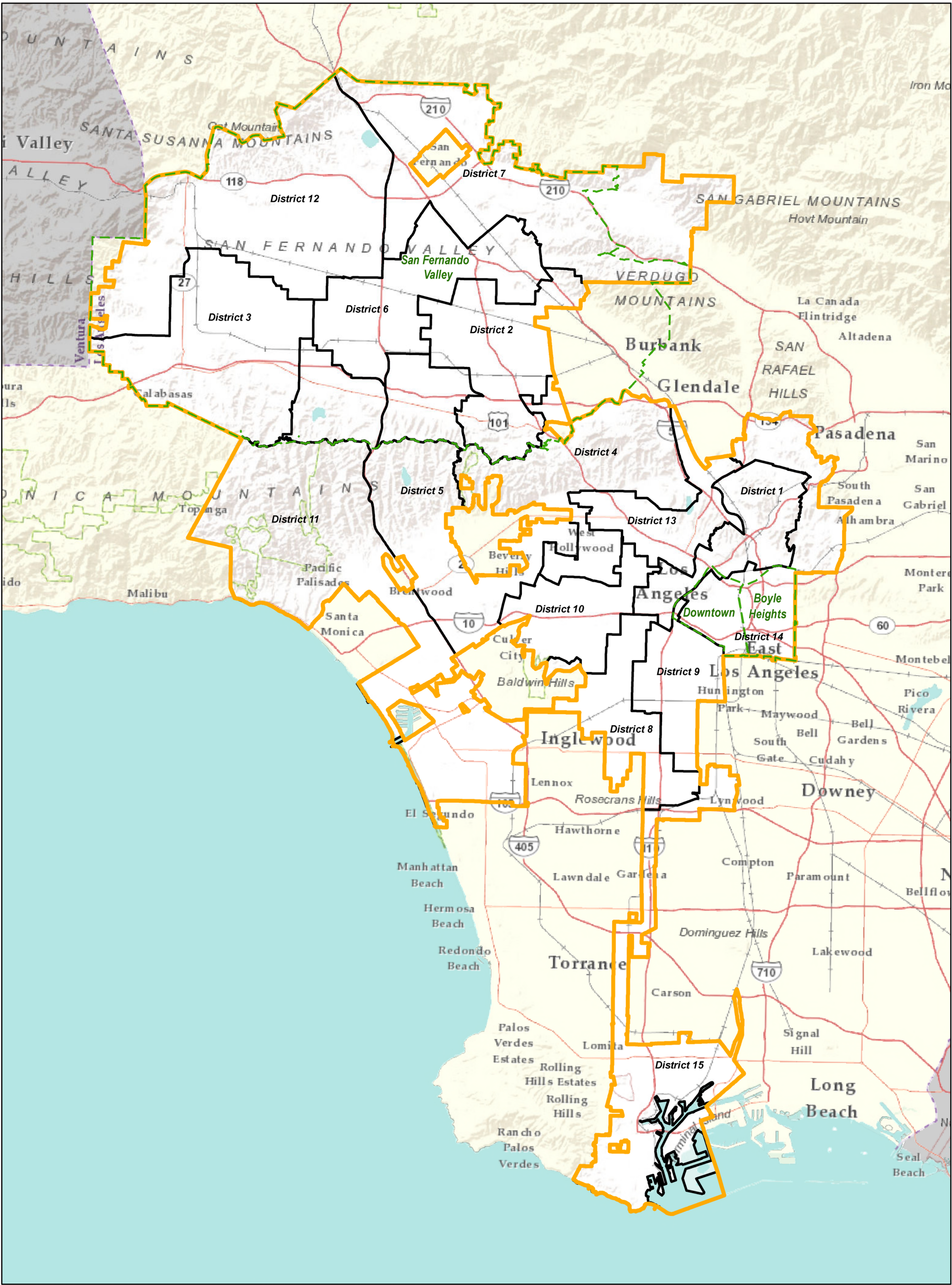
Figure B – Gang Injunction Areas

Figure C – Original 33 PRDs and Zip Codes

Figure D – New Study Areas and 151 Police Reporting Districts

Figure E– New 151 PRDs with Zip Codes:

Figure F – Gang Injunction Areas and 151 PRDs:



Path: Q:\3551_Planning\CityofLA_Cannabis\MXD\ReportFigures\FigA_SpecificAreas.mxd, aaron.johnson, 5/12/2020

Service Layer Credits: Sources: Esri, USGS, NOAA
Sources: Esri, Garmin, USGS, NPS



