



DEPARTMENT OF CITY PLANNING RECOMMENDATION REPORT

CITY PLANNING COMMISSION

DATE: December 14, 2017
TIME: After 12:00 noon
PLACE: Los Angeles City Hall
200 North Spring Street
Room 340
Los Angeles, CA 90012

CASE NO: CPC-2017-4546-CA
COUNCIL FILE: 16-0888
CEQA: ENV-2017-3361-SE
LOCATION: Citywide
COUNCIL DISTRICT: All
PLAN AREAS: All


PUBLIC HEARING: December 14, 2017

SUMMARY: An ordinance enacting restrictions on commercial advertising of cannabis, cannabis products, commercial cannabis activity, or businesses engaged in any commercial cannabis activity on signs.

RECOMMENDED ACTIONS:

1. **Determine** that based on the whole of the administrative record, the project is exempt from CEQA pursuant to California Business and Professions Code Section 26055(h) on the basis that the project will adopt ordinances, rules and/or regulations, that will require discretionary review under CEQA to approve licenses to engage in commercial cannabis activity in the City of Los Angeles (ENV-2017-3361-SE);
2. **Recommend** that the City Council adopt the proposed Ordinance (Appendix A);
3. **Adopt** the staff report as the Commission's official report on the subject; and
4. **Adopt** the Findings (Appendix B).


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ADVICE TO PUBLIC: *The exact time this report will be considered during the meeting is uncertain since there may be several other items on the agenda. Written communication may be mailed to the Commission Secretariat, 200 North Spring Street, Room 532, Los Angeles, CA 90012 (Phone No. 213/978-1300). While all written communications are given to the Commission for consideration, the initial packets are sent a week prior to the Commission's meeting date. If you challenge these agenda items in court, you may be limited to raising only those issues you or someone else raised at the public hearing agendized herein, or in written correspondence on these matters delivered to this agency at or prior to the public hearing. As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability, and upon request, will provide reasonable accommodation to ensure equal access to these programs, services, and activities. Sign language interpreters, assistive listening devices, or other auxiliary aids and/or other services may be provided upon request. To ensure availability of services, please make your request no later than three working days (72 hours) prior to the meeting by calling the Commission Secretariat at 213/978-1300.

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Summary

The Commercial Cannabis Signage Ordinance is a proposed Los Angeles Municipal Code (LAMC) amendment that would establish restrictions on advertising of cannabis, cannabis products, commercial cannabis activity, and businesses engaged in any commercial cannabis activity on signs in the City.

The purpose of the ordinance is to limit children's exposure to advertising of cannabis and cannabis products, to reduce the illegal purchase and consumption of cannabis by children, and to reduce the likelihood of children suffering potential negative impacts as a result of consuming cannabis at an early age.

The draft ordinance:

- Allows cannabis advertising on off-site signs (also known as billboards), but prohibits such advertising when located within 800 feet of sensitive locations, including alcoholism or drug abuse recovery or treatment facilities, public libraries, public parks, schools, and residentially zoned property. The prohibition would not apply to signs inside of buildings, signs on commercial vehicles used for transporting cannabis, and public service messages opposing the use of cannabis.
- Limits a cannabis business to one on-site sign that has a maximum size of 75 square feet. The sign may only display the name of the business, the logogram of the business, and the business' address, hours of operation and contact information.
- Prohibits portable signs or sandwich signs located in the public right-of-way in front of a cannabis business, as well as digital and spinner signs.
- Allows a cannabis business to display signs required by a government agency and signs for security agencies whose aggregate size is limited to 30 square inches.

While most of the City's existing regulations concerning signage are located in the Zoning Code (Chapter I of the LAMC), the draft ordinance would be incorporated into Chapter X (Business Regulations), which would also house the City's other regulations concerning commercial cannabis activity.

Initiation

The draft ordinance was initiated by a motion (CF 16-0888) adopted by the City Council on October 31, 2017. The motion instructed the Department of City Planning, with the assistance of the City Attorney and Department of Cannabis Regulation, to initiate an ordinance to regulate advertising for cannabis, cannabis-related products and cannabis-related businesses.

Background

A complex regulatory framework governs cannabis and cannabis related activities. Federal law prohibits the sale of cannabis and cannabis-derived substances. Several

states, however, have enacted legislation that allows the sale of specified amounts of cannabis and cannabis products for recreational use.

