

ORDINANCE NO. 17-1016

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST HOLLYWOOD, APPROVING AMENDMENTS TO THE MUNICIPAL CODE AND ZONING ORDINANCE TO REGULATE CANNABIS USES.

THE CITY COUNCIL OF THE CITY OF WEST HOLLYWOOD DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The City of West Hollywood initiated amendments to the Municipal Code and Zoning Ordinance to adopt new regulations for cannabis uses in response to recent changes in state law.

SECTION 2. A public meeting was duly noticed for the Business License Commission meeting on October 3, 2017 in the Beverly Press and West Hollywood Independent on September 21, 2017. In addition to the noticing required by the Municipal Code, the Code Compliance Division noticed all West Hollywood neighborhood groups by September 21, 2017.

SECTION 3. A public hearing was duly noticed for the Planning Commission meeting of October 5, 2017 by publication in the Beverly Press newspaper, the West Hollywood Independent Newspaper, and the City website and by announcement on City Channel 6 by September 21, 2017.

SECTION 4. The West Hollywood City Council properly reviewed and considered this matter at a public hearing on November 6, 2017. Public Notice of the hearing was advertised by publication in the West Hollywood Independent and Beverly Press on October 26, 2017. Notices were mailed to all West Hollywood Neighborhood Watch groups on October 26, 2017.

SECTION 5. The proposed zone text amendment is Categorically Exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061 of the CEQA Guidelines. Section 15061 states that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Cannabis businesses will be required to meet all local, state, and federal health and safety regulations to ensure that there are no significant environmental impacts to the cannabis use sites and surrounding properties. The businesses authorized under this ZTA are similar to already existing permitted general uses such as retail, with the only difference being the product sold or consumed (i.e. cannabis). The ZTA does not change the zoning for any properties and these general categories of uses are already permitted by right, meaning that they do not create negative environmental impacts or result in physical changes to the environment. There are no outdoor commercial cultivation activities permitted under this ordinance.

SECTION 6. The West Hollywood City Council hereby finds that the Municipal Code Amendments and Zone Text Amendment are consistent with the Primary Strategic Goals in the City of West Hollywood General Plan: (1) Adaptability to future change and (2) Institutional Integrity. The proposed ZTA is also compliant with other General Plan goals: G-2, maintain transparency and integrity in West Hollywood's decision-making process and LU-2, maintain a balanced mix and distribution of land uses that encourages strategic development opportunities and mobility choices within the City

SECTION 7. Section 5.08.010, Businesses Required to be Licensed, of Chapter 5.08 of Title 5 of the West Hollywood Municipal Code is amended to read as follows:

No person shall commence, conduct or purport to commence or conduct the following business activities without a valid business license:

1. Adult bookstores¹
2. Animal grooming
3. Billiards
4. Bingo
5. Cannabis Use - Adult-Use retail³
6. Cannabis Use - Consumption Areas with on-site Adult-Use retail³
7. Cannabis Use - Delivery Services³
8. Cannabis Use - Medical-Use dispensary³
9. Card or game clubs²
10. Carnivals and concessions
11. Coin-operated games and game arcades¹
12. Dance¹
13. Entertainment¹
14. Escort bureaus¹ and introductory services¹
15. Extended hour businesses¹
16. Fortunetelling
17. Gun dealers^{1, 2, 3}
18. Health clubs
19. Locksmith
20. Massage parlors¹ and technicians
21. Model studios¹
22. Motor vehicle rental
23. Pawnbrokers and secondhand dealers
24. Peddlers and commercial solicitors
25. Picture arcades¹
26. Private patrol service
27. Promoters
28. Public eating places and food establishments
29. Tanning salon
30. Tobacco retailers¹
31. Tow trucks²

32. Valet parking²

Notes:

1. Indicates that the relevant business activity requires a licensed manager pursuant to Section 5.04.050.
2. Indicates that the relevant business requires insurance pursuant to Section 5.08.120.
3. Indicates that in addition to requiring a business license such business activities shall require a hearing before the Business License Commission before licensing.

