

# Commercial Cannabis in Los Angeles County

PRESENTATION TO THE EMPOWERMENT CONGRESS  
HEALTH SUBCOMMITTEE

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<http://cannabis.lacounty.gov>



# Transitioning Out of an Unregulated Cannabis Industry

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# Unlicensed businesses

- Until very recently, nearly all cities and the unincorporated area prohibited cannabis businesses, including the City of Los Angeles
- Some estimate **over 1,700 unlicensed dispensaries** are operating in LA County as a whole, with anywhere from 60 to 120 unlicensed dispensaries in unincorporated county areas (number is constantly fluctuating)
- No good estimate on how many unlicensed cultivators and manufacturers are doing business in LA County



# Concerns with an unlicensed industry

- Youth access and use
- Public safety
  - Criminal activity
  - “Drugged” driving
- Quality of life issues
  - Loitering
  - Smoke
- Consumer safety
  - Pesticides
  - Mold and other contaminants
  - Potency and homogenization



# Concerns with an unlicensed industry



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# New laws address many existing concerns

- Adult-use cannabis restricted to adults 21+
- State advertising rules
  - No advertising **within 1,000 feet of schools, day care centers, “youth centers” and playgrounds** (Bus. & Prof. Code 26152(g))
  - No advertising that is **“attractive to children”** or intended to encourage youth use (Bus. & Prof. Code 26152(e)-(f))
  - No billboard ads by licensees along **interstate highways and state highways that cross into another state** (Bus. & Prof. Code 26152(d))
  - Broadcast, digital, and print ads are restricted to audiences where at least **71.6 percent** of audience members are reasonably expected to be 21 or older (Bus. & Prof. Code 26151(b))



# New laws address many existing concerns

- Buffers from sensitive uses
  - State law sets a **default buffer of 600 ft.** between cannabis businesses and schools (K-12), licensed day cares ( $\geq 14$  kids), and “youth centers”
  - Local jurisdictions can **increase buffers or identify other sensitive uses** (e.g., parks and libraries)
- However, local jurisdictions can also **reduce or eliminate** default buffers
- Different buffers for non-retail uses are common



# Dual licensure

- In most cases, **cannabis businesses need a state license + a local license** to operate a cannabis business
- Local jurisdictions can **allow some or all cannabis business types in certain zones**, or they can **ban** cannabis business activity
- Stricter local standards?
  - “Any standards, requirements, and regulations regarding health and safety, environmental protection, testing, security, food safety, and worker protections established by the state shall be the minimum standards for all licensees under this division statewide. **A local jurisdiction may establish additional standards, requirements, and regulations.**” (Bus. & Prof. Code 26501)





# Regulatory concerns for a licensed industry

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# Board priorities for cannabis regulation

- February 2017: Board of Supervisors directed OCM to work with other departments to prepare regulations to allow, license, and regulate all types of cannabis businesses
  - Directed OCM to conduct public outreach
  - Directed LA County Department of Public Health to prepare an education campaign
- Priority areas from February 2017 motion
  - Transition from an unlicensed market to a regulated market
  - Protect county neighborhoods
  - Prevent overconcentration and ensure equity in siting
  - Reduce crime
  - Consumer protection
  - Among others...



# Advisory Working Group

- **June – August 2017:** OCM convened the Los Angeles County Advisory Working Group on Cannabis Regulation
- 17-member working group which included representatives from each supervisorial district, public health experts, education officials, local elected officials, cannabis industry reps, university professors, and community stakeholders
- The Advisory Working Group **reached consensus on 64 recommendations regarding cannabis regulations** and best practices in unincorporated areas
  - **Discretionary hearing process** for cannabis retailers
  - Numerous recommendations on the need for **drug prevention and treatment** services and **community development programs**
- Complete report of all recommendations available at <http://cannabis.lacounty.gov>



# Community “listening sessions”

- May-Aug. 2017: OCM presented at **12 community groups and town councils**, and held **20 public workshops** (“listening sessions”) throughout the County
- OCM asked the public for input on:
  - Youth access and exposure
  - Where cannabis businesses should locate
  - Taxation and revenue
  - Equity and economic development
  - Personal cultivation
- Materials were offered in multiple languages and translators were available at each meeting; one meeting was conducted in Spanish



# Feedback received at “listening sessions”

- Public input was split between those who welcome cannabis legalization/regulation and others who worry about potential impacts
- Of those concerned about commercial cannabis, most were **particularly concerned about cannabis retailers**:
  - Overconcentration, in particular compounding existing problems with liquor stores
  - Youth access and exposure to cannabis
  - Quality of life concerns
  - Security and safety
  - County’s and law enforcement’s ability to enforce regulations
- Report documenting public feedback available at <http://cannabis.lacounty.gov>



# Focus on health equity

- **November 7, 2017:** Board directed OCM, DPH/Center for Health Equity, and County Counsel to **incorporate health equity models to reduce disparate impacts of cannabis** in forthcoming regulations
- **“Health disparities result from a complex network of social determinants of health**, including, but not limited to, access to care, substance use and involvement, and physical environments...Unfettered commercialization of cannabis without consideration of these systematic and prevailing disparities will further compound the problems of those communities suffering under the inter-related social, economic, and health inequalities.”



# Health equity models for cannabis

- **Discretionary hearing process** for cannabis retailers that will assess the impact a proposed cannabis retailer will have on the health outcomes of the surrounding community
  - Hearing process should allow conditional approval or denial of an application
  - Identification of an existing or new hearing body to carry out the discretionary hearing process
  - Opportunities for public participation in the hearing process



# Health equity models for cannabis

- **Grant program** to bolster positive youth development programs, substance use disorder programs, drug prevention, and community development in high-needs areas
- **Strategic phased-in licensing** that balances need to transition from an unlicensed market to a regulated one with a precautionary approach to licensing
  - Incorporate monitoring and assessment of overall community impacts and efficacy of regulations





# Next steps and timeline

- **December 2017/January 2018:** OCM, DPH/Center for Health Equity, and other County departments plan to recommend a regulatory framework for cannabis businesses in unincorporated areas
- Regulatory framework recommendations will likely include:
  - Health equity models
  - Planned licensing phase-in
  - Proposed zoning
  - Other important rules that will shape commercial cannabis in unincorporated areas



# More information

## Office of Cannabis Management

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