In 2015, the California Legislature passed the Medical Cannabis Regulation and Safety Act (MCRSA), which established a State licensing system for medical cannabis commercial activity. In 2016, California voters passed Proposition 64, also known as the Adult Use of Marijuana Act (AUMA), which removed State prohibitions on personal possession and use of small amounts of cannabis for nonmedical purposes and established a State licensing system for nonmedical cannabis commercial activity. These two laws were later modified in 2017 by the Medical and Adult Use Cannabis Regulation and Safety Act (MAUCRSA), which merged the State licensing systems for medical and nonmedical cannabis.

On March 7, 2017, Los Angeles voters passed Proposition M, which requires the City Council to repeal existing Proposition D restrictions on medical cannabis dispensaries and create a comprehensive regulatory framework for all commercial cannabis activity. Proposition M was passed in response to recent State legislation removing prohibitions on adult use of cannabis and regulating commercial cannabis activity.

In response to Proposition M, the City Council has already created the Department of Cannabis Regulation and the Cannabis Commission. At the time of this writing, the City Council was considering the enactment of proposed regulations for commercial cannabis activity, including location restrictions, operating standards, and a process for applying for licenses. The draft Commercial Cannabis Signage Ordinance is intended to work in conjunction with those proposed regulations.

Studies on Marijuana Use, Effects, and Advertising Relating to Adolescents

According to academic research, heavy or regular cannabis use, especially before age 18, is often associated with negative consequences including reduced working memory, reduced higher order executive functions, and impacts on emotion. The draft ordinance seeks to prevent these harms by restricting cannabis advertising and reducing the chances that children will begin using cannabis.

Most people use marijuana because it affects their brains and produces a pleasant “high.” However, the adolescent brain is still developing until approximately the mid-20s and is more vulnerable to cannabinoid effects on both structure and function. Heavy or regular marijuana use, especially before age 18, is often associated with negative consequences not routinely found in occasional users. The effects are dose--dependent, with more subtle and transient impacts in less heavy users.¹

¹ Cermak, T. (2015, April). Cognitive Harms Associated with Regular Adolescent Marijuana Use. Paper presented at the California Blue Ribbon Commission on Marijuana Policy retrieved from <https://www.safeandmartpolicy.org/wp-content/uploads/2015/05/Cognitive-Harms-of-Heavy-MJ-authored-and-submitted-by-T-Cermak-MD-in-hi....pdf>. D'Amico, E.J., Tucker, J.S., Pederson, E.R., Shih, R.A. (2017, October). Understanding Rates of Marijuana Use and Consequences Among Adolescents in a Changing Legal Landscape. *Curr Addict Rep*. <https://doi.org/10.1007/s40429-017-0170-yolescent/Young Adult Addiction>

Major youth risk factors appear to be early age at onset of use, regular or heavy use, and total dose over many years. The primary effects of importance to adolescents involve reduced working memory, reduced higher order executive functions (abstraction, sequencing, reasoning, judgment, task flexibility, problem solving, planning and execution) and impacts on emotion. Alterations in the structure and activity of areas of the brain associated with these mental functions (the hippocampus, frontal lobes and amygdala) have been found.²

Adolescents are more sensitive to these effects of marijuana and recover from them more slowly once they stop using the drug. The impact of regular marijuana use on cognitive functions in adolescents can have a major negative effect on academic performance. Neither a safe dose nor a definitively harmful dose of marijuana has been determined for adolescents.³

Problematic use of marijuana, or Cannabis Use Disorder (CUD), has been shown to be three times more prevalent than alcohol use disorder (14% and 4%, respectively). This means that although rates of use for marijuana and alcohol were fairly similar among adolescents (37% and 42% in the past year), adolescents were more likely to report problem usage of marijuana.⁴

One 2016 large longitudinal school-based study found that marijuana use was associated with poorer functioning in high school across more domains compared to alcohol use. Teens with greater marijuana use indicated more academic unpreparedness and poorer academic performance, increased delinquency, and worse mental health in high school. Youth that reported higher alcohol use also indicated poorer functioning, but only in two domains: greater academic unpreparedness and delinquency. Furthermore, non-white youth appeared to be disproportionately affected by marijuana use (as well as alcohol use), reporting worse outcomes for academics and health compared to white youth, even at the same levels of use.⁵

The growing acceptance of both medical and recreational marijuana use by the public appears to be influencing adolescents' favorable views of the drug. More than 50% of 10th and 12th graders across the United States now endorse the belief that smoking marijuana regularly does not carry great risk (note that this question does not address other ways of using marijuana, such as vaping or edibles).⁶

² Cermak, T. (2015, April). Cognitive Harms Associated with Regular Adolescent Marijuana Use. Paper presented at the California Blue Ribbon Commission on Marijuana Policy retrieved from <https://www.safeandsmartpolicy.org/wp-content/uploads/2015/05/Cognitive-Harms-of-Heavy-MJ-authored-and-submitted-by-T-Cermak-MD-in-hi....pdf>. D'Amico, E.J., Tucker, J.S., Pederson, E.R., Shih, R.A. (2017, October).