SECTION 8. Chapter 5.70 of Title 5 of the West Hollywood Municipal Code is amended in its entirety to read as follows:

Chapter 5.70 Cannabis Uses

5.70.10 Definitions.

The definitions for cannabis uses in this Chapter shall be as defined in Section 19.90.020 of the Municipal Code.

5.70.020 Application Information.

In addition to the information prescribed by the Director pursuant to the authority set forth in Section 5.08.040, all applications for a license to conduct a cannabis adult-use retail establishment, consumption area, delivery service, or a cannabis medical-use dispensary shall contain the following information. Business license applications may be accepted without having secured a physical business location; however, a physical location shall be required prior to issuance of a business license by the City.

1. If the proposed business has a current or proposed physical location, the following information shall be required at the time of application (or the following information shall be submitted prior to license issuance if location is secured after application is made). In the event the applicant is not the owner of record of the real property upon which the cannabis business is, or is to be, located the application must be accompanied by a notarized statement and consent from the owner of the property acknowledging that a cannabis business is or will be located on the property. In addition to furnishing such notarized statement, the applicant shall furnish the name and address of the owner of record of the property, as well as a copy of the lease or rental agreement pertaining to the premises in which the cannabis business is or will be located;
2. A security plan, including, but not limited to, lighting, alarms and security guard arrangements;
3. An executed release of liability and hold harmless in the form set forth in the city's application form;
4. A description of the procedure for documenting the source of the cannabis to be dispensed by the cannabis use. If the cannabis is cultivated or

manufactured off-site, documentation that the off-site location is compliant with the zoning regulations of the jurisdiction in which it is located;

5. Text and graphic materials showing the site in the context of the immediate neighborhood and floor plan of the facility;

6. A description of the screening, registration and validation process for qualified medical cannabis patients and that purchasers of medical-use cannabis are 18 years of age or older and adult-use cannabis are 21 years of age or older;

7. A description of qualified patient records acquisition and retention procedures for medical-use dispensaries;

8. A description of the process for tracking cannabis quantities and inventory controls, including on-site cultivation (if any), processing and cannabis products received from outside sources;

9. A description of measures taken to minimize or offset energy use from the cultivation or processing of cannabis plants and products, if these uses are proposed as ancillary uses under Section 19.36.030;

10. A description of chemicals stored or used on-site and any effluent proposed to be discharged into the city's wastewater or storm water systems;

11. Authorization for the city to verify the information and representations contained in the application;

11. Delivery Services Application. A description of any cannabis delivery service, including number of delivery vehicles, location of vehicle storage, and extent of delivery area;

12. If consumption, cultivation, retail sales, dispensing, or manufacturing is a planned part of the business, a description and plan of the odor control system to be utilized, such as roof ventilation and/or carbon air filtration, or other applicable odor control as required for compliance with Sections 5.70.040(11), 5.70.041(11), and 5.70.043(16).

13. If onsite consumption (including smoking, vaping, and ingestion of edible cannabis products) is a planned part of the business, provide a description of the consumption area. The onsite consumption plan must include:

(a) the secured location of the onsite consumption area clearly identified as part of the site plan;

(b) a detailed description of the limit of visibility from any public place or non-age-restricted area (e.g. types of windows used, and/or example elevations as seen from the public right-of-way); and

(c) a detailed description of how access will be limited to persons 21 years of age or older.

(d) If smoking and vaping of cannabis products is proposed, a detailed description of compliance with Section 7.08.03 (Smoking) in the Municipal Code.

14. If manufacturing or cultivation is a planned part of the business as ancillary uses under Section 19.36.030, a Hazard Analysis Plan or equivalent document must be submitted to and approved by the Los Angeles County Fire Department as part of the application.

15. A zone clearance and review and approval of the façade consistent with this application shall be obtained before a business license will be issued.

5.70.030 Minimum Criteria for Issuance of a License.

1. The applicant, and any existing or prospective manager, must be at least twenty-one years of age.

2. The applicant, or any existing or prospective manager, must not have had a similar type of license previously revoked or denied for good cause within the immediately preceding two years prior to the license application.