1 inch = 3.5 miles

0 3.5 Miles

Legend




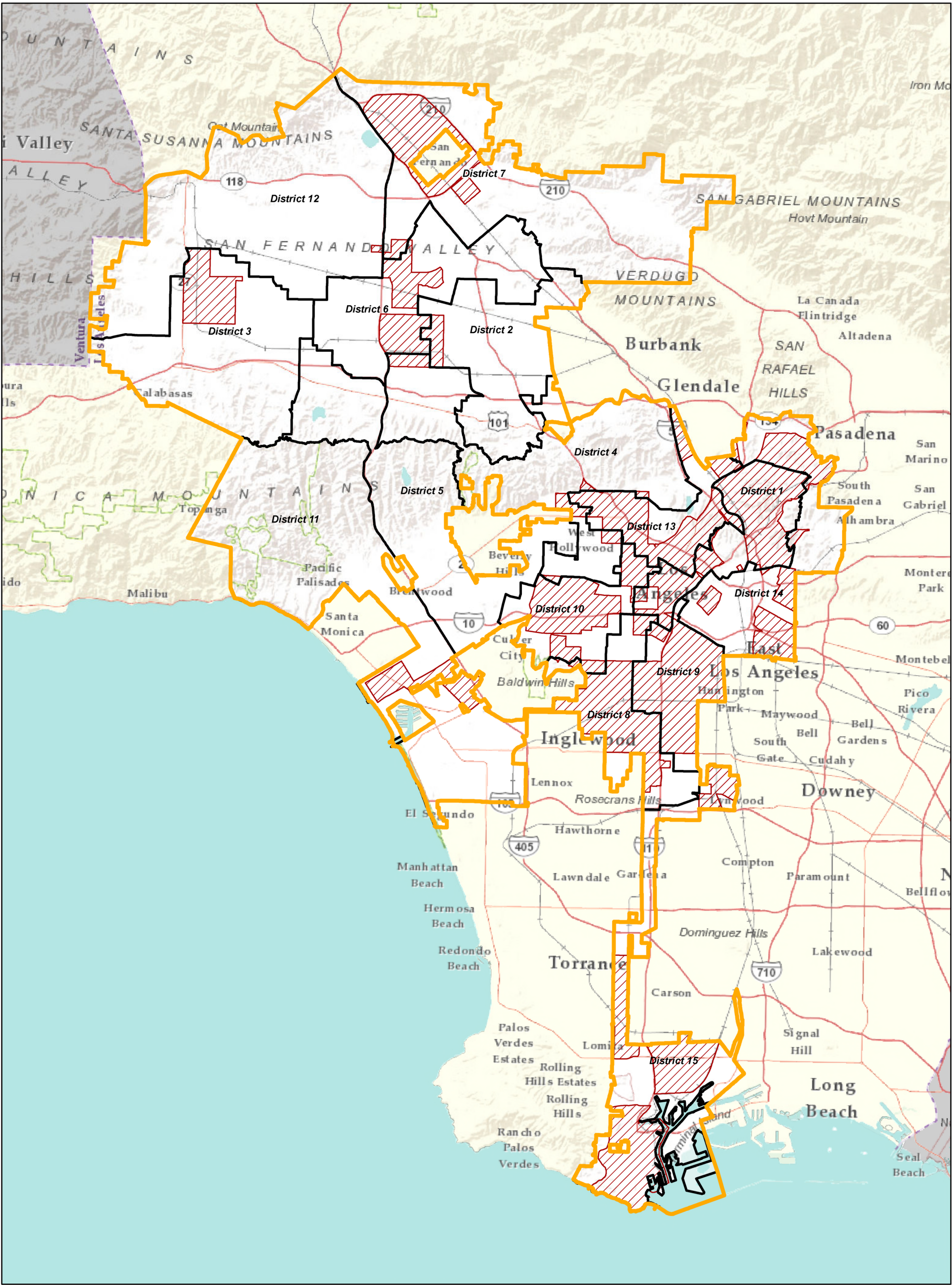
-  LAPD Reporting Area
-  Council District
-  New Study Area

FIGURE A

New Study Areas
Cannabis Social Equity Analysis
City of Los Angeles, CA





Path: Q:\3551_Planning\CityofLA_Cannabis\MXD\ReportFigures\FigB_GangInjunctionAreas.mxd, aaron.johnson, 5/12/2020

Service Layer Credits: Sources: Esri, USGS, NOAA
Sources: Esri, Garmin, USGS, NPS



