

FINAL REVISED VERSION

CANNABIS ORDINANCE AND APPLICATION PROCESS QUESTIONS, COMMENTS, AND ANSWERS

May 8, 2018

Answers to all of the questions that the City received up to May 1, 2018, are provided below. The questions and answers included in the prior document labeled April 20, 2018, have also been included in this document. It should be noted that some of the answers provided in the prior document have been revised. For this reason, we encourage applicants to carefully review all of the questions and answers provided below.

These answers are provided as a courtesy only in an effort to answer applicant questions publicly. In the event there is an inconsistency between this document and the West Hollywood Municipal Code, state law or regulation, weighting criteria or screening application information packet, those other documents shall control (with the most recently dated documents controlling over earlier versions). The City reserves the right to amend these answers.

While the City does not anticipate any changes to the published cannabis information on its website (www.weho.org/cannabis), the City reserves the right to update the information on the City's Cannabis webpage as necessary to resolve any unanticipated issues that may arise before or during the screening period. Any updated information will be noted as updated. All applicants are encouraged to check the City's Cannabis Website before submitting their screening application.

1. Operations Plan. How come a delivery service cannot also offer medical cannabis discounts? Delivery will absolutely be happening to medical patients, but right now, that category has "0" points. I really think that there should be a point awarded in that category.

Answer: See the revised weighting criteria posted on April 23, 2018. Five points were added to the delivery license category, for medical cannabis discounts.

2. The question regarding selection of small cannabis farmers should just ask the applicants to detail their selection process. Limiting the criteria to counties with below poverty income indicators will eliminate small, specialty and organic growers in Los Angeles and Orange counties.

Answer: The weighting criteria in the social equity, economic inclusion (production) category has been revised to state that points will be given for purchase from cultivators in "census tracts" with income and poverty levels that are below state averages, thus allowing small growers in economically depressed census tracts in

any county to gain points in that category. The goal of this weighting criterion is to support farmers in economically depressed areas. There is a separate weighting criterion for small farmers.

3. Does the City want to hold us to which specific armored car service we will use, or do they just want to know that we'll be using a qualified one?

Answer: No specific armored car service is required to be identified in the screening application phase.

4. What security measures will be taken for delivery cars, if they must be properly marked for sheriff and parking enforcement?

Answer: See section 5.70.042 of the Municipal Code for specific criteria for delivery vehicle security measures. It is anticipated that delivery cars will only be marked with a small non-descript permit sticker.

5. Can you please clarify what "Majority Owner" means in relation to the city license? Does majority owner line up with the State regulations in that the makeup of owners is the licensee + all the operators? Or does the city have another definition of "majority owner?"

Answer: The City's definitions of "owner" and "non-owners with financial interest" are the same as the State's. Previously, the "Experience" Section of the weighting criteria was limited to the "majority owner"; this has been changed, and the section is now limited to the "individual (or individuals) that will be directing, controlling, and/or managing the day-to-day operations of the business" who are also considered owners.

6. Will the four existing cannabis dispensaries that were issued Temporary Use Permits for adult-use sales be given any points in the experience category?

Answer: No

7. All applicants who have been a West Hollywood business owner for a certain amount of years should be awarded extra points.

Answer: The weighting criteria do not include any specific points for West Hollywood business owners; however, West Hollywood business owners should use their knowledge of the City throughout the application to improve their submittal.

8. Applicants with a West Hollywood residency for a certain period of years should be awarded extra points.

Answer: The weighting criteria do not include any specific points for West Hollywood residents; however, West Hollywood residents should use their knowledge of the City throughout the application to improve their submittal.

9. Does Restaurant/Bar operation experience have criteria of being a majority owner like the cannabis industry part of the application?

Answer: No, it is for the proposed day-to-day operator of the consumption area.

10. How can we have a point system for 10+ years cannabis when it's only been legally regulated 9 years ago? While this may provide "other related industries" it puts those that are solely in cannabis at a point disadvantage.

Answer: Proposition 215, or the Compassionate Use Act of 1996, is the California law allowing the use of medical cannabis in the state and it was enacted 21 years ago on November 5, 1996. Also, please note that this category under Section 4 of the Weighting Criteria: Experience, also allows points to be awarded for a "similarly state regulated industry."

11. Does previous cannabis or regulated business experience include out of state regulated substance businesses?

Answer: Yes, out of state experience will count toward regulated business experience.

12. Does having a location identified have any bearing whatsoever on the application?

Answer: No, a physical location would not have any bearing on points awarded in the screening application.

13. As we finalize negotiations for our commercial property and plan our build-out, we were wondering if you had an estimated timeline for finding out about winning applicants. Since the end of the application period is in May now, is it reasonable to estimate we will find out in July about chosen applicants?

Answer: No exact date or month is estimated for the selection of the top screening application applicants. The timeframe for the evaluation committee to complete its work depends on the number of applications received in each category and the best estimate would be sometime in summer 2018.

14. When submitting one cover letter for multiple licenses, does the cover letter page count get tallied against just one of the license type applications? Using the hypothetical examples below is Scenario #1 accurate or is Scenario #2 accurate?

Scenario #1

One Cover Letter (for all three apps): 10 pages of text

App #1: 50 pages of text

App #2: 50 pages of text

App #3: 50 pages of text

Scenario #2

One Cover Letter (for all three apps): 10 pages of text

App #1: 40 pages of text

App #2: 50 pages of text

App #3: 50 pages of text

Answer: The cover letter will not count toward the overall page count for the application; see the revised application information packet. However, cover letters should be no longer than 5 pages.

15. The existing medical cannabis dispensaries do not have to submit a screening application for a medical-use dispensary. Is there anything that an existing dispensary must file before May 31 to stay active and licensed during the screening period? Do you have any information about the next steps and existing medical-use dispensary following the screening period?

Answer: Existing medical-use cannabis businesses that chose to continue to sell medical cannabis must notify the City by May 31, 2018, and are required to comply with all recently adopted medical-use dispensary regulations in Section 5.70.043 of the West Hollywood Municipal Code.

16. The city has asked the applicants to keep redundancy to a minimum, however, I think it's important that everyone understands that much of the info will definitely be redundant when it comes to applicants submitting for multiple licenses. Much of the info will be identical so that, for example, Apps #2 and #3 in a package of 3 applications really won't warrant anything beyond what has already been said in App #1 when it comes to things like community engagement, security measures, operations and overall team. Just throwing that into the mix for today because I do think this could present a lot of confusion for the applicants.

Answer: Redundant information or responses may occur where multiple cannabis use licenses are applied for at one location. However, it is necessary to have separate screening applications when more than one license is applied for at one location, because each application will be scored separately.

17. If selected by the evaluation committee, how long before location, zoning clearance, building license, other planning permits, and opening of a cannabis business required? Is there an unlimited time period for receiving state license?

Answer: A physical location (if not already chosen), a zone clearance, and business license must be approved within 1 year of being selected by the evaluation committee. If a major remodel or new building is required, other planning development permits may be required; they may continue to be processed after receiving a business license. Please see WHMC Section 5.70.035, for further information regarding these requirements.