3. The applicant and proposed manager shall undergo a background investigation by the Los Angeles County Sheriff's Department. Neither the applicant, nor any proposed or prospective manager, shall have been convicted of:

(a) Any offense relating to possession, manufacture, sales, or distribution of a controlled substance, with the exception of cannabis related offenses;

(b) Any offense involving the use of force or violence upon the person of another

(c) Any offense involving theft, fraud, dishonesty or deceit.

For purposes of this subsection 3, a conviction includes a plea or verdict of guilty or a conviction following a plea of *nolo contendere*.

4. The location for which the license is sought shall not be located within six hundred feet of a day care center, youth center or school, and otherwise comply with Sections 7.08.030, 19.10.030, 19.36.091, 19.36.092, 19.36.093, 19.36.340, 19.90.020, of the Municipal Code. For purposes of this Section, youth center shall have the same definition as in Health and Safety Code Section 11353.1; day care center shall have the same meaning as in Health and Safety Code Section 1596.76; and school shall mean any property containing a structure which is used for education or instruction, whether public or private, at grade levels kindergarten through 12.

5. There shall be no more than the following number of cannabis business licenses issued at any one time in the following activity categories (a) – (e):

(a) Eight (8) Adult-Use Retail Business Licenses.

(b) Eight (8) Consumption Area (smoking, vaping, ingestion) with On-Site Adult-Use Retail (sales of products to be consumed on-site) Business Licenses

(c) Eight (8) Consumption Area (edible ingestion only) with On-Site Adult-Use Retail (sales of products to be consumed on-site) Business Licenses

(d) Eight (8) Medical-Use Dispensary Business Licenses

(e) Eight (8) business licenses for cannabis delivery services located in West Hollywood and no limit on the amount of business licenses issued for cannabis delivery services that are located outside the City limits and deliver cannabis to customers within the City of West Hollywood.

6. A separate business license is required for each cannabis business activity listed in this subsection (5) and multiple cannabis business activities are allowed at one location.

7. No separate cannabis business license is required for cannabis testing laboratories.

8. An applicant may not apply for, or possess, more than one of the same type of cannabis license.

5.70.035 Application Period, Scoring, and Review

1. There shall be an initial 30-day application period to be determined by the City Manager, or designee. Subsequent application periods shall commence upon certification by the City Manager, or designee, that additional Cannabis Licenses are available and shall close 30 days after such certification.

2. An application evaluation committee composed of at a minimum three (3) individuals with demonstrated experience in either city government or the cannabis industry, with no business interests in the City of West Hollywood shall be appointed by the City Manager to review and score each application based on the general criteria listed below. The specific criteria and weighting (points per criteria) for each license type will be determined prior to the commencement of the initial application period and posted publically. Each application will be independently scored by the evaluation committee members.

3. The following general criteria shall be used to rank applications:

(a) Previous adult-use retail, medical-use dispensing, or consumption area operation experience that was subject to state cannabis regulation, or experience in a similarly state-regulated activity (by way of example and not limitation, alcohol sales).

(b) Ability to demonstrate the quality of cannabis strains and derivative product offerings.

(c) Employee training, standard operating procedures, online ordering systems and procedures for providing cannabis to disadvantaged or disabled persons.

(d) Social equity in terms of provision of providing a living wage and employee benefits and compliance with local, state, and federal employee non-discrimination policies.

(e) Security program.

(f) Pre-existing West Hollywood Cannabis Business that has no outstanding code violations with the City and is in compliance with local and state laws.

(g) Ability to meet City of West Hollywood Urban Design Standards.

(h) Additional information that demonstrates the ability to operate in a safe and responsible manner in the City, including without limitation a review of the quality and thoroughness of application materials, connection to West Hollywood, ability to serve West Hollywood, familiarity with the City, and innovative boutique business models consistent with the West Hollywood community.

4. Prior to scoring applications City staff shall review applications for general compliance with the City's Municipal Code or any other applicable laws, and shall reject any application which does not meet such requirements. Rejected applications shall not be scored. The City shall also disqualify any application that contains any false or misleading information.

5. The scores awarded by the application evaluation committee shall be totaled and averaged for each applicant. The applicants shall then be ranked from highest to lowest based on their scores.