1 inch = 3.5 miles

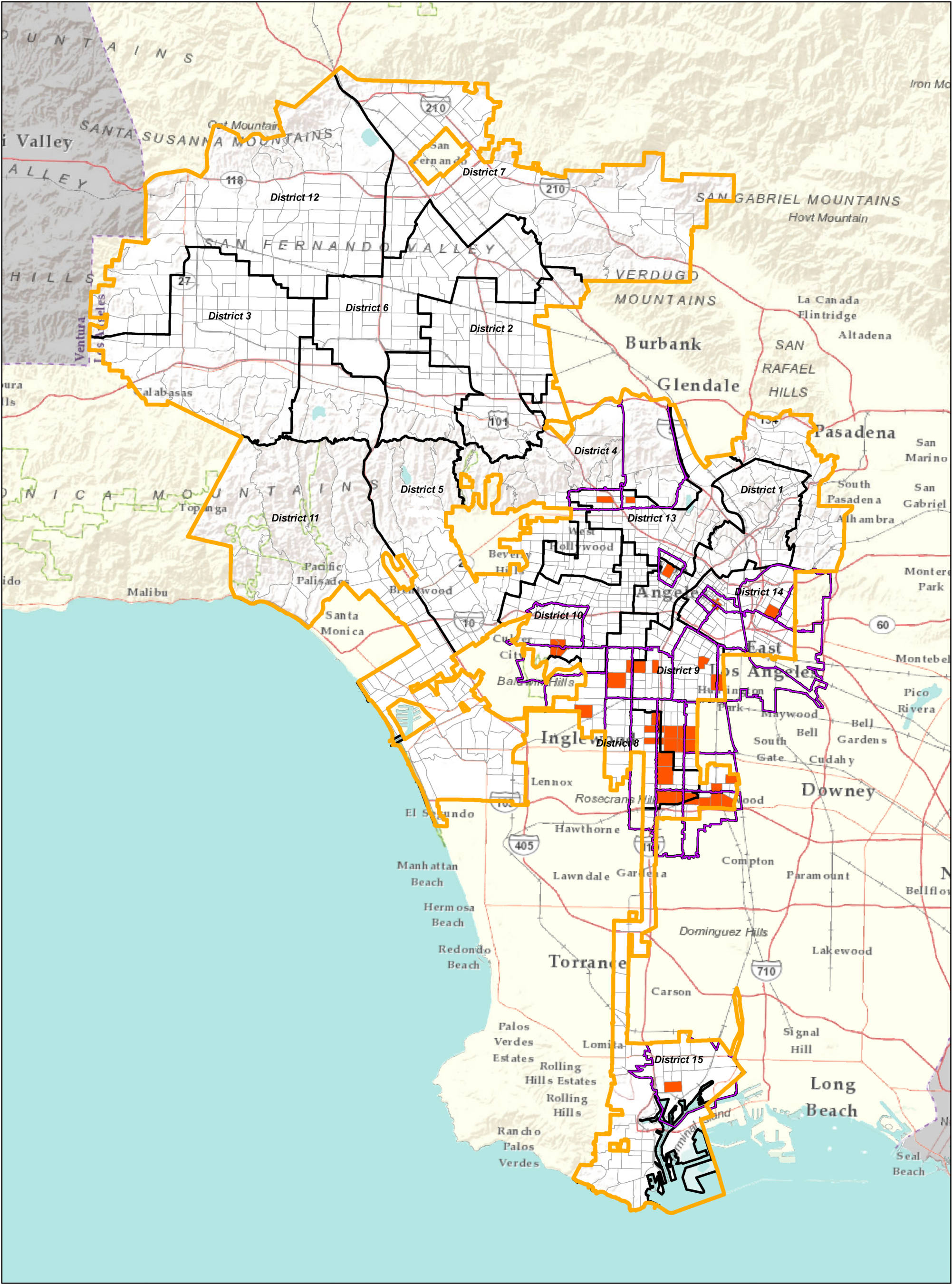
0 3.5 Miles

Legend

- LAPD Reporting Area
- Council District
- Gang Injunction Area

wood.