³ *Ibid.*

⁴ D'Amico, E.J., Parast, L., Meredith, L.S., Ewing, B.A., Shadel, W.G., Stein, B.S. *Screening in primary care: what is the best way to identify at-risk youth for substance use?* Pediatrics. 2016;138:1–9

⁵ D'Amico, E.J., Tucker, J.S., Miles, J.N.V., Ewing, B.A., Shih, R.A., Pedersen, E.R. *Alcohol and marijuana use trajectories in a diverse longitudinal sample of adolescents: examining use patterns from age 11 to 17.* Addiction. 2016;111(10):1825–35

⁶ Miech, R.A., Johnston, L.D., O'Malley, P.M., Bachman, J.G., Schulenberg, J.E. *Monitoring the Future national survey results on drug use, 1975–2015: Volume I, Secondary school students.* Ann Arbor: Institute for Social Research, The University of Michigan; 2016.

Many of these positive beliefs for marijuana may come from social media and/or advertising, which has increased as medical marijuana laws (MMLs) have passed. For example, among people ages 17 to 19 years, the popular pro-marijuana Twitter handle @stillblazingtho was in the top 10% of all Twitter handles followed.⁷

The best way to prevent these harms is to reduce the chances that adolescents will start using the drug. One method of prevention is to restrict marijuana advertising shown to adolescents. A 2015 study showed that “[g]reater initial medical marijuana advertising exposure was significantly associated with a higher probability of marijuana use and stronger intentions to use one year later.”⁸ The study also showed the reciprocal impact – “. . . initial marijuana use and stronger intentions to use were associated with greater medical marijuana advertising exposure one year later.”⁹

Future studies will likely provide further evidence of connections between marijuana advertising and adolescent use of marijuana. Many similar studies on alcohol advertising show a strong association between alcohol advertising and subsequent drinking among youth.¹⁰

As these studies show, marijuana has severe negative impacts on the cognitive functioning of adolescents and other significant adverse health impacts on adolescents. These studies also show a link between marijuana advertising and adolescent use of marijuana and the development of favorable attitudes about marijuana by adolescents. These facts provide a compelling reason for the City to impose restrictions on the advertising of marijuana and marijuana products on billboards and signs.

Draft Ordinance

The draft ordinance seeks to limit children’s exposure to advertising of cannabis and cannabis products, to reduce the illegal purchase and consumption of cannabis by children, and to reduce the likelihood of children suffering potential negative impacts as a result of consuming cannabis. The draft ordinance:

- Allows cannabis advertising on off-site signs (also known as billboards), but prohibits such advertising when located within 800 feet of sensitive locations, including alcoholism or drug abuse recovery or treatment facilities, public libraries, public parks, schools, and residentially zoned property. The prohibition would not apply to signs inside of buildings, signs on commercial vehicles used for transporting cannabis, and public service messages opposing the use of cannabis.

⁷ Cavazos-Rehg, P., Krauss, M., Grucza, R., Bierut, L. Characterizing the followers and tweets of a marijuana-focused twitter handle. *J Int Med Res.* 2014;16(7):e157. Retrieved from <http://www.jmir.org/2014/2016/e2157>

⁸ D’Amico, E. J., Miles, J. N. V., Tucker, J.S. (2015). *Gateway to Curiosity: Medical Marijuana Ads and Intention and Use during Middle School.* *Psychology of Addictive Behavior*, 29, 613-619. Doi: 10:1037/adb0000094.

⁹ *Ibid.*

¹⁰ Grenard, J.L., Dent, C.W., Stacy, A.W. *Exposure to alcohol advertisements and teenage alcohol-related problems.* *Pediatrics.* 2013;131(2):e369-e379.