6. The top eight (8) applicants in each license category (or applicants applying for vacated licenses) based on points are required to secure a viable business location if one has not been secured and apply for and obtain a Zone Clearance, (Section 19.42 of the Municipal Code) from the West Hollywood Community Development Department after being notified that their application has been accepted and ranked as one of the top eight (8) applicants.

7. Business license applications for the top ranked applicants (8 in each category) that have obtained a Zone Clearance from the City are required to be reviewed and approved by the Business License Commission prior to issuance of a business license by the City.

8. If any of the top eight (8) ranking applicants in each license category has not secured a business license from the City within 12 months of the City notifying them they were one of the top eight (8) ranking applicants, their ability to obtain a business license, shall terminate.

9. Applicants that have approved licenses issued by the City shall obtain a license from the state, as well as any other required local permits from the City (i.e. building permits) or other local agencies (i.e. Los Angeles County Fire Department, Sheriff's Office, or Health Department) prior to operating a cannabis business in the City.

10. Sales of cannabis to a minor or use of a minor to distribute cannabis are disqualifying offenses.

5.70.040 Adult-Use Retail - Operating Requirements.

All adult-use retailers in the city shall operate in conformance with the following operating requirements:

1. Security shall comply with the following minimum standards:

(a) Adult-Use retail businesses shall provide adequate security and lighting on-site to ensure the safety of persons and protect the premises from theft at all times in conformance with the security plan submitted with the license's application.

(b) All security guards employed by adult-use retail businesses shall be licensed and possess a valid Department of Consumer Affairs "Security Guard Card" at all times. Adult-use retailer's security guards shall not possess firearms or Tasers.

(c) Adult-use retail businesses shall provide a neighborhood security guard patrol for a two-block radius surrounding the business during all hours of operation.

2. There shall be no on-site sales of alcohol or tobacco products, and no on-site consumption of alcohol or tobacco products by patrons or employees.

3. Hours of operation shall be limited to: Monday through Sunday, 6:00 a.m. to 2:00 a.m., or as further limited by the Business License Commission.

4. Adult-Use retailers shall notify patrons of the following verbally and through posting of a sign in a conspicuous location readily visible to persons entering the premises:

(a) Patrons must leave the site and not consume cannabis until at home or in an equivalent private location, unless the adult-use business has a valid cannabis consumption license issued by the City. Adult-Use retail employees shall monitor the site and vicinity to ensure compliance.

(b) Entry into the premises by persons under the age of twenty one is prohibited.

5. Adult-Use retail businesses shall only provide cannabis to an individual in an amount consistent with personal possession and use limits allowed by the state.

6. Adult-Use retail businesses shall provide law enforcement and all neighbors within one hundred feet of the business with the name and phone number of an on-site community relations employee to notify if there are operational problems with the establishment.

7. Adult-Use business operator(s) shall attend regular meetings with the Los Angeles County Sheriff's Department, Los Angeles Fire Department, and City Public Safety Department staff to review public safety issues associated with the operations.

8. Adult-Use retailers shall dispense cannabis only from the following sources:

(a) Limited ancillary cultivation of cannabis on-site is permitted. The space devoted to cultivation and manufacturing (as outlined in Section 5.70.040(13)) shall not exceed twenty-five percent of the total floor area, but in no case more than one thousand five hundred square feet or greater than ten feet in height, and be in compliance with Section 19.36.030.

(b) From an off-site location cultivated in accordance with applicable state law and zoning regulations in the jurisdiction in which it is cultivated.

9. West Hollywood City Code Compliance Officers, West Hollywood Sheriff's Deputies, Los Angeles Fire Department staff, or other agents or employees of the City requesting admission for the purpose of determining compliance with these standards shall be given unrestricted access.

10. Adult-use retailers shall comply with the provisions of State law.

11. Adult-Use retailers shall have a responsible person on the premises to act as manager and supervise employees at all times during business hours.

12. An odor absorbing ventilation and exhaust system shall be installed so that odor generated inside the business is not detected outside the property or lease area boundaries, or anywhere on adjacent property or public rights-of-way, or within any other unit located within the same building as the cannabis use.

