

Department of City Planning | Case No. CPC-2017-2260-CA
Commercial Cannabis Location Restriction Ordinance
Questions & Answers | UPDATED September 6, 2017



Summary

The Commercial Cannabis Location Restriction Ordinance is a proposed Los Angeles Municipal Code (LAMC) amendment that would establish location and distancing requirements for commercial cannabis activity within the City.

This ordinance was drafted in response to recent changes in State law, as well as Proposition M – a local initiative approved by Los Angeles voters in March 2017. Effective January 1, 2018, the State of California is anticipated to begin issuing licenses for businesses that produce and sell medical and nonmedical (sometimes referred to as “recreational”) cannabis. Proposition M requires the City Council to repeal the City’s existing restrictions on medical cannabis businesses and develop a comprehensive regulatory process and structure for all cannabis-related commercial activity. This draft ordinance was prepared to provide the necessary regulations to ensure that such activity takes place in appropriate locations.

Background

Due to recent changes in State law, as well as the passage of Proposition M, the City is developing new legislation to effectively regulate commercial cannabis activity.

State

- In 2015, the Governor and Legislature enacted the Medical Cannabis Regulation and Safety Act (MCRSA), which creates a State licensing system for medical cannabis-related commercial activity.
- In 2016, voters passed Proposition 64, the Adult Use of Marijuana Act (AUMA), which removes State prohibitions against personal possession of small amounts of cannabis for nonmedical use and creates a State licensing system for nonmedical commercial cannabis activity.
- Both of these laws were modified in 2017 by the passage of SB 94, which merges the two licensing systems.
- The State of California is anticipated to begin issuing licenses on January 1, 2018.

City of Los Angeles

- In March 2017, City voters passed Proposition M, requiring the City Council to adopt an ordinance repealing the City’s existing restrictions on cannabis dispensaries and stating the City’s intent to adopt a comprehensive regulatory process and structure for all medical and nonmedical commercial cannabis activity.

Key Provisions

The Commercial Cannabis Location Restriction Ordinance is one component of a larger regulatory structure governing commercial cannabis activity in the City. This draft ordinance is limited in scope to restricting the location of specific types of commercial cannabis activity. Another component of the regulatory structure, an ordinance establishing a Department of Cannabis Regulation and Cannabis Commission, has already been adopted by the City Council. Additional regulations regarding the specifics of the application, review/approval process, operating standards, enforcement, and other topics are being developed by other City departments and will proceed on their own legislative track.

The draft ordinance:

- Allows certain defined commercial cannabis activity to legally operate in the City, provide that it meets the following criteria:
 - Conducted by persons operating under a State license.
 - Licensed by the City's Department of Cannabis Regulation.
 - In compliance with the location restrictions specified in this ordinance, and any other City regulations.
- Identifies zones where specified types of commercial cannabis activity are eligible to operate.
- Requires that cannabis retail activity with on-site sales observe a specified distance from sensitive sites, as well as from other cannabis retail activity with on-site sales.

Questions & Answers

What is commercial cannabis activity, and how is it different from personal cannabis use?

Commercial cannabis activity includes the cultivation, processing, manufacturing, distribution, testing, transportation, dispensing, or sale of any part of the cannabis plant or of cannabis-derived products, whether for medical or nonmedical ("recreational") use.

Individuals may, however, purchase, possess, and use small amounts of cannabis for personal use; and cultivate up to six living cannabis plants indoors at a personal residence for personal use. These activities are considered personal use of cannabis and would not be affected by the City's regulations on commercial cannabis activity.

Where will different types of commercial cannabis activity be allowed to operate?

The proposed ordinance allows specified types of commercial cannabis activity to legally operate in the City, but only when: (1) conducted by a person that is both licensed by the State of California to engage in the activity and authorized by the city's Cannabis Commission; (2) located within certain zones; and (3) meeting additional regulations

stated in the ordinance. The types of commercial cannabis activity and zones where commercial cannabis activity may operate are summarized as follows:

- Retail activity is allowed primarily in commercial and industrial zones: C1, C1.5, C2, C4, C5, CM, M1, M2, M3
- Microbusiness¹ activity is allowed primarily in industrial zones: M1, M2, M3
- Indoor cultivation and “Level 1”² manufacturing activity is allowed primarily in industrial zones: MR1, M1, MR2, M2, M3
- Mixed-light (i.e., greenhouse) cultivation activity is allowed as an accessory use only primarily in agricultural zones: A1, A2
- “Level 2”³ manufacturing activity is allowed primarily in industrial zones: MR2, M2, M3
- Distribution activity is allowed primarily in industrial zones: MR1, M1, MR2, M2, M3
- Testing activity is allowed primarily in industrial zones: CM, MR1, M1, MR2, M2, M3

What additional protections are included to protect communities?

The draft ordinance includes distancing requirements for specified types of commercial cannabis activity. This will provide protection for sensitive sites as well as help to avoid over-concentrations of cannabis sales. The distancing requirements are:

- Retail and microbusiness activity: 800 feet from schools, alcoholism/drug rehabilitation or treatment facilities, public libraries, public parks, and other cannabis retail and microbusiness activity with on-site sales.

No distancing requirements – either from sensitive sites or from other cannabis-related business sites – are proposed for:

- Cultivation, manufacturing, testing and distribution activity.
- Retail and microbusiness activity with no on-site sales (delivery only).

What are the next steps?

The City Planning Commission is scheduled to consider the proposed amendment at its regular meeting on September 14, 2017. The meeting is open to the public and all interested parties are welcome to attend and offer testimony on the draft ordinance. The recommendation of the Commission on this portion of the legislation will be transmitted to the City Council and the Mayor for final consideration. According to Proposition M, the City must adopt new regulations by September 30, 2017 – a timeline the Council may extend if it so chooses.

¹ A microbusiness license allows a business to cultivate cannabis on an area less than 10,000 square feet and to act as a licensed distributor, Level 1 manufacturer, and retailer.

² Level 1 cannabis manufacturing, as defined in State law, manufactures cannabis products using only nonvolatile solvents, or no solvents.

³ Level 2 cannabis manufacturing, as defined in State law, manufactures cannabis products using volatile solvents.

How can I get more information or share my input?

More information on the proposed ordinance, including the full text and the Department of City Planning staff recommendation report to the City Planning Commission, may be found at <http://planning.lacity.org> under “Ordinances” and “Proposed Ordinances.”

Interested persons wishing to comment on the draft ordinance may do so at the City Planning Commission meeting on September 14, 2017. Written comments on the draft ordinance should be addressed directly to the City Planning Commission at CPC@lacity.org.

For questions, or to join our interested parties list for future updates on the proposed ordinance, please contact Niall Huffman, niall.huffman@lacity.org, (213) 978-3405.