FIGURE B
Gang Injunction Areas
Cannabis Social Equity Analysis
City of Los Angeles, CA



Path: Q:\3551_Planning\CityofLA_Cannabis\MXD\ReportFigures\FigE_HighStdDev_GT60pctLowIncome_PRD_Zipcode.mxd, aaron.johnson, 5/12/2020

Service Layer Credits: Sources: Esri, USGS, NOAA
Sources: Esri, Garmin, USGS, NPS

Legend

-  LAPD Reporting Area
-  Council District
-  LAPD Reporting District
-  High Arrest Count, 60% Low Income
-  Zip Codes Containing PRDs



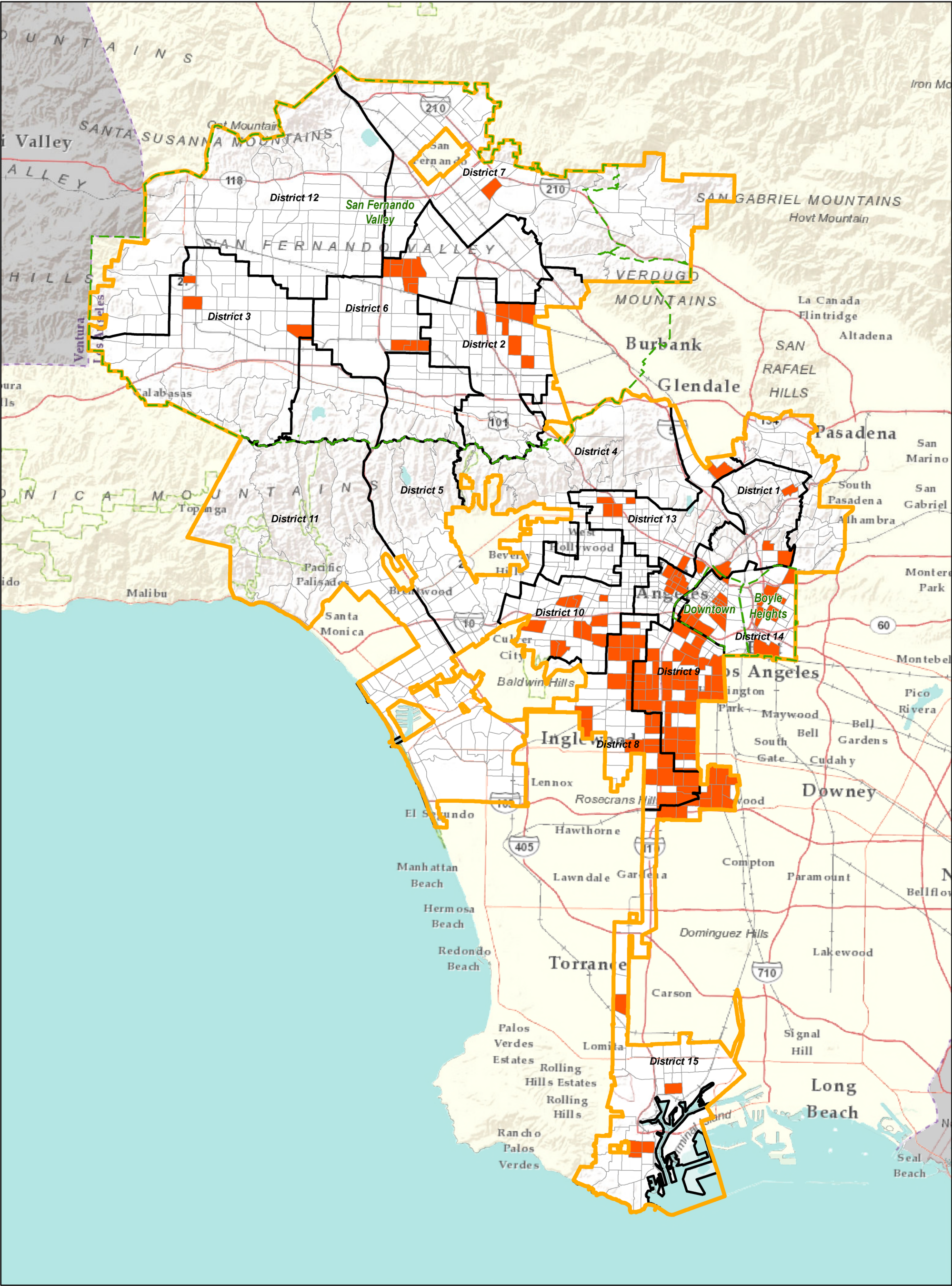
1 inch = 3.5 miles

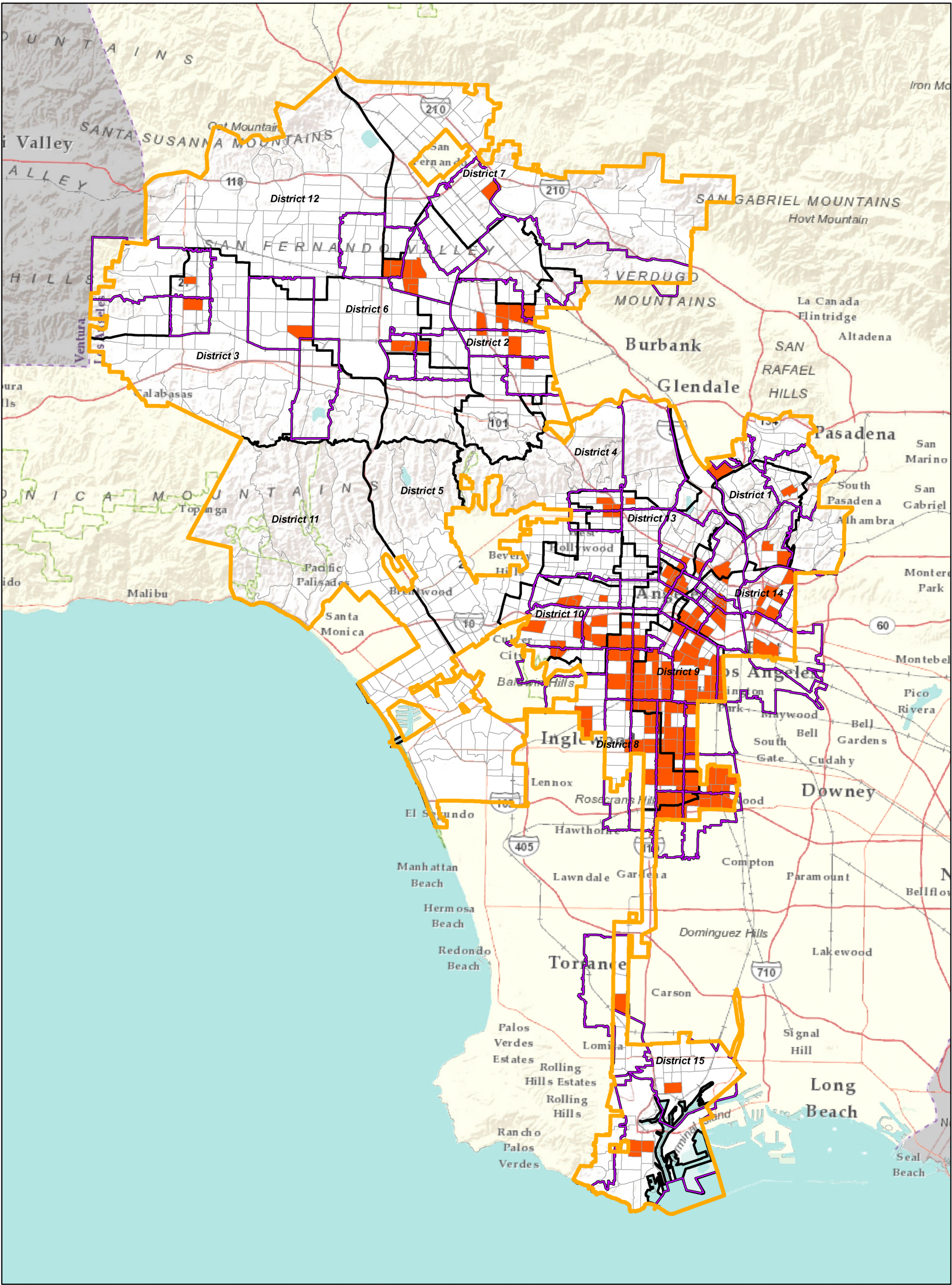
0 3.5 Miles

FIGURE C

Police Reporting Districts and Zip Codes with
High/Very High Arrest Counts and
Greater Than 60% Low Income
(Original 33 PRDs from 2017 Analysis)
Cannabis Social Equity Analysis
City of Los Angeles, CA







Path: Q:\3551_Planning\CityofLA_Cannabis\MXD\ReportFigures\FigF_AboveMean_GT60pctLowIncome_PRD_Zipcode.mxd, aaron.johnson, 5/12/2020

Service Layer Credits: Sources: Esri, USGS, NOAA
Sources: Esri, Garmin, USGS, NPS



1 inch = 3.5 miles

0 3.5 Miles

Legend

- LAPD Reporting Area
- Council District
- LAPD Reporting District
- Above Mean Arrest Count, 60% Low Income
- Zip Codes Containing PRDs

FIGURE E

Police Reporting Districts and Zip Codes with Above Average Arrest Counts and Greater Than 60% Low Income
Cannabis Social Equity Analysis
City of Los Angeles, CA