18. What parts of the screening application are subject to public records requests?

Answer: Following the conclusion of the screening process, the applications may be deemed public records subject to disclosure upon request under the California Public Records Act (CPRA). The CPRA contains some narrow exemptions from disclosure such that proprietary information and trade secrets, for example, may be withheld from disclosure. The City will follow the requirements of the CPRA. Applicants may identify places on the application that they believe to be proprietary or trade secret. The City will make the final determination on whether information is subject to disclosure under the CPRA or falls within a narrow exemption. A guidance document regarding specific document types, categories and exemptions from disclosure under the CPRA is included on the City's Cannabis Web Page.

19. When will screening evaluation committee-members names be released?

Answer: Names of the evaluation committee members are currently posted on the City's cannabis webpage (www.weho.org/cannabis).

20. Given that the screening application is largely conceptual, if manufacturing is a planned use ancillary to a retail license, what level of detail is required in the initial screening application, and more specifically, would a breakdown (of product offerings, pedigree of management, and incorporation of the financials into the business plan and integration of the manufacturing area into the design concept) suffice for this stage of the application process?" If so, "Will there be opportunities later, perhaps with application for the business license, to include information relative to the standard operating procedures and compliance policies for manufacturing use?"

Answer: A description of ancillary manufacturing operations for an adult-use retail or medical-use dispensary use would need to be included in the screening application. The amount of detail would be at the discretion of the applicant given the limit of 50 pages for the narrative portion of the application packet.

21. What tiebreaker method would be utilized by the committee or city staff?

Answer: A tie will be decided by the evaluation committee, not City staff. However, if after further discussion, additional evaluation, and scoring of the tied applications, a tie is still reached, a coin toss or other similar method of chance will be used as a tiebreaker.

22. If an applicant is submitting multiple applications, should the applicant pay with a single check covering all application fees or with separate checks for each application?

Answer: Payment with one check for multiple applications is acceptable. The receipt from the City will show multiple transactions (one for each license type).

23. In addition to submitting our application via the web portal would we be able to submit physical copies to the review board?

Answer: Physical copies of the application are not required. City staff will print copies, if necessary.

24. Do we need a physical location when simply applying for a delivery license? My understanding is that we get the location if we are selected.

Answer: A physical location is not required for the delivery service screening application. If the application is one of the 8 delivery services selected to move forward in the process, a physical location will be needed for approval of a zone clearance and business license, which are the next steps in the process.

25. Regarding the Scoring system implemented by West Hollywood will the point system utilize partial scoring or whole numbers only? In example: can an applicant score "3.5, 4.25, etc." or will the scoring be based on whole numbers such as "3.0 or 4.0".

Answer: Yes, partial points may be awarded at the discretion of each selection committee member.

26. Question regarding the change to the cannabis consumption area subsection to include the "**The onsite production of cannabis-infused items**" as a source of products for the consumption lounge. Was this added to acknowledge on-site manufacturing as a product source for businesses that also have an adult-use retail license and have an ancillary manufacturing operation on-site? Please confirm this is the purpose of this addition, and not allowing consumption lounge applicants the ability to bypass the state testing requirements, which require cannabis products to be tested in their "final form" in which they will be consumed. The reason we are asking this is because it changes the operation completely if lounges can infuse food items on site and serve them fresh, rather than having cannabis products sent out to be tested and packaged.

Answer: The operator of a consumption area will be able produce cannabis infused food items onsite (see WHMC Section 5.70.041(8)(c)); however, the operator will still need to comply with all State requirements regarding testing (including “final form”). We encourage applicants to contact the State with any questions about testing requirements; questions can be directed to the following email address: bcc@dca.ca.gov.

27. Are licensed medical and adult-use retailers allowed to deliver to their members and customers without applying for a separate delivery license? If not, are currently licensed medical cannabis dispensaries with temporary adult-use licenses allowed to deliver to patients or customers between now and the time licenses are issued?

Answer: A licensed medical-use or adult-use retailer would be required to apply for and obtain approval of a separate delivery license in order to deliver to customers.

28. DJ - Will a cannabis consumption lounge be allowed to have a DJ? Clearly we want consumption lounges to be attractive to consumers and tourists and music may be important in addition to design, location, etc. Can a licensed consumption lounge get a business license to allow a DJ? At first glance I don't see anything in the Zoning Code or Cannabis Ordinance that would prohibit it and we may want to allow it to make them, like restaurants, attractive to the public?

Answer: Yes, a cannabis consumption lounge would be permitted to have a DJ. A cannabis business with a valid cannabis consumption area permit may apply for an Entertainment License after approval of a Zone Clearance and issuance of a cannabis use business license.

29. It is my understanding that a retail dispensary may have both an on-site consumption area AND a cultivation. You showed me an ordinance that would allow for that. Can you please re-direct me to that muni code section?

Answer: Yes, WHMC Section 5.70.041(8)(a) allows for limited ancillary cultivation of cannabis on-site at a consumption area.

30. Cannabis consumption areas shall sell cannabis only from the following source: (a) from an off-site location where cannabis is cultivated in accordance with applicable state law and zoning regulations in the jurisdiction in which it is cultivated." Can you please clarify how that would pan out?

Answer: The requirement for consumption areas to sell cannabis only from an off-site location where cannabis is cultivated in accordance with applicable state law and zoning regulations will be a condition of approval for the City's business license. These regulations will be enforced by the California Bureau of Cannabis Control and City of West Hollywood Code Compliance Division as appropriate. It is advised that businesses keep records of all cannabis purchases, including documentation from the producers that they are in compliance with local laws.

31. SECTION 6; Section 5.70.040 of Chapter 5.70: Adult-Use Retail Operating Requirements, Paragraph 15: “Cannabis products not fully consumed onsite may be taken offsite by the purchaser”

- Will this, I’m assuming, adhere to State law as far as exit packaging regulations?

Answer: Yes, all cannabis uses in West Hollywood will need to adhere to state law regarding exit packaging regulations.

- Can “pre-packaged” cannabis goods be sold at a Consumption Lounge w/Adult-Use Retail? If so, is there any limit to the amount of pre-packaged products that can be sold?

Answer: Yes, “pre-packaged” cannabis goods may be sold in a licensed consumption lounge (area) in accordance with Section 5.70.041.5., which states that “Cannabis consumption areas shall only provide cannabis to an individual in an amount reasonable for onsite consumption and consistent with personal possession and use limits allowed by the state”.

- If pre-packaged goods are allowed, do all packages need to be opened, partially-consumed and then re-sealed or can a customer purchase a pre-packaged cannabis product and not open it until after they are offsite?

Answer: Only products “not fully consumed onsite may be taken offsite by the purchaser” (WHMC 5.70.040(15)). If a customer purchases an item it must be opened onsite, any remainder of the product not consumed onsite can be taken offsite with the customer.

