

RULES, ELECTIONS, AND INTERGOVERNMENTAL RELATIONS COMMITTEE REPORT relative to clarifying and streamlining the Phase 3 Round 1 cannabis application process for cannabis business applicants and allowing the issuance of conditional Temporary Approval to Phase 3 Applicants for commercial cannabis activity.

Recommendation for Council action, as initiated by Motion (Harris-Dawson - Buscaino):

1. REQUEST the City Attorney, with the assistance of the Department of Cannabis Regulation (DCR), to prepare and present an ordinance that clarifies and streamlines the Phase 3 Round 1 cannabis application process for cannabis business applicants, and allows the issuance of conditional Temporary Approval to Phase 3 Applicants for commercial cannabis activity provided that:
  - a. The applicant receives State authorization.
  - b. The business premises location passes a Pre-Licensing Inspection.
  - c. There are no fire or life safety violations at the business premises.
  - d. The applicant submits required attestations as determined by the DCR.
  - e. The applicant indemnifies the City on a form provided by the DCR.
  - f. The Social Equity Applicant meets the revised Equity Share definition.
2. REQUEST the City Attorney to prepare and present an ordinance, no later than Friday June 26, 2020 at noon, to amend the Los Angeles Municipal Code Section 104.06.1(c) and process the next 100 applications from the list published by DCR titled Phase 3 Retail Round 1 Submissions (09/03/19 10am to 09/17/2019 10am) dated September 26, 2019, U R L : <https://cannabis.lacity.org/sites/g/files/wph1171/f/Phase%203%20Retail%20Round%201%20Application%20Submissions.pdf> (The List), subject to are-review of any applications that were deemed ineligible for further processing due to a Community Plan Area having reached Undue Concentration on or after September 3, 2019 or due to sensitive use created by a Phase 3 Retail Round 1 Type 10 Retailer application. Applications eligible for further processing under Sec. 104.06.l(c) as of January 1, 2020, shall not be included in the calculation of Undue Concentration, as defined in Sec. 104.0 l(a)(28).
3. AUTHORIZE the City Attorney's office to make any technical changes necessary to effectuate the intent of these recommendations in consultation with the DCR and the Rules, Elections, and Intergovernmental Relations Committee Chair.

Fiscal Impact Statement: Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

## SUMMARY

At the meeting held on June 23, 2020, your Rules, Elections, and Intergovernmental Relations Committee considered a Motion (Harris-Dawson - Buscaino) relative to clarifying and streamlining the Phase 3 Round 1 cannabis application process for cannabis business applicants and allowing the issuance of conditional Temporary Approval to Phase 3 Applicants for commercial cannabis activity. After an opportunity for public comment was held, the Committee moved to approve the recommendation contained in the Motion, as amended as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

RULES, ELECTIONS, AND INTERGOVERNMENTAL RELATIONS COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
MARTINEZ:	ABSENT
HARRIS-DAWSON:	YES
WESSON:	YES

ME 6/23/20

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**