13. Delivery of cannabis from adult-use retailers to customers in West Hollywood and surrounding areas is permitted, in accordance with operating requirements in Section 5.70.042 Delivery Services below.

14. Adult-Use retailers shall be permitted to manufacture cannabis derivatives and products subject to the following requirements:

(a) Limited ancillary manufacture of cannabis derivatives and products is permitted. The space devoted to manufacturing and cultivation (as

outlined in Section 5.70.040(8)(a)) shall not exceed twenty-five percent of the total floor area of the retail space, but in no case more than one thousand five hundred square feet.

(b) Cannabis manufacturing shall be ancillary to the adult-use retail business in compliance with Section 19.36.030, and no stand-alone manufacturing or production businesses shall be allowed.

(c) Cannabis manufacturing shall be subject to local, state, and federal health and safety regulations.

5.70.041 Cannabis Consumption Area with On-Site Adult-Use Retail - Operating Requirements.

All cannabis consumption areas in the city shall operate in conformance with the following operating requirements:

1. Security shall comply with the following minimum standards:

(a) Cannabis consumption areas shall provide adequate security and lighting on-site to ensure the safety of persons and protect the premises from theft at all times in conformance with the security plan submitted with the license application.

(b) All security guards employed by cannabis consumption areas shall be licensed and possess a valid Department of Consumer Affairs "Security Guard Card" at all times. Consumption areas security guards shall not possess firearms or Tasers.

(c) Cannabis consumption areas shall provide a neighborhood security guard patrol for a two-block radius surrounding the business during all hours of operation.

2. There shall be no on-site sales of alcohol or tobacco, and no on-site consumption of alcohol or tobacco products by patrons or employees. The on-site sale of food is permitted.

3. Hours of operation shall be limited to: Monday through Sunday, 6:00 a.m. to 2:00 a.m., or as further limited by the Business License Commission.

4. Cannabis consumption areas shall notify patrons of the following verbally and through posting of a sign in a conspicuous location readily visible to persons entering the premises:

(a) Entry into the premises by persons under the age of twenty one is prohibited.

5. Cannabis consumption areas shall only provide cannabis to an individual in an amount consistent with personal possession and use limits allowed by the state.

6. Cannabis consumption areas shall provide law enforcement and all neighbors within one hundred feet of the business with the name and phone number of an on-site community relations employee to notify if there are operational problems with the establishment.

7. Cannabis consumption area operator(s) shall attend regular meetings with the Los Angeles County Sheriff's Department, Los Angeles Fire Department, and City Public Safety Department staff to review public safety issues associated with the operations.

8. 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.

9. West Hollywood City Code Compliance Officers, West Hollywood Sheriff's Deputies, Los Angeles Fire Department staff, or other agents or employees of the city requesting admission for the purpose of determining compliance with these standards shall be given unrestricted access.

10. Cannabis consumption areas shall have a responsible person on the premises to act as manager and supervise employees at all times during business hours.

11. An odor absorbing ventilation and exhaust system must be installed so that odor generated inside the business is not detected outside the property or lease area boundaries, or anywhere on adjacent property or public rights-of-way, or within any other unit located within the same building as the cannabis use.

12. Depending on the type of cannabis consumption areas business license issued by the City, the consumption area shall be limited to one of the following cannabis consumption methods:

- (a) Consumption of cannabis by smoking, vaping, and ingestion; or
- (b) Consumption by ingestion only.

13. Cannabis consumption areas shall be permitted subject to the following requirements:

(a) Cannabis consumption areas shall not be visible to the public or by any persons under 21 years of age

(b) No sale or consumption of alcohol or tobacco is allowed on the licensed premises.

(c) No one under 21 years of age is allowed in the consumption area.

(d) Cannabis consumption areas that are ancillary to adult-use or medical-use retail premises shall also comply with the following:

i. The space devoted to cannabis consumption 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 one thousand five hundred square feet.

ii. Cannabis consumption areas shall be well-ventilated private areas that are partitioned off from access to all other areas of the retail establishment and are designed to prevent the flow of smoke to any other area of the establishment.