32. Distribution. This may not matter, but this was the idea I had: If an applicant wants to add the idea of distribution (self-distribution to be exact) into their application as a possibility, the panel will accept that proposed information and not reject it simply because it’s not in the app or ordinance, and that the applicant should feel free and safe to make reference to distribution as a part of their business plan without being at risk of losing points. This is for two main reasons 1) so that small business can remain small businesses and not be forced to use a very expensive third party distributor from outside the City simply to move their own product and 2) a setup for those applicants who wish to pursue a State Micro-Business.

Answer: Distribution as a primary land use is not a permitted use in the City of West Hollywood. Self-distribution of cannabis to a retail store, medical dispensary, consumption area, or delivery service is regulated by state law and must meet all state law requirements. This information may be included in the screening application without fear of losing points; however, it would not be a factor in the scoring criteria used by the evaluation committee.

33. How will cannabis-infused food be regulated by the City, County Health and State Health Departments?

Answer: Health and quality regulations for cannabis infused food will be overseen by the State of California Bureau of Cannabis Control and the Los Angeles County Public Health Department as applicable, and will not be regulated by the City. Contact these agencies for details regarding their cannabis regulations. The City regulates only the retail locations where edible foods can be purchased or consumed. Licensees are required to comply with all state licensing and testing requirements, including final form. Questions about state licensing/testing requirements for edible products can be sent to: bcc@dca.ca.gov.

34. Can cannabis-infused food produced at a consumption area (lounge) be delivered to customers or home parties?

Answer: Pursuant to WHMC Section 5.70.041(8)(c) consumption areas may sell cannabis products that are produced onsite. The consumption area license does not allow for delivery, so the items produced onsite (for consumption onsite) could not be delivered.

35. Do our delivery service requirements go beyond state requirements?

Answer: The City has specific delivery service requirements, which may be different from the State. Please refer to Section 5.70.042 of the cannabis ordinance for the City's requirements and compare them to the State's requirements.

36. This question is regarding any special dispensation for the 4 Temporary Use Permits (TUPs) for the sale of adult-use cannabis issued to the 4 existing medical use dispensaries. Assuming they obtain the temporary licenses from the city and state, and assuming they comply with the laws, will they be given priority for the 8 adult use retail licenses available, before other applicants are considered? If they get the city and state permanent license, does that mean that there are four more licenses to apply for by regular applicants, out of the 8 adult use retail?

Answer: The 4 medical-use dispensaries that were issued the adult-use TUPs will not receive any priority over other applicants for the 8 available adult-use licenses.

37. Consumption licenses should come with manufacturing and cultivation as allowable uses. There are many forms of manufacturing, some which do not use any solvents. It is critical for the onsite consumption business to be able to manufacturing products for onsite consumption and sales. Businesses would have to obtain a microbusiness license from the state to operate a consumption business that infused products.

Answer: See the amendments to the cannabis ordinance approved by Council on 4/2/18 – Section 5.70.041 (8) allowing ancillary on-site cultivation and on-site food production.

38. Since we are applying for dispensary and on site lounge we want to know if these need to be separate and distinct facilities with completely separate premises or can they have two separate entrances but share common back of house such as break room, vault etc.?

Answer: If both are located on the same premise, the two areas need to be partitioned for access and ventilation control, but can share back of the house facilities. See WHMC Section 5.70.041(13)(d).

39. Is the 1,500 square foot size limit for on-site consumption lounge just for the public accessible area? Can you have additional back of house space as 1,500 is not enough for both a lounge and a kitchen to prepare food, a mandatory state law required vault to store product, break room, receiving area etc.?

Answer: The 1,500 square foot limitation applies just to the consumption area portion, not back of house spaces. If the consumption area is not ancillary to a retail or medical use than the 1,500 square foot limit does not apply.

40. If we are looking to carry multiple licenses in one location, what are the restrictions to consumption lounges that are located on the same premises as adult-use retail or medical dispensaries?

Answer: See question #38 above.

41. I am applying for a cannabis retail and consumption license in the city of West Hollywood. I would like clarification on the types of products that can be served at a consumption location. The California Manufactured Safety Branch Emergency Regulations set forth §40305 requirements for edible cannabis products (See §§ 40300, 40305, Articles 2 & 3). I've attached the regulations for your reference. Can you provide responses to the following questions:

- Do the restrictions in the MCSB Emergency Regulations §40300. "Prohibited Products" apply to products served at a business with a cannabis consumption license? E.g., no products that require refrigeration or that contain meet, dairy, etc.
- Do the labeling requirements set forth in the MCSB Emergency Regulations Article 2 "Labeling Requirements" apply to food products served at a business with a cannabis consumption license?

- Do the labeling requirements apply to food products that are purchased at a location with a consumption license, not fully consumed onsite, and then taken offsite by the purchaser?
- Do the packaging requirements set forth in the MCSB Emergency Regulations Article 3 "Packaging" applies to food products served at a business with a cannabis consumption license?
- Do the packaging requirements apply to food products that are purchased at a location with a consumption license, not fully consumed onsite, and then taken offsite by the purchaser?

Answer: All cannabis businesses in West Hollywood are required to comply with all applicable laws. Edible cannabis product regulations, including packaging and labeling requirements, are regulated by the State of California Bureau of Cannabis Control and the Los Angeles County Public Health Department. Please contact these agencies for information regarding cannabis edible regulatory requirements. Questions about state licensing/testing requirements for edible products can be sent to: bcc@dca.ca.gov. Additionally, see the answers to question 31.

42. Originally, consumption areas were set up as an ancillary use to retail, and subject to a size restriction of 50% of the total floor area of the retail space, but now consumption area is a stand-alone license type. I feel it is safe to assume that this restriction does not apply to a stand-alone consumption area license, because the ordinance allows for multiple licenses at the same location, and has been updated to reflect a restriction only for consumption areas on the same premises as a retail business.

Answer: Consumption areas are allowed either as stand-alone or ancillary to adult-use retail or medical dispensary. There is no maximum size limit for a stand-alone cannabis consumption area. Cannabis consumption areas that are ancillary to adult-use retail or medical dispensary uses (meaning they are on the same premises as these uses) shall not exceed 50% of the floor area or 1,500 square feet. See WHMC 5.70.041(13)(d)

43. If an operator wants to offer a "smoke-free" environment in which to consume edibles, or perhaps an indoor and an outdoor option for their customers, would they be required to partition their space for a maximum aggregate of 1,500 square feet? And with that, will cannabis consumption areas for edibles be required to be separated from consumption areas for smoking and vaping for health code reasons?

Answer: If a consumption area is ancillary to an adult-use or medical dispensary than the area would need to adhere to the ancillary size restrictions (WHMC 5.70.041(13)(d)), regardless of if the consumption area is partitioned off to include

a smoking and smokeless area. If a consumption area is not ancillary to an adult-use retail or medical dispensary there are no size limitations and the operator can choose to partition the business as they wish. If an applicant receives a consumption area license for smoking, vaping, and edibles, there is no requirement to partition off a separate non-smoking section for edibles, but an operator could choose to do so at their discretion.