- Limits a cannabis business to one on-site sign that has a maximum size of 75 square feet. The sign may only display the name of the business, the logogram of business, and the business' address, hours of operation and contact information.
- Prohibits portable signs or sandwich signs located in the public right-of-way in front of a cannabis business, as well as digital and spinner signs.
- Allows a cannabis business to display signs required by a government agency and signs for security agencies whose aggregate size is limited to 30 square inches.

While most of the City's existing regulations concerning signage are located in the Zoning Code (Chapter I of the Los Angeles Municipal Code), the draft ordinance would be incorporated into Chapter X (Business Regulations), which would also house the City's other regulations concerning commercial cannabis activity.

Discussion

The draft ordinance seeks to lessen the likelihood of minors consuming cannabis and suffering negative effects of cannabis use by reducing the extent to which minors are exposed to cannabis advertising. It approaches this objective in three ways: a) separating off-site signs containing cannabis advertising from locations where minors are frequently present, b) limiting the size and content of on-site signs containing cannabis advertising, and c) prohibiting or limiting the placement of certain types of on-site signs containing cannabis advertising.

Distancing Requirement

The draft ordinance's 800-foot distancing requirement for off-site signs is intended to minimize the exposure of children to cannabis-related advertising, as well as to minimize exposure of other individuals who may be susceptible to substance abuse. The types of sites from which the 800-foot distance must be maintained consist of sites that serve as gathering points for unsupervised minors, as well as facilities where individuals receive treatment for substance abuse.

The specific types of sites are selected because they can be readily identified using publicly available information sources. Public parks and public libraries are operated by City, County or State agencies; schools are either operated by local school districts or have information on file with the California Department of Education; alcoholism and drug recovery or treatment facilities are licensed by the California Department of Health Care Services; and residentially zoned property can be identified using zoning information in the City's possession.

The key consideration in determining the radius distance is the anticipated visibility between cannabis advertising signage and sensitive sites and the likelihood of encountering a cannabis advertising message in the course of coming or going from sensitive sites. The Department recommends that the minimum distance should be based on the length of a city block, plus an additional distance to mitigate against the possibility of an off-site cannabis advertising sign locating at the opposite end or corner of the same

block as a sensitive site. Since a typical Los Angeles block measures approximately 600 feet on its longest dimension, a radius of 800 feet would satisfy the criteria described above.

Limits on Size and Content of On-site Signs

The draft ordinance seeks to minimize children's exposure to cannabis advertising by limiting the size of on-site signs relating to cannabis businesses and specifying that the content of such signs contain only identifying information about the business. This is intended to reduce the chance of a minor inadvertently seeing an advertising message encouraging the use of cannabis or cannabis products.

Under the most recent draft of the proposed (at the time of this writing) Commercial Cannabis Location Restriction Ordinance, cannabis businesses engaged in retail sales to customers on their own premises would have to maintain 750 feet of separation from each other and from the sensitive site categories identified above. However, other types of cannabis businesses would only need to maintain 600 feet of separation from schools, creating opportunities for minors to be exposed to on-site signs at cannabis businesses. Accordingly, it is appropriate to place limits on the size and content of on-site signs relating to cannabis businesses. The Department recommends that on-site signs be limited to 75 square feet in size, consistent with the maximum size for the face of a monument sign on the side visible to same-direction traffic, as specified in the City's existing sign regulations.

To avoid the possibility of on-site signs being used to convey commercial messages encouraging the use of cannabis or cannabis products, it is recommended that the content of on-site signs relating to cannabis businesses be limited to information that helps to identify the business, including the name of the business, the logogram of business, and the business' address, hours of operation and contact information.

Prohibitions on Specific Sign Types

The Department recommends that on-site portable signs and sandwich signs relating to cannabis businesses be prohibited from being placed in the public right-of-way, and that on-site digital signs and spinner signs relating to cannabis businesses be prohibited altogether.

Portable signs and sandwich signs are more likely to be seen by young children, as their lower height puts them closer to the eye level of a child than a wall-mounted or roof-mounted sign. Placing such signs in the public right-of-way would further increase their visibility, both to children and to adults who happen to be passing by on the sidewalk. Digital signs and spinner signs incorporate motion and are potentially more eye-catching than a static sign, increasing the likelihood that the viewer will take note of an advertising message. The draft ordinance's limitations and prohibitions on these highly visible signs are intended to reduce the likelihood that children and individuals potentially susceptible to substance abuse will be exposed to cannabis advertising.