14. Cannabis consumption areas that allow smoking and vaping shall comply with Section 7.08.03 Smoking of the Municipal Code

15. Conduct of Patrons. The cannabis consumption area shall do the following to encourage appropriate patron conduct:

(a) Make an announcement at closing requesting patrons to respect the residents of the adjacent residential neighborhoods by being quiet when leaving;

(b) Post signs at locations clearly visible within the consumption area and at both on- and off-site parking areas, requesting patrons to respect residents

of adjacent residential neighborhoods by being quiet when leaving and reminding patrons of the existence of permit parking districts within the neighborhoods adjacent to the consumption area.

(c) Cut off service to impaired patrons and provide information on car services.

16. Employee Training and Customer Education.

(a) The business shall train their employees about the various products the consumption area sells, including potency of the products, absorption time, and effects of the products.

(b) Employees shall educate all customers as to the items mentioned in subsection (a), in an effort to ensure responsible consumption.

17. Noise. The structure housing the consumption area shall be adequately soundproofed so that interior and exterior noise is not audible beyond the property line and shall comply with Chapter 9.08, Noise Ordinance.

18. The management of the consumption area shall:

(a) Place and properly maintain solid waste receptacles and recycling bins, in sufficient numbers and locations to service the needs of the proposed use at peak business periods, in compliance with Section 19.20.180 (Solid Waste and Recyclable Materials Storage).

(b) Ensure that the consumption area property and all areas within at least 100 feet of the consumption area are free of any waste or litter generated by the use, by 7:00 a.m. following each night of operations.

5.70.042 Cannabis Delivery Services - Operating Requirements.

1. Delivery of cannabis from delivery services with delivery as the primary service, as well as adult-use and medical-use retailers to customers in West Hollywood is permitted, in accordance with the following requirements:

(a) All cannabis delivery services, whether physically located inside or outside the City, shall have an approved business license for a cannabis delivery service from the City of West Hollywood and be able to show compliance with the regulations of the originating jurisdiction.

(b) Every applicant for a delivery service license shall obtain and maintain in full force and effect the following automobile insurance policy: An automotive liability insurance policy, as required by subsection (c) of Section 5.08.120.

(c) The licensee shall maintain in force and effect at all times while the license is in effect Worker's Compensation insurance as required by law.

(d) Prior to the issuance of a license under this chapter, and at all times while the license is in effect, the licensee shall maintain on file with the Director proof of the insurance required hereunder.

(e) If the insurance policies issued to the licensee pursuant to this chapter are canceled for any reason, the license issued under this chapter is automatically suspended. In order to reinstate the license, the licensee shall file a new certificate of insurance and provide proof of such to the Director.

(f) Only delivery to persons 21 years of age or over shall be allowed.

(g) All drivers and anyone accompanying the driver must be at least 21 years of age or over.

(h) No signage on the exterior of the vehicle identifying the vehicle as a cannabis delivery vehicle shall be allowed.

(i) The amount of cannabis allowed in each delivery vehicle shall be in compliance with state law.

(j) All cannabis delivery service customers are required to be pre-registered with the delivery service prior to receiving deliveries of cannabis.

5.70.043 Medical-Use Dispensaries - Operating Requirements.

All medical-use dispensaries in the city shall operate in conformance with the following operating requirements:

1. Security shall comply with the following minimum standards:

(a) Medical-Use dispensaries shall provide adequate security and lighting on-site to ensure the safety of persons and protect the premises from theft at all times in conformance with the security plan submitted with the license application.

(b) All security guards employed by medical-use dispensaries shall be licensed and possess a valid Department of Consumer Affairs "Security Guard Card" at all times. Medical-use dispensary security guards shall not possess firearms or Tasers.

(c) Medical-Use dispensaries shall provide a neighborhood security guard patrol for a two-block radius surrounding the dispensary during all hours of operation.

2. No recommendations for medicinal cannabis shall be issued on-site.

3. There shall be no on-site sales of alcohol or tobacco. No alcohol or tobacco products shall be consumed by patrons or employees.

4. Hours of operation shall be limited to: Monday through Sunday, 6:00 a.m. to 2:00 a.m., or as further limited by the Business License Commission.