44. I had a few questions regarding the legality (local vs. state) of selling cannabis-infused food products ("edibles") in West Hollywood in particular that I was hoping you could clarify. Based on what the WeHo License Process Overview states, the city only has permits/licenses for certain categories: Adult-Use Retail, Medical Use Dispensary, Consumption (2 types), and Delivery services operating within and outside of West Hollywood. The West Hollywood License Process Overview doesn't say anything about the categories of Distributor and Manufacturer that show up in the California state laws, and I wanted to know what the difference was.

Answer: Please see Question and Answer Nos. 32, 41, and 45. Manufacturing is only allowed as an ancillary use to an adult-use or medical-use dispensary. Please contact the State Bureau of Cannabis Control for information regarding their manufacture use licensing requirements.

45. The License process also doesn't cover what a home baker manufacturing and distributing edibles to dispensaries would qualify as, and what kind of license would be required. Do State of California Cottage Farm laws also apply towards cannabis-infused food product-manufacturers? How do the West Hollywood laws regarding cannabis apply to food trucks, which, like home-based bakers, don't operate out of a retail brick-and-mortar, as it seems like the general terminology for laws regarding licensing and permitting generally apply to businesses that already have a brick-and-mortar location.

Answer: West Hollywood does not allow stand-alone manufacturing in the city. The only cannabis uses allowed in West Hollywood are the ones specifically stated in the City's current cannabis ordinance, links can be found at weho.org/cannabis (originally adopted in November 2017 and amended in April 2018). If the use is not stated in the ordinance, it is prohibited in the city.

46. Where does the jurisdiction fall regarding dispensaries and their suppliers? If MedMen, a dispensary in West Hollywood, for example, already qualifies for Adult-Use Retail and Consumption licenses, is it their responsibility to check the legality of the edibles they sell, or is it the City of West Hollywood's responsibility to regulate the edible companies before they make it to a dispensary?

Answer: The City of West Hollywood regulates the business operations and does not regulate or test cannabis products themselves. The business should keep records of the legality of the products they sell, including proof of purchase from a producer that has met state requirements.

47. Per West Hollywood's Cannabis Ordinance section 5.070.041(13)(d), cannabis consumption areas that are ancillary to adult use or medical-use retail premises shall not exceed fifty percent of the total floor area of the adult-use or medical-use retail space, but in no case more than 1,500 square feet. Per our conversation, you mentioned that since we plan to have an adult-use retail, consumption lounge and medical-use dispensary all operating as primary businesses in the same location, we are able to consider our consumption area as not ancillary and therefore allowed to exceed 1,500 square feet, correct?

Answer: An adult use retail license establishment may have an ancillary space of no more 1,500 square feet that is accessible from within the retail location.

A standalone adult use consumption area that is not located on the same premises of an adult use or medical retail business may be any size because it is the primary use of the site.

A project that includes both adult use retail and a consumption area must comply with all applicable requirements in WHMC Section 5.070.041(13)(d). See answer 38 above.

- a. If my understanding is incorrect, can you please clarify what areas make up the 1,500SF? For example, if the consumption smoking area is indeed unenclosed space such as a courtyard, does this contribute to the 1500SF?

Answer: Yes, the consumption area includes all areas where products may be consumed.

- b. Does the back of house, security, and other auxiliary spaces solely dedicated to the lounge; contribute to the 1,500SF max as well?

Answer: No, the back of house does not count towards the ancillary consumption space, only areas where products can be consumed.

- c. Also, are we able to acquire both a consumption edibles only license as well as a consumption edibles, vaping, smoking license, and combine the two for 3,000 SF allowable?

Answer: No

48. Per West Hollywood Municipal Code sections 5.07.020(14)(d), 7.08.030(e)(6), 7.08.020(15), the smoking portion must be in an unenclosed area. Can you please clarify the term 'unenclosed' in the context of the consumption lounge? Does unenclosed refer to perhaps a skylight concept, courtyard, patio rooftop deck, etc.?

Answer: WHMC Section 7.08.030(e)(6) was amended in April 2018 to allow smoking in all areas of a consumption lounge; both indoors and outdoors. However, be aware that consumption lounges must adhere to all of the regulations in WHMC Section 5.70.041.

49. Are we able to serve food in outdoor smoking consumption areas?

Answer: Yes, both cannabis and non-cannabis infused food may be served in all areas of a consumption area.

50. I'm wondering if the following are possible –

One majority owner for different license types, with different minority partners for each license? For example, Company ABC will be the majority owner. For the delivery license, they will partner with Delivery ABC, but still be majority owner. For the retail, they will partner with RETAIL ABC, but will still be the majority owner.

Answer: Yes, but they should be submitted as three different screening applications (see WHMC Section 5.70.30(8)).

If this is the case, would we need to submit different applications or can we submit one? What about the owner information? The instructions say you only need one... but is it possible to submit one for each license?

Answer: Yes, different screening applications, thus different Owner/Applicant Information Forms, would need to be submitted for each license type.

Finally, is it possible to do this out of one location?

Answer: Yes

51. I'm seeking clarification on the definition of owners for the purposes of the cannabis business screening application.

I am looking at the applicant/owner information form section C. The definition appears to be based on the definition in BCC § 5003. However, there are a couple slight changes that leave me uncertain about who to include in this section.

Should we include executive- or director-level employees, who may be considered to be participating in the direction, control, or management of the applicant entity, even if they do not have an ownership stake in the company?

Answer: Use the state definition of applicant/owner for guidance. Executive or director-level employees who do not meet the definition of owner would not need to be included on this form; however, this information may be included in other parts of the application package.

52. Section 5.70.041 of the West Hollywood Municipal Code states that consumption areas can sell cannabis from (a) limited ancillary cultivation; (b) off-site locations where cannabis is cultivated or manufactured in accordance with applicable state law; (c) onsite production of cannabis infused items. Does this mean (a), (b), **OR** (c)?

Answer: Yes, cannabis may come from any of the three listed sources.

In other words can consumption areas sell cannabis-infused items **produced onsite** that are not "manufactured in accordance with applicable state law"? For example can they serve cannabis-infused "Meat products other than dried meat products" (California MCSB Emergency Regulations Section 40300(g))?

Answer: No, all cannabis-infused food items must comply with all state laws and regulations.

Can consumption areas serve food that is prepared onsite if the food prepared onsite does not contain cannabis and then is subsequently infused onsite with cannabis food products "manufactured in accordance with applicable state law"? For example, steak prepared onsite that is then drizzled with pre-packaged cannabis olive oil?

Answer: Cannabis-infused food items must comply with all state laws and regulations. Licensees are required to comply with all state licensing and testing requirements. Questions about state licensing, testing and packaging requirements for edible products shall be directed to: bcc@dca.ca.gov. We encourage applicants to contact the state regarding "final form" testing requirements, and if the scenario that was outlined in the question is permitted under the state's guidelines.

