

Department of City Planning | Case No. CPC-2017-2260-CA
Commercial Cannabis Location Restriction Ordinance
Questions & Answers | June 14, 2017 (CORRECTED)



Summary

The proposed Commercial Cannabis Location Restriction Ordinance, drafted by the Department of City Planning, would establish location restrictions and a limited immunity from enforcement of specified City prohibitions relating to various types of medical and nonmedical commercial cannabis activities. The location restrictions address zoning and distancing requirements to protect sensitive sites and avoid over-concentration of commercial cannabis activity.

This ordinance responds to recent changes in State law, as well as to Proposition M, approved by Los Angeles voters in March 2017. Starting in 2018, the State of California is anticipated to begin issuing licenses for businesses to produce and sell both 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.

The Department is seeking input on the proposed ordinance and welcomes comments from all interested parties.

Background

Due to recent changes in State law, as well as the passage of Proposition M, the City is developing new legislation to properly 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 various cannabis-related commercial activities, with licenses anticipated to become available by 2018.
- 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, also expected to become available in 2018.

City of Los Angeles

- In March 2017, City voters passed Proposition M, which requires the City Council to adopt an ordinance repealing the City’s existing restrictions on cannabis

dispensaries, effective January 1, 2018, and states the City's intent to adopt a comprehensive regulatory process and structure for all medical and nonmedical cannabis-related commercial activity by September 30, 2017.

Given these changes and the time frame established by Proposition M, the City has started the process of creating new legislation that will apply to both medical and nonmedical commercial cannabis activity.

Key Provisions of the City's Commercial Cannabis Location Restriction Ordinance

The Commercial Cannabis Location Restriction Ordinance is only one component of a broader legislative approach to commercial cannabis in the City. This proposed ordinance, drafted by the Department of City Planning (DCP), is limited in scope to restricting the location of various types of commercial cannabis activity. Additional legislation is being developed by the City to, among other matters, establish a Cannabis Commission and operating and additional public safety restrictions for commercial cannabis activity.

Key elements of the ordinance drafted by DCP:

- Identifies zones and required distances from sensitive sites for specified commercial cannabis activity.
- Provides for limited specified commercial cannabis activity to assert limited immunity from enforcement of specified City prohibitions so long as the activity is conducted by persons operating under a State license and Certificate of Compliance issued by the City's Cannabis Commission, and meets the location restrictions in the ordinance and additional regulations.

In addition to the main text of the ordinance, DCP has also prepared an ordinance supplement providing a land use review process option, which the City Council may incorporate into the ordinance at its discretion.

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. Such personal cannabis use is not considered commercial cannabis activity.

Where will different types of commercial cannabis activity be allowed to assert limited immunity?

The proposed ordinance provides for limited specified commercial cannabis activity to assert limited immunity, but only when: (1) conducted by a person that is both licensed by the State of California to engage in the activity and recognized by a compliance document issued 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 in which the limited immunity may be asserted are summarized as follows:

- Dispensary and retailer commercial cannabis activity – primarily commercial and industrial zones: CR, C1, C1.5, C2, C4, C5, CM, HI, M1, M2, M3
- Microbusiness commercial cannabis activity – primarily industrial zones: M1, M2, M3
- Cultivation and manufacturing commercial cannabis activity – primarily industrial zones: MR1, M1, MR2, M2, M3
- Testing and distribution commercial cannabis activity – primarily industrial zones: CM, HI, MR1, M1, MR2, M2, M3
- In Specific Plan areas without conventional zoning, the above commercial cannabis activity may assert limited immunity in specified subareas that most closely correspond to the zones listed above.

What additional protections are included to avoid negative impacts on communities?

The proposed ordinance imposes distancing requirements that businesses must observe in order to assert limited immunity. This will provide protection for sensitive sites as well as help to avoid over-concentrations of cannabis sales. The distancing requirements are:

- Dispensary, retailer and microbusiness activity: 800 feet from schools, from alcoholism/drug rehabilitation or treatment facilities, from public libraries, from public parks, and from other cannabis retail, dispensing and microbusiness activity.
- Cultivation, manufacturing, testing and distribution activity with no retail or dispensary on the same site will not be subject to distancing requirements.
- Dispensary, retailer and microbusiness activity with no on-site sales (delivery only) will not be subject to distancing requirements.

How can I get more information or share my input?

More information on the proposed ordinance, including the full text and additional materials, may be found at <http://planning.lacity.org> under “Ordinances” and “Proposed Ordinances.”

The Department of City Planning will conduct a public hearing to gather input from interested parties. This hearing will take place **Thursday, June 29, 2017** at 10:00 a.m. in Los Angeles City Hall, Room 1010. A copy of the hearing notice is available at <http://planning.lacity.org>. The hearing is open to the public and all interested persons are invited to attend. At the hearing, attendees may submit comments or written information pertaining to the proposed amendment.

Written comments may also be submitted, by email, to niall.huffman@lacity.org. Comments should be submitted no later than **July 12, 2017** to be considered in DCP's staff recommendation report. Comments may still be submitted after this date, but should be addressed directly to the City Planning Commission at CPC@lacity.org.

What are the next steps?

Following the hearing, DCP will prepare a recommendation report for the City Planning Commission. The Commission is scheduled to consider the proposed amendment at its regular meeting on September 14, 2017. The recommendation of the City Planning 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.

The city is currently reviewing the project pursuant to California Environmental Quality Act (CEQA) Guidelines and will prepare the necessary CEQA clearance for approval of the project based on that review. The public will be given a chance to comment on the CEQA clearance during applicable public comment periods and/or consideration of the project at future public hearings or meetings.

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.