5. Medical-Use dispensaries shall only dispense medical-cannabis to qualified patients and their caregivers as defined by state law, unless otherwise authorized by a state license and local business license to dispense adult-use cannabis on the same premises.

6. Medical-Use Dispensaries shall notify patrons of the following verbally and through posting of a sign in a conspicuous location readily visible to persons entering the premises:

(a) Use of cannabis shall be limited to the patient identified on a valid doctor's recommendation, or a qualified purchaser identified on a state-issued form of identification.

(b) Patrons must immediately leave the site and not consume cannabis until at home or in an equivalent private location, unless the medical-use dispensary has a valid cannabis consumption license issued by the City. Medical-use dispensary staff shall monitor the site and vicinity to ensure compliance.

(c) Forgery of medical documents is a felony crime.

7. Medical-Use dispensaries shall only provide cannabis to an individual in an amount consistent with personal-medical use.

8. Medical-use dispensary patients shall be 18 years of age or older.

9. Medical-Use dispensaries shall provide law enforcement and all neighbors within one hundred feet of the medical-use dispensary with the name and phone number of an on-site community relations staff person to notify if there are operational problems with the establishment.

10. Medical-use dispensary operator(s) shall attend regular meetings with the Los Angeles County Sheriff's Department, Los Angeles County Fire Department, and City Public Safety Department staff to review public safety issues associated with the operations.

11. Medical-use dispensaries shall dispense cannabis to qualified patients and primary caregivers only from the following sources:

(a) Limited ancillary cultivation of cannabis on-site is permitted. The space devoted to cultivation and manufacturing (as outlined in section 5.70.043 (18)) shall not exceed twenty-five percent of the total floor area, but in no case more than one thousand five hundred square feet or greater than ten feet in height.

(b) From an off-site location cultivated in accordance with applicable state law and zoning regulations in the jurisdiction in which it is cultivated.

12. West Hollywood City Code Compliance Officers, West Hollywood Sheriff's Deputies, Los Angeles Fire Department staff, or other agents or employees of the city requesting admission for the purpose of determining compliance with these standards shall be given unrestricted access.

13. Medical-Use dispensaries shall comply with the provisions of State law.

14. Medical-Use dispensaries shall develop and implement a program subject to approval of the City to provide subsidized medical cannabis to income eligible patients, ("compassion program") in accordance with the following criteria:

(a) Minimum twenty-five percent discount to all qualified patients based upon need;

(b) Medical-use dispensaries shall not be obliged to provide more than one hundred grams per month to eligible patients;

(c) Program administration:

(1) Social service provider to qualify patients on an annual basis,

(2) Patients will be provided with a letter as proof of eligibility that expires one year after the date it is issued,

(3) Medical-Use dispensaries shall accept eligible patients and keep a record of qualified compassion program patients;

(d) On-site/instant medical and financial need eligibility criteria:

(1) SSDI,

(2) Medi-Cal,

(3) Unemployed with verification;

(e) Social service agency verified medical/financial need eligibility:

(1) Section 8 housing verification,

(2) Two hundred percent income below federal poverty level,

(3) Proof of disability,

(4) Medical need such as terminal illness, cancer treatment, etc.

(f) Residency requirement:

(1) Program for West Hollywood residents only.

15. Medical-Use dispensaries shall have a responsible person on the premises to act as manager and supervise employees at all times during business hours.

16. An odor absorbing ventilation and exhaust system shall be installed so that odor generated inside the business is not detected outside the property or lease area boundaries, or anywhere on adjacent property or public rights-of-way, or within any other unit located within the same building as the cannabis use.

17. Delivery of cannabis from medical-use dispensaries to customers in West Hollywood and surrounding areas is permitted, in accordance with operating requirements in Section 5.70.042 Delivery Services above.

18. Medical-Use dispensaries shall be permitted to manufacture cannabis derivatives and products subject to the following requirements:

(a) Limited manufacture of cannabis derivatives and products is permitted. The space devoted to manufacturing and cultivation (as outlined in Section 5.70.043 (11)(a)) shall not exceed twenty-five percent of the total floor area of the retail space, but in no case more than one thousand five hundred square feet.