53. Are there any laws that prohibit a mobile dispensary? For example, if a person has a license for a dispensary with manufacturing, are there any laws that prevent them from having a food truck? Obviously, the security plan would have to be one that works with the ordinances (meaning traveling security), and there would have to be entrance of 21 and over only, so a screening at the food truck door. But assuming that the logistics could be worked out is there anything prohibiting mobility?

Answer: Mobile cannabis dispensaries or food trucks are not an allowed use in West Hollywood (please see Section 19.10.030 of the West Hollywood Municipal Code).

54. If you are interested in applying for a consumption license (smoking/edibles) I understand that you CANNOT serve alcohol in the lounge or even in a dispensary. What if you are planning to build a micro-hotel? The dispensary is on the hotel property, part of the hotel. The lounge is connected to the dispensary. Can you have on the hotel property or in the hotel, a bar that serves alcohol? The ordinance specifically states that there can be no alcohol served or sold "on-site" in the dispensary or consumption lounge. It does not say if the property has multiple uses, that a bar cannot be present on the property as a whole (as in on the hotel property). Please clarify.

Answer: Under state and local law, the sale or consumption of alcohol or tobacco is not allowed on the same premises where cannabis is sold or consumed. Thus, the consumption lounge space would need to be on a separate premise from the alcohol serving use, as that term "premises" is defined under state law. As this rule derives from state law, please direct "premises" questions to the State Bureau of Cannabis Control: bcc@dca.ca.gov.

55. If you are manufacturing in your dispensary, and you have a commercial kitchen. Does that commercial kitchen count as your manufacturing space as that is where baking would occur for example? What if that kitchen is used for non-cannabis purposes as well? I.e. food not infused.

Answer: Yes, the commercial kitchen would be considered an ancillary manufacturing space if cannabis is infused into the food. If it is strictly used for non-cannabis purposes, than it would not count as a cannabis manufacturing space.

56. What was the decision related to taking consumables out of a lounge? I know that originally, you could not remove purchased cannabis products from the lounge. Has that now changed? For example, if you order infused food at a consumption lounge, and you have left overs, can you take them home with you?

Answer: In accordance with Section 5.70.041(5) "Cannabis consumption areas only shall provide cannabis to an individual in an amount reasonable for onsite consumption and consistent with personal possession and use limits allowed by the state". However, products "not fully consumed onsite may be taken offsite by the purchaser" (WHMC 5.70.040(15)).

57. If you are an applicant who had a minor possession charge (misdemeanor) in your lifetime (mushrooms, not marijuana), can you still be an applicant or are you disqualified? You took and passed Livescan. No felonies or crimes of moral turpitude.

Answer: In accordance with Section 5.70.030(3)(a) "Neither the applicant, nor any proposed or prospective manager, shall have been convicted of: (a) Any offense relating to possession, manufacture, or distribution of a controlled substance, with

the exception of cannabis related offenses.” Therefore, conviction of an illegal mushroom related crime would disqualify the applicant from meeting the minimum criteria for issuance of a license. However, only the applicant and proposed manager need to meet these requirements (5.70.030(3)), other owners do not.

58. If you plan to build a residential building with shops below, can the shops below be cannabis in nature so long as they meet all the requirements as far as location and zoning are concerned? In other words, is there anything prohibiting cannabis shops from being located beneath residential units?

Answer: A cannabis use would be allowed on the first floor of a mixed residential/commercial building, if it is located in a commercial zone district.

59. I have a question in regards to these following sections of the application. I am curious as to what is required to show this when we submit our application?

- SOP: Financial Plan (Start-up) - Financial plan and/or budget to start the business (based on the business plan and design concept included in the application), including items such as tenant improvements, employee costs, legal costs, consultant costs, initial inventory.
- SOP: Funding (Start-Up) - Demonstration of funding availability to achieve the financial plan detailed in the previous category.
- SOP: Financial Plan (Ongoing Operations) - Financial plan and/or budget to operate the business as described in the application (for example: business pro forma, cash flow, accounting procedures, employees dedicated to financial matters).
- SOP: Funding (Ongoing Operations) – Demonstration or identification of access to operational capital and/or on-going line of credit once business is operational.

Answer: Generally, the applicant should demonstrate their business knowledge and understanding by presenting a financial plan or budget to start and operate the business. This could be in the form of a startup budget and on-going operational budget. The applicant should also explain and/or provide documentation of startup and on-going capital. It is up to each applicant to decide the exact format and amount of financial information to submit within the page limit guidelines, in order to adequately demonstrate their business plan and operational expertise to the evaluation committee.

60. Where state law has no stand-alone consumption license and where retail sales are already controlled under a retail sales license (type 10 or type 9 or through microbusinesses (type 12)), where is the legal justification under the Medicinal and Adult Use Cannabis Regulation and Safety Act for West Hollywood to allow sales of cannabis out of or in a consumption site?

Answer: California Business and Professions Code Section 26200(g). The City created a business license type for: Cannabis Consumption Area with **On-Site Adult-Use Retail**. Therefore, the City-issued license will be aligned with the state-issued adult-use retail license. Please note that the City-issued license will only allow retail sales for **onsite consumption**.

61. I have a question about submitting business financials. Do we need to submit separate financials for each license if they will all be housed under the same roof?

Answer: Yes, each license type requires a separate screening application and will be reviewed independently on its own merits. Please also see response to Question No. 59.

62. Given that the screening application is largely conceptual, if manufacturing is a planned use ancillary to a retail license, what level of detail is required in the initial screening application, and more specifically, would a breakdown (of product offerings, pedigree of management, and incorporation of the financials into the business plan and integration of the manufacturing area into the design concept) suffice for this stage of the application process?" And if so, "Will there be opportunities later, perhaps with application for the business license, to include information relative to the standard operating procedures and compliance policies for manufacturing use?"

Answer: The level of detail of information submitted in support of a cannabis use screening application is at the discretion of the applicant within the stated page limits. If the applicant is chosen to move forward for a business license additional information may be submitted and may be required at that time.

63. Limits on size of consumption area: Originally, consumption areas were set up as an ancillary use to retail, and subject to a size restriction of 50% of the total floor area of the retail space, but now consumption area is a stand-alone license type. I feel it is safe to assume that this restriction does not apply to a standalone consumption area license, because the ordinance allows for multiple licenses at the same location, and has been updated to reflect a restriction only for consumption areas on the same premises as a retail business:

The question centers around the definition of Premises. While not defined in the WeHo ordinance, State cannabis definitions define premises as the designated structure(s) and land specified in the application that is owned, leased, or otherwise held under the control of the applicant or licensee where the commercial cannabis activity will be or is conducted...and since a consumption license and a retail license would be two separate licenses, two separate commercial cannabis activities, they would therefore be located on two separate premises. Consider a situation in which these two businesses have two distinct customer entrances, receive deliveries separately, cater to a different clientele, but are under the same ownership and management. In this situation, the consumption area should not be

limited in size due to being located on separate premises. Is this a correct evaluation?