Conclusion

The Commercial Cannabis Signage Ordinance responds to the direction of the City Council to develop an ordinance to regulate advertising for cannabis, cannabis-related products, and cannabis-related businesses. It contains reasonable restrictions intended to reduce the likelihood of children and individuals susceptible to substance abuse of suffering negative effects associated with cannabis use by limiting the exposure of these groups to cannabis advertising. The Department recommends that the Commission approve and recommend that the City Council adopt the ordinance, the findings, and the associated environmental document.

Appendices

- A. Proposed Ordinance
- B. Findings
- C. Environmental (ENV-2017-3361-SE)

ORDINANCE NO. _____

An ordinance enacting restrictions on commercial advertising of cannabis, cannabis products, commercial cannabis activity, or businesses engaged in any commercial cannabis activity on signs.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. A new Article 6 is hereby added to Chapter X of the Los Angeles Municipal Code to read:

ARTICLE 6

ADVERTISING OF CANNABIS AND CANNABIS PRODUCTS

SEC. 106.00. PURPOSE.

Regulating commercial advertising of Cannabis, Cannabis Products, Commercial Cannabis Activity, or businesses engaged in any Commercial Cannabis Activity is a reasonable and necessary means to protect and promote the general welfare of the children and minors of the City of Los Angeles exposed to various media advertising Cannabis or Cannabis Products.

Judicial precedent has repeatedly recognized that children and minors deserve special solicitude because they lack the ability to assess and fully analyze the information presented through commercial advertising.

Signs which can be seen from the outdoors are a unique and distinguishable medium of advertising which subject the general public to involuntary and unavoidable forms of solicitation.

These regulations promote the general welfare and temperance of children and minors and are intended to help reduce the illegal consumption and purchase of Cannabis and Cannabis Products by children and minors by limiting their exposure to the advertising of Cannabis and Cannabis Products on certain on-site and off-site signs.

SEC. 106.01. RELATIONSHIP TO OTHER SIGN REGULATIONS.

The provisions in this Article 6 shall supersede any conflicting provisions of this Code, including but not limited to the Citywide sign regulations set forth in Article 4.4 of Chapter I (Zoning Code). All other regulations in this Code not in conflict with this Article 6 shall continue to apply to signs subject to this Article 6. The provisions in this Article 6 are not intended to conflict with, supersede, or limit state law.

SEC. 106.02. SUBSTITUTION CLAUSE.

Any ideological, political or other noncommercial message may be placed on any sign permitted by this Article 6.

SEC. 106.03. DEFINITIONS.

The following words and phrases, whenever used in this article, shall be construed as defined in this section. Words and phrases not defined herein shall be construed as defined in Sections 11.01, 12.03 and 14.4 of this Code.

A. "Alcoholism or Drug Abuse Recovery or Treatment Facility" shall be construed as defined in Section 11834.02 of the California Health and Safety Code.

B. "Cannabis" means Cannabis as defined in Section 26001 of the California Business and Professions Code, included in the Medicinal and Adult Use Cannabis Regulation and Safety Act.

C. "Cannabis Products" means Cannabis Products as defined in Section 26001 of the California Business and Professions Code, included in the Medicinal and Adult Use Cannabis Regulation and Safety Act, and includes without limitation any substance or device containing Cannabis, including but not limited to cigarettes, pipes, edible products; or any other instrument or paraphernalia that is designed for the smoking or ingestion of Cannabis.

D. "Commercial Cannabis Activity" means the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of Cannabis and Cannabis Products as provided for in Division 10 of the California Business and Professions Code.

E. "Public Library" means a place in which literary, musical, artistic, or reference materials, such as books, manuscripts, newspapers, recordings, or films, are kept for use but not for sale, which is under the control, operation or management of the City Board of Library Commissioners.

F. "Public Park" means an open space, park, playground, swimming pool, beach, pier, reservoir, golf course, or similar athletic field within the City of Los Angeles, which is under the control, operation or management of the City Board of Recreation and Park Commissioners, the Santa Monica Mountains Conservancy, the Mountains Recreation and Conservation Authority, the County of Los Angeles Department of Beaches and Harbors, or the California Department of Parks and Recreation.

G. "Publicly Visible Location" means any outdoor location visible to the

general public. The term “publicly visible location” shall not include any location that is visible only by those inside the building wherein the sign is attached.

H. “Residentially Zoned Property” means any lot located in the RA, RE, RS, R1, RU, RW1, R2, RD, RMP, RW2, R3, R4, R5, RZ, RAS3 and RAS4 zones defined in Section 12.04 of this Code.

I. “School” means an institution of learning for minors, whether public or private, which offers instruction in any grades K through 12 in those courses of study required by the California Education Code or which is maintained pursuant to standards set by the State Board of Education. This definition includes kindergarten, elementary, junior high, senior high or any special institution of learning under the jurisdiction of the State Department of Education, but it does not include a vocational or professional institution or an institution of higher education, including a community or junior college, college or university.

SEC. 106.04. PROHIBITION OF COMMERCIAL CANNABIS ADVERTISING ON OFF-SITE SIGNS.

A. No person shall place, permit, or maintain on any off-site sign, a poster, placard, device, graphic display, or any other form of commercial advertising for Cannabis, Cannabis Products, Commercial Cannabis Activity, or business engaged in any Commercial Cannabis Activity, in any Publicly Visible Location within 800 feet of any Alcoholism or Drug Abuse Recovery or Treatment Facility, Public Library, Public Park, School, or Residentially Zoned Property, except as permitted under Section 106.05.

B. The distance specified in this section shall be the horizontal distance measured in a straight line from the property line of an Alcoholism or Drug Abuse Recovery or Treatment Facility, Public Library, Public Park, School, or Residentially Zoned Property to the closest visible edge of the advertising sign face of the off-site sign without regard to intervening structures.

SEC. 106.05. EXCEPTIONS TO PROHIBITION OF COMMERCIAL CANNABIS ADVERTISING ON OFF-SITE SIGNS.

The prohibitions set forth in Section 106.04, above, shall not apply to the following signs advertising Cannabis, Cannabis Products, Commercial Cannabis Activity, or businesses engaged in any Commercial Cannabis Activity. This Section 106.05 shall not be construed to permit any sign that is otherwise restricted or prohibited by law.

A. Any sign advertising Cannabis or Cannabis Products placed:

(1) Inside the premises of a building where the occupying business is licensed by the City and the State to sell Cannabis or Cannabis Products,

unless such sign is a window sign in compliance with Section 14.4.14 of Article 4.4 of Chapter 1 of this Code; or

(2) On commercial vehicles used exclusively for transporting Cannabis or Cannabis Products.

B. The display of public service messages or similar announcements opposing the use of Cannabis or Cannabis Products or that are designed to encourage minors to refrain from using or purchasing Cannabis or Cannabis Products. However, this subsection shall not be construed to permit an advertisement which purports to oppose the use of Cannabis or Cannabis Products when that message is conveyed in conjunction with the display of a logo, trademark or name used by any person or entity engaged in any Commercial Cannabis Activity for marketing or promotion of Cannabis or Cannabis Products.

SEC. 106.06. RESTRICTIONS ON ON-SITE SIGNS ADVERTISING CANNABIS AND CANNABIS PRODUCTS.

A. The following regulations shall apply to on-site signs for a business engaged in Commercial Cannabis Activity:

(1) Only one on-site sign per street frontage is allowed. The allowable total sign area of this sign shall not exceed a maximum size of 75 square feet. Any such sign shall be included in the maximum sign area allowed for the property.

(2) Any sign required by law, or required or recommended by a government agency or utility company, is allowed in addition to signs authorized by subdivision (1) of this subsection A.

(3) Any sign or signs identifying that the premises are protected by a security company is allowed in addition to signs authorized by subdivision (1) of this subsection A, and the aggregate area of such signs is limited to 30 square inches.

(4) Other than signs described in subdivisions (2) and (3), above, any sign authorized by subdivision (1) of this subsection A is limited to displaying the following information: name of business; logogram of business; and business' address, hours of operation and contact information. Other than the foregoing information, no advertising for Cannabis or Cannabis Products shall be displayed on any sign in a Publicly Visible Location.

(5) Portable signs or sandwich signs located in the public right-of-way are prohibited.

(6) Digital signs are prohibited.

(7) Spinner signs are prohibited.

Sec. 2. SEVERABILITY.

If any section, subsection, subdivision, clause, sentence, phrase or portion of this Article is held unconstitutional or invalid or unenforceable by any court or tribunal of competent jurisdiction, the remaining section, subsection, subdivision, clause, sentence, phrase or portion of this Article shall remain in full force and effect, and to this end, the provisions of this Article are severable.

Sec. 3. The City Clerk shall certify, etc.