This separation is further illustrated by the use of premises in the ordinance. Certainly, it is specifically permitted in the ordinance to apply for and obtain a medical retail license and a consumption license, yet entry to the consumption premises would be restricted to 21 and over, and entry to the medical retail premises would be 18+; separate premises with distinct entrance criteria and separate licenses, and therefore should not be restricted in consumption area size.

Furthermore, "if an operator wants to offer a "smoke-free" environment in which to consume edibles, or perhaps an indoor and an outdoor option for their customers, would they be required to partition their space for a maximum aggregate of 1500 square feet? And with that, will cannabis consumption areas for edibles be required to be separated from consumption areas for smoking and vaping for health code reasons?

Answer: Please see the response to Questions 42, 43, and 47 regarding consumption area space requirements.

64. Will WeHo select the social service agencies to verify patients eligible for the Compassion Program?

Answer: The City currently works with a specific social service agency to verify patient eligibility. Once the top applicants are selected, the City will work with the applicants to determine if it is best to continue to this approach.

65. Will there be a pooled fund supported by licensed medical retail dispensaries to pay agencies for their specialized verification services?

Answer: The use of a pooled fund supported by licensed medical retail dispensaries is not required by the City's Municipal Code. Such a fund would need to be operated by the medical-use dispensary owners.

66. Will the eligibility through the Compassion Program allow discounts at all 8 medical retail locations or only the location that facilitated the eligibility verification?

Answer: Only at the location that facilitated the eligibility verification, unless a discount program is set-up for multiple medical-use dispensaries independent of the City.

67. For recalls, can we use a third party company or service to facilitate recalls?

Answer: Yes, if the third party company or service is qualified to do this work.

68. How is WeHo “Standard Operating Procedures” given that it has been applied to the non-standardized Funding Plan elements?

Answer: Please see response to Question No. 59.

69. Can a consumption lounge be reserved for private events?

Answer: Cannabis consumption areas can be reserved for private events that do not exceed the legal capacity of the lounge area and are in accordance with the conditions of the business license and any applicable special event requirements. Information for special events can be obtained from the City’s Event Services Division. Any special event would still be required to limit the age of attendees as required by state and local law.

70. Will a proof of funds commitment satisfy funding requirements?

Answer: That information would be helpful, but each applicant should determine what type of narrative and documentation they believe best illustrates their ability to meet the items listed in the weighting criteria. Please see response to Question No. 59.

71. Can food be served in a cannabis smoking consumption lounge?

Answer: Yes, non-cannabis infused food and cannabis infused food may be served in a cannabis consumption area.

72. With the Adult-use Retail or Medical Retail license, is on-site consumption allowed as an ancillary use without a separate Consumption license? Or does one need one of the 16 Consumption licenses attached to their retail license to operate an on-site consumption business?

Answer: A separate business license will be required for an ancillary cannabis consumption area. See WHMC Section 5.70.040(15).

73. Can our compassion program include patients from Los Angeles County? Or is the program limited to Weho residents only?

Answer: In accordance with Section 5.70.043.14(f)(1) the Compassion Program is for West Hollywood residents only. The City of West Hollywood has maintained this compassion program for many years. This existing program has been incorporated into the City’s new cannabis ordinance through Ordinance No. 17-1016.

74. I am working with a group that will be applying for WeHo cannabis business licenses in the following three categories: 1. Adult-Use Retail Business License; 2. Consumption Area (smoking, vaping, ingestion) with On-site Adult-Use Retail (sales of products to be consumed on-site) Business License; and 3. Cannabis Delivery Services License. If the group is only awarded a Consumption Area license (and not awarded licenses in either of the other two categories above), will the business be permitted to sell cannabis products to customers on-site for consumption off-site from the business?

Answer: No.

If the group is awarded both a Consumption Area license and a delivery services license (but not an adult-use retail business license), will the business be permitted to sell cannabis products on-site to customers for consumption or off-site from the business?

Answer: Yes, but there would be specific regulations. The consumption area can sell cannabis products onsite for consumption; pursuant to WHMC Section 5.70.041(8) those products can be derived from three sources, including being produced onsite. The consumption area license does not specifically allow for delivery, so the items produced onsite (for consumption onsite) could not be delivered. However, if the applicant were also to have a delivery license they could deliver products to customers, but those products could not be produced onsite and would need to meet state packaging and size regulations for retail purchases.

75. Do all owners need to be fingerprinted for the screening application?

Answer: The owners are not required to be fingerprinted for a background check for the screening application. This will be required for the applicant and manager prior to issuance of a business license. See WHMC Section 5.70.030(3).

76. The weighting criteria for Sub-Section 1A focuses on the uniqueness of the proposed business model. Does the City have any examples of what it considers "unique" as a business model (other than "the applicant's understanding and description of the market the business plans to serve ...")?

Answer: The City of West Hollywood is a vibrant City with many different and unique businesses, and it is the City's goal to have cannabis businesses that are also unique. Applicants should familiarize themselves with the City and the type of businesses that are already in the City. The City will not be providing examples of unique businesses. The composition of a "unique" business plan is at the discretion of the applicant.

77. West Hollywood Municipal Code Section 5.70.035(3)(h) provides that one of the criteria is for information demonstrating the applicant's ability to operate in a safe and responsible manner in the City, including "innovative boutique business models consistent with the West Hollywood community." Does the City have examples of business models that would - or would not - be consistent with the West Hollywood community?

[Answer:](#) Please see the response to Question No. 76.

78. From the weighting criteria for Sub-Section 1B, the City is clearly interested in a demonstration of the applicant's understanding of the City of West Hollywood's "unique" aspects. What are some examples of what the City considers to be "unique" aspects of West Hollywood?

[Answer:](#) Please see the response to Question No. 76.

79. For consumption lounges, the weighting criteria indicate that a maximum of "0" points can be awarded for online ordering systems and medical cannabis discounts. Does this mean that consumption lounge applicants are prohibited from incorporating online ordering systems and medical cannabis discounts into their business plans?

[Answer:](#) All cannabis products are required to be ordered and fully consumed at a cannabis lounge, so there wouldn't be a need for an online ordering system. The consumption lounge licenses are for "adult-use retail" and do not include medical.

80. Does the City have any examples of the "environmentally conscious business practices" referenced in Sub-Section 1C of the weighting criteria?

[Answer:](#) No, this would be at the applicant's discretion.

81. Does the City have any examples of the "business practices or characteristics demonstrating a focus on social equity" (other than "individuals from minority groups involved in the business or ownership") referenced in Sub-Section 1D of the weighting criteria?

[Answer:](#) No, this would be at the applicant's discretion.

82. Will the City provide access to the City's "design guidelines" referenced in Section 2 of the weighting criteria? (These design guidelines do not currently appear on the City's cannabis page.)

[Answer:](#) The design guidelines have been posted on the City's cannabis webpage.