DRAFT

Appendix B: Findings

General Plan/Charter Findings

1. In accordance with **City Charter Section 556**, the proposed ordinance (Appendix A) is in substantial conformance with the purposes, intent, and provisions of the General Plan. The draft ordinance furthers the following objective and policy of the General Plan:

Housing Element:

Objective 2.1. Promote safety and health within neighborhoods.

Policy 2.1.2. Establish development standards and other measures that promote and implement positive health outcomes.

The draft ordinance helps to promote positive health outcomes by restricting cannabis-related advertising. The draft ordinance contains restrictions that limit the size, type, location and content of signs containing advertising for cannabis, cannabis products, commercial cannabis activity, and businesses engaged in commercial cannabis activity, including restrictions on off-site advertising signs near locations where minors and individuals who may be susceptible to substance abuse are likely to be present. These restrictions will help to reduce the likelihood of children and other sensitive groups suffering negative effects associated with cannabis use by limiting their exposure to advertising messages relating to cannabis.

2. In accordance with **City Charter Section 558(b)(2)**, the adoption of the proposed ordinance will be in conformity with public necessity, convenience, general welfare and good zoning practice.

Conformity with Public Necessity: The proposed ordinance is in conformity with public necessity because it: identifies appropriate limits on the size, types, location and content of signs containing advertising for cannabis, cannabis products, commercial cannabis activity, and businesses engaged in commercial cannabis activity, including restrictions on off-site advertising signs near locations where minors and individuals who may be susceptible to substance abuse are likely to be present. These restrictions will help to reduce the likelihood of children and other sensitive groups suffering negative effects associated with cannabis use by limiting their exposure to advertising messages relating to cannabis.

In addition, the proposed ordinance is in conformity with public necessity because it responds to the passage by voters, in the election of March 7, 2017, of Proposition M, which requires the City Council to repeal the City's existing regulations concerning medical cannabis dispensaries and states the City's intent to adopt a comprehensive regulatory process and structure for all medical and nonmedical commercial cannabis activity; and as part of that process and structure, it is in the interest of the public safety and welfare to regulate the location and nature of cannabis advertising shown to children and individuals who may be susceptible to substance abuse.

Furthermore, the proposed ordinance is in conformity with public necessity because it responds to recent State legislation – including the 2015 Medical Cannabis Regulation and Safety Act, and the 2016 Adult Use of Marijuana Act (Proposition 64) – that present challenges to license and regulate both medical and nonmedical cannabis and ensure that commercial cannabis activity is compatible with surrounding neighborhoods and that sensitive populations are protected from negative impacts.

Conformity with Public Convenience: The proposed ordinance is in conformity with public convenience for the same reasons as stated above, because it: identifies appropriate limits on the size, types, location and content of signs containing advertising for cannabis, cannabis products, commercial cannabis activity, and businesses engaged in commercial cannabis activity, including restrictions on off-site advertising signs near locations where minors and individuals who may be susceptible to substance abuse are likely to be present. These restrictions will help to reduce the likelihood of children and other sensitive groups suffering negative effects associated with cannabis use by limiting their exposure to advertising messages relating to cannabis, while preserving the ability of customers and clients of cannabis-related businesses to identify such businesses.

Conformity with General Welfare: The proposed ordinance is in conformity with general welfare for the same reasons as stated above, because it: identifies appropriate limits on the size, types, location and content of signs containing advertising for cannabis, cannabis products, commercial cannabis activity, and businesses engaged in commercial cannabis activity, including restrictions on off-site advertising signs near locations where minors and individuals who may be susceptible to substance abuse are likely to be present. These restrictions will help to reduce the likelihood of children and other sensitive groups suffering negative effects associated with cannabis use by limiting their exposure to advertising messages relating to cannabis, while preserving the ability of customers and clients of cannabis-related businesses to identify such businesses.

Conformity with Good Zoning Practice: The proposed ordinance is in conformity with good zoning practice for the same reasons as stated above, because it: identifies appropriate limits on the size, types, location and content of signs containing advertising for cannabis, cannabis products, commercial cannabis activity, and businesses engaged in commercial cannabis activity, including restrictions on off-site advertising signs near locations where minors and individuals who may be susceptible to substance abuse are likely to be present. These restrictions will help to reduce the likelihood of children and other sensitive groups suffering negative effects associated with cannabis use by limiting their exposure to advertising messages relating to cannabis, while preserving the ability of customers and clients of cannabis-related businesses to identify such businesses.

CEQA Finding

Based on the whole of the administrative record, the lead agency finds that the project is exempt from CEQA pursuant to California Business and Professions Code Section 26055(h) on the basis that the project, inclusive of the proposed ordinance (Appendix A)

and other legislation either recently adopted or currently under consideration, will adopt ordinances, rules and/or regulations, that will require discretionary review under CEQA to approve licenses to engage in commercial cannabis activity in the City of Los Angeles (ENV-2017-3361-SE).

COUNTY CLERK'S USE

CITY OF LOS ANGELES

CITY CLERK'S USE

OFFICE OF THE CITY CLERK
200 NORTH SPRING STREET, ROOM 360
LOS ANGELES, CALIFORNIA 90012

CALIFORNIA ENVIRONMENTAL QUALITY ACT

NOTICE OF EXEMPTION

(California Environmental Quality Act Section 15062)

Filing of this form is optional. If filed, the form shall be filed with the County Clerk, 12400 E. Imperial Highway, Norwalk, CA 90650, pursuant to Public Resources Code Section 21152 (b). Pursuant to Public Resources Code Section 21167 (d), the filing of this notice starts a 35-day statute of limitations on court challenges to the approval of the project. Failure to file this notice with the County Clerk results in the statute of limitations being extended to 180 days.

LEAD CITY AGENCY City of Los Angeles Department of City Planning	COUNCIL DISTRICT All
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PROJECT TITLE City of Los Angeles Commercial Cannabis Regulation Ordinance(s)	LOG REFERENCE ENV-2017-3361-SE
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PROJECT LOCATION
Citywide

DESCRIPTION OF NATURE, PURPOSE, AND BENEFICIARIES OF PROJECT:
The proposed project consists of Commercial Cannabis Regulation Ordinance(s) including an amendment to the Los Angeles Municipal Code in order to implement Measure M adopted by City voters on March 7, 2017. Under the proposed project, the amendment would: a) establish procedures for review and approval by the City's Cannabis Commission, and establish operating regulations for commercial cannabis activities to protect the public health and safety; b) establish location criteria for specific types of commercial cannabis activities; c) establish restrictions on advertising of cannabis, cannabis products, commercial cannabis activity, and businesses engaged in any commercial cannabis activity on signs. The proposed project, by itself, does not propose or authorize any development and would not authorize or expand any new or existing land uses.

NAME OF PERSON OR AGENCY CARRYING OUT PROJECT, IF OTHER THAN LEAD CITY AGENCY:
City of Los Angeles

CONTACT PERSON Niall Huffman	AREA CODE (213)	TELEPHONE NUMBER 978-3405	EXT.
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EXEMPT STATUS: (Check One)


	STATE CEQA GUIDELINES	CITY CEQA GUIDELINES
MINISTERIAL	Sec. 15268	Art. II, Sec. 2b
DECLARED EMERGENCY	Sec. 15269	Art. II, Sec. 2a (1)
EMERGENCY PROJECT	Sec. 15269 (b) & (c)	Art. II, Sec. 2a (2) & (3)
CATEGORICAL EXEMPTION	Sec. 15300 <i>et seq.</i>	Art. III, Sec. 1

Class _____ Category _____ (City CEQA Guidelines)

OTHER (See Public Resources Code Sec. 21080 (b) and set forth state and City guideline provision.)

JUSTIFICATION FOR PROJECT EXEMPTION:
Based on the whole of the administrative record, the project is exempt from CEQA pursuant to Business and Professions Code Sec. 26055(h) on the basis that the project will adopt ordinances, rules and/or regulations, that will require discretionary review under CEQA to approve licenses to engage in commercial cannabis activity in the City of Los Angeles.

IF FILED BY APPLICANT, ATTACH CERTIFIED DOCUMENT ISSUED BY THE CITY PLANNING DEPARTMENT STATING THAT THE DEPARTMENT HAS FOUND THE PROJECT TO BE EXEMPT.

SIGNATURE 	TITLE City Planning Associate	DATE 12/4/17
FEE:	RECEIPT NO.	REC'D BY
		DATE

DISTRIBUTION: (1) County Clerk, (2) City Clerk, (3) Agency Record
Rev. 11-1-03 Rev. 1-31-06 Word.

IF FILED BY THE APPLICANT:

NAME (PRINTED)

SIGNATURE

DATE