83. In Section 4 of the weighting criteria, the "cannabis industry knowledge" criterion can be awarded up to 10 points for every license type except consumption lounges. Is there a reason for this difference in weighting of "cannabis industry knowledge" between consumption lounges and every other license type?

Answer: Yes, for a consumption lounge the "industry knowledge" is divided between the restaurant/bar industry (5 points) and the cannabis industry (5 points). This division of points is because it is likely that consumption lounges will be operated similar to a bar or restaurant, thus knowledge of this industry is important.

84. Based on the language in the ordinance, it seems clear that an on-site consumption license may be granted ONLY to an applicant who is also awarded a retail license. That said, in the Q&A responses that were published, there are multiple references to a "stand-alone consumption lounge," for example, in the response to question 42, which reads, "Consumption lounges are allowed either as stand-alone or ancillary to adult-use retail or medical dispensary". We have been confused about this as it seems to contradict the ordinance, but perhaps our interpretation was incorrect. In the context of the Q&A, it seems that a "stand-alone consumption lounge" is not referring to the license type, but rather is referring to the consumption lounge being in a separate location/building than the licensed retail space. Can you confirm that this is the correct interpretation? Will licensees be allowed to locate a consumption lounge separately from their retail space, and by doing so, are not restricted to the 1500 square feet limit?

Answer: Consumption areas may be either a stand-alone use or an ancillary use to an Adult-Use Retail license or Medical Dispensary. Consumption areas may be a standalone use that would not be subject to the 1,500 square foot size limit that applies to an adult-use retail business with an ancillary consumption area. These uses are discussed in WHMC Section 5.70.041. The consumption area license is separate from adult-use and medical-use retail license. The consumption area license allows the licensee to sell cannabis products to customers (retail) only in an amount reasonable for onsite consumption and in conformance with the personal possession limits in state law. By way of illustrative example only, the retail store with ancillary consumption license may function similar to a wine store with an ancillary tasting area. The stand-alone consumption use may function more like a bar or cafe where the primary purpose is to consume the product sold onsite.

85. If a building is a total of 5,000 square feet and additionally has an outside protected/private area that is not accounted for in the building's total square footage, can the outside area be used as an extension to an ancillary (on-site with retail) consumption lounge, in addition to the 1500 sq. ft. max interior lounge, so long as it is in full compliance of all other regulations?

Answer: The total square footage of an interior and exterior consumption area that is ancillary to an adult-use retail use is 50% of the total floor area or 1,500 square feet, whichever is less. Any area where cannabis can be consumed should be considered a part of the 1,500 sq.ft.

86. Is payment required when you submit the application? What happens to payment if application is denied? Any reason why it would be denied? Any tips? Is store front required?

Answer: Proof of payment is required as a part of the application package, which must be submitted no later than May 31, 2018. The application fee is non-refundable (if the applicant is not selected) because the fee covers the cost of reviewing the screening applications and administering the screening application process. Please see the City's cannabis web page www.weho.org/cannabis for detailed instructions regarding the application submittal and screening process. A limited number of applicants will be selected to apply for business licenses by an evaluation committee. No tips for potential applicants are available other than the information offered on the webpage. A store front or physical location is not required to submit a cannabis use screening application. If chosen to move forward in the process, a physical location will be needed prior to issuance of a zone clearance and business license.

87. It is our understanding that receiving a "Cannabis Consumption Area with On-Site Adult-Use Retail" license is only possible if the applicant also has been selected for an "Adult-Use Retail" license. We are operating under the understanding that the Consumption Area, whether connected to the Adult Use Retail space or operating in a separate location, may sell cannabis in conjunction with the Adult-Use Retail license but with the additional On-Site consumption limitation. Others we have spoken to believe that the "Cannabis Consumption Area with On-Site Adult Use Retail" is a separate license not tied to the more specific "Adult Use Retail" license. They say that the "Cannabis Consumption Area with On-Site Adult Use Retail" can be awarded independently from the "Adult-Use Retail" license, only allowing for retail sales On-Site. Could this be clarified, please?

Answer: A separate adult-use retail license is not required to operate a standalone consumption area, which includes a retail license to allow the licensee to sell cannabis to customers for onsite consumption. Therefore, only a consumption area license is required for a stand-alone consumption area. See answers to Questions Nos. 38 and 84 above. Please also see WHMC Section 5.7.041 that governs consumption areas.

88. If our understanding above is correct regarding a "Cannabis Consumption Area with On-Site Adult-Use Retail" license only being possible if the applicant also has been selected for an "Adult-Use Retail" license, what is the difference between what is referred to as the "ancillary" consumption area in the Q&As which is limited to 1500 sq/ft, and the separate consumption area that has no size limitation. Does

the no size limitation apply for the Consumption Area if it is located at a separate address but possibly next door to the linked Adult-Use licensed site?

Answer: See the answer to Question No. 87 above.

89. Just wanted to clarify now that the weighting criteria has been released that other than forms being filled out and cover letter the entire application can only be at max 50 pages of text and 25 pages of images? Or is that only for a specific portion of the application i.e. the business plan?

Answer: The entire application for each license type must be a maximum 50 pages of text/narrative and 25 pages of images.

90. Can you tell me if/when Live Scans for applicants are due? I'm looking through the RFP and I don't see anything referencing Live Scans. Is this part of Phase1?

Answer: Applicants for screening applications do not need to go through the LiveScan process. The LiveScan process will take place in Phase 2; if the applicant is scored as one of the top applicants.

91. The Applicant/Owner Information Form says that we must include a type of government issued ID form and identification number for all non-owners with a financial interest, what is the City asking for and where do we include it?

Answer: The language is incorrect and will be changed. Only name, birth date, and ownership percentage needs to be provided for non-owners with a financial interest.

92. For the Applicant/Owner Information Form, what information do we include for Owners and/or Non-Owners with a Financial Interest if they are an entity and not an individual?

Answer: Entity name and any applicable information shown on the form (for example, a birth date would not need to be listed for the entity).

93. If an individual does not have equity in the Applicant, but has an interest in an entity that has equity in the Applicant, does that individual need to be listed on the Applicant/Owner Information Form as a Non-owner with a Financial Interest? If so, how far removed do we need to go? For example, if Entity A owns 5% of the Applicant, and 15 other entities own Entity A, and multiple entities and individuals have some percentage of ownership in those other 15 entities, are the 15 entities required to be listed? Are the individuals who have any ownership in the 15 entities required to be listed?

Answer: No, the entity should be listed as a non-owner with a financial interest.

94. Subsection 1C of the weighted criteria ask for SOPs, does the City want applicants to provide their actual SOPs or a description of the SOPs in narrative form? If it is the former, how does the City expect an applicant to include SOPs for each of those items in the 50 page limit?

Answer: It is up to the applicant how they would like to present the information within the page limitation. However, be aware that the application evaluation committee will be reviewing numerous applications, with this in mind applicants may wish to make their applications as easy to read, understand, and digest as possible.

95. Under Section 4: Experience, the Experience section is states in part, "Quality and Quantity (number of years) of experience in the cannabis industry (or a similarly state regulated industry) of the individual (or individuals) that will be directing, controlling, and/or managing the day-to-day operations of the business. Individual (or individuals) must also be considered an owner (based on the State definition of owner; see State Business and Professions Code 26001)." Does this description include those with direction, control, or management of the applying entity when they do not own equity in the applying entity?

Answer: Yes, if the individual meets the State definition of owner they will be considered an owner within this section.

96. Can actual SOPs be included as part of the 25 pages allotted for images and graphics? Can we include tables and graphs as images? Can items like letters of support and Letters of Intent or Agreements with cultivators or local businesses be included as part of the 25 pages allotted for images and graphics?

Answer: No, the 25 pages are limited to pictures, such as design renderings, pictures of products, etc... The reason for the page limitation is to expedite the review process, since a large number of applications may be received by the City, and all applications will be reviewed by each member of the application evaluation committee. Applicants should strive to make their submittals concise, as well as easy to read and review.

97. I'm in the beginning phases of planning a cannabis- focused business in West Hollywood. I found the website today and realized applications start tomorrow and go until the end of this month which is a bit of a rush for me. Is this the only time I can apply? Is there a chance my application will be denied? If it is, is the fee returned?

Answer: Yes, this is the only time to file an application (May 2 through May 31, 2018) to apply for the initial cannabis license applications available in the City. The fees are nonrefundable and only a limited number of applications will be selected to move forward in the business license process. Please check the website and application information packet for further information.

98. One of the components is developing a Community Engagement Plan. I have a question regarding establishing local business partnerships under section 1B.4. What does partnering with small businesses look like? Does this mean formal partnerships or featuring products from other businesses?

Answer: The details and structure of a Community Engagement Plan are at the discretion of the applicant. Local business partnerships could mean a variety of things; by way of example only, purchasing goods/services from local businesses, featuring products from local businesses, or cross promotions.

99. California law states that THC items need to be sold to the consumer as the “final product”. What is “final product” with regard to food and drinks infused with THC? Can it be the vile of THC so that we can mix it with juices and syrups?

Answer: The City is not the entity that can answer this question and we encourage applicants to seek further clarification from the entities that do. Edible cannabis product regulations, including packaging, testing and labeling requirements, are regulated by the State of California Bureau of Cannabis Control and the Los Angeles County Public Health Department. Licensees are required to comply with all applicable state licensing, packaging and testing requirements, including any applicable final form testing requirements. Questions about state licensing and testing requirements can be directed to: bcc@dca.ca.gov.

100. Can cannabis be consumed (smoke or ingest) where food and/or drinks are served?
- If yes, how, when, under what conditions and according to which body of law, rules, regulations?
 - If No, what are the outer limits, i.e. distance requirements, physical limits, etc.?

Answer: Cannabis can be consumed in the same location where food and/or non-alcoholic drinks are served. Alcoholic drinks and tobacco cannot be served or consumed where cannabis products are sold or consumed.

101. Does state of CA tobacco laws apply to a cannabis lounge regarding “smoke”? Is there any other governing rules?

Answer: No

102. Can we cook/bake food that has THC in it or does it have to be prepackaged from offsite and served? If yes, what body of law governs?

Answer: Yes, cannabis infused foods can be prepared onsite; however, they will need to meet State final product testing requirements. See the answer to Question 26 as well.

103. Are baked cannabis foods considered smoke or food?

Answer: They are considered cannabis infused food (edible products).

104. Do “private smoke lounge” laws/regulations apply to cannabis lounges? If yes, what body of law governs?

Answer: No, private smoke lounge laws/regulations only apply to tobacco related products.

105. Does retailer with smoke lounge laws/regulations apply to cannabis lounges? If yes, what body of law governs?

Answer: No, see WHMC Section 5.70.041 for cannabis lounge regulations. Also see, WHMC Section 7.08.030 for smoking regulations.

106. As a standalone lounge, can a customer purchase cannabis tableside and smoke it at table?

- a. With food or without?
- b. If not, do they have to take it to another section of the lounge without smoke?
- c. Does that section have to be outdoors?
- d. Can they serve drinks there, but not food?

Answer: A customer in a consumption area may purchase cannabis, food, and non-alcoholic drinks tableside and consume them anywhere within the lounge. The business must comply with WHMC Section 5.70.041.

107. If we have a standalone lounge that serves food, cannabis flower (for smoking), vape, and cannabis ingestible/consumables (food & drink), what are all bodies of law that govern us (e.g.) the State Dept. of Cannabis Regulations, WeHo muni code and ordinances, LA County Dept of Health Regulations, state of California Dept. of Health Regulations)?

Answer: Yes, all of these agencies would have some oversight. Please contact these agencies for specific information regarding their regulations. State questions can be directed to: bcc@dca.ca.gov.

108. In Cannabis Ordinance & Application Process Questions, Comments & Answers of April 20, 2018, there were two questions that were under review and answers were to be provided as soon as review was complete. Please refer to Question 41 and Question 44 thereto. Do you have an answer to these questions?

Answer: Please see completed answers to Questions 41 and 44.

109. For the application; would a page with cash flow or a P&L count as one of the 50 text pages, or would it be one of the 25 picture pages?

Answer: Yes, this information would count to one of the 50 text pages.

110. Can we use font 11 point size or bigger? Or must all text be 11 point size?

Answer: 11 point font size is the minimum and preferred text size for narrative sections. Headers and other title blocks may be a larger size.

111. Of the eight (8) licenses that will ultimately be issued for Medical Dispensary in WeHo, will the four existing automatically be granted one of the eight or are the eight in addition to the four existing should the existing all respond with their intent to continue operating by May 31 and renew their business licenses? Additionally, should one of the four existing confirm their intent to continue, are they able to move their location or are they required to remain in the same location where they operated prior to January 1, 2018?

Answer: Please see the answer to Question No. 15. The four existing medical dispensaries may apply for four of the eight available medical retail licenses without having to comply with the scoring requirements in Section 5.70.035. A change of location is allowed, as long as they comply with regulations in the ordinance.

112. Can Delivery businesses pull product from an adult use and medicinal license site or does it have to maintain and track separate inventory?

Answer: No, a delivery service cannot pull product from an adult-use or medical use business unless it is under the same ownership and same premises as these uses (for example, if a retail location also has a delivery license, they can deliver their product, but not products from other retail locations).

113. What is the reasoning behind limiting the space for consumption to 1,500sf when linked to an adult use or medicinal retail license? When in reality when you have to acquire a separate consumption license?

Answer: The reason for the size limitation is because the City wants to encourage a variety of different businesses, and wants to discourage locations with a retail and consumption license from becoming primarily consumption areas (i.e. the retail space is 250 sq. ft. and the consumption area is 2,000 sq. ft.). The goal of having a variety of licenses was to have a variety of businesses, by having a maximum square footage for the ancillary consumption it assures that there will also be some businesses that are substantially retail.