(b) Cannabis manufacturing shall be ancillary to the medical-use dispensary and no stand-alone manufacturing businesses shall be allowed.

(c) Cannabis manufacturing shall be subject to local, state, and federal health and safety regulations.

5.70.050 Duration of Cannabis Use License – Renewal.

All licenses issued pursuant to this chapter shall expire one year after the date of issuance; provided, however, that a license may be renewed pursuant to Section 5.08.130 for additional one-year periods upon approval of an application for renewal that complies with all provisions of this title.

5.70.060 Assignment of License Prohibited.

The assignment of or attempt to assign any license issued pursuant to this chapter is unlawful and any such assignment or attempt to assign a license shall render the license null and void.

5.70.070 Noncompliance Prohibited.

No person or entity shall dispense, distribute, sell, convey, exchange or give away cannabis in the city except in compliance with the provisions of this chapter and Sections 19.36.091, 19.36.092, and 19.36.093, of this code. Dispensing, distributing, selling, conveying, exchanging or giving away cannabis in the city without a business license is a misdemeanor punishable as provided in Section 1.08.010(a) of this code. Nothing in this chapter shall be interpreted to conflict with state law, including without limitation the Compassionate Use Act, the Control, Regulate, and Tax Adult Use of Marijuana Act (AUMA) and the MAUCRSA, as may be amended.

5.70.080 Adoption of Rules and Regulations – Violations.

The City Manager may establish by resolution rules and regulations governing the operation of cannabis uses. Violation of rules and regulations shall, in addition to any other remedies contained in this code, constitute a misdemeanor and shall be punishable as set forth in subsection (a) of Section 1.08.010 of this code. Any person violating any of the rules and regulations adopted by the City Council shall be deemed guilty of a separate offense for each and every day or portion thereof during which any violation of the rules and regulations is committed, continued, or permitted.

5.70.090. State Licenses Required

A cannabis business licensed and operating under this Chapter shall at all times while operating have a current, valid state license for any and all activity which requires a state license under state law, including without limitation a seller's permit from the State Board of Equalization. The licensee shall post its state license in a conspicuous place. Failure to maintain and post a current, valid state license is grounds for revocation of a business license under this Chapter.

5.70.100 City Fees

The City Council may adopt fees related to cannabis licenses.

SECTION 9. Section 7.08.030 of Chapter 7.08 of Title 7 of the West Hollywood Municipal Code is amended to read as follows:

7.08.030 Smoking Regulations.

a. In addition to all places where smoking is prohibited under state or federal law, in which case those laws apply, no person shall smoke in, and smoking areas shall not be established or designated in:

1. Open air dining areas and cannabis consumption areas, pursuant to subsection (e) of this section;
2. Outdoor service areas;
3. Enclosed public places;
4. Any area where the owner, operator, manager or other person exercising management and control over the property has declared the area, where smoking would otherwise be allowed, to be a non-smoking area and posted the appropriate signage as set forth in this chapter; and
5. Within five feet of the entrance, divider, opening or doorway to a smoke-free open air dining area, or outdoor service area, where smoking is prohibited by this chapter, except while actively passing by on the way to another destination.

b. No employer and no owner, operator, manager, employee or other person having control of a place of employment or a public place shall make ashtrays available in any area where smoking is prohibited.

c. No owner, operator, manager, employee or other person having control of a restaurant shall place matchbooks on tables or otherwise make matchbooks or

matches available to patrons; provided, however, that upon request a promotional matchbook may be provided to a patron only when departing the restaurant.

d. No person shall dispose of smoking waste or place or maintain a receptacle for smoking waste in an area where smoking is prohibited by this chapter or other law, or within a distance of five feet from an area where smoking is prohibited.

e. Notwithstanding subsection (a), smoking may be permitted and smoking areas may be designated in the following places:

1. An open air dining area of a bar or nightclub;
2. An unenclosed congregation area of a restaurant, provided that food is not served to patrons in this area, the area is completely separate and segregated from any outdoor dining area where smoking is not permitted, and smoke cannot be detected or smelled in the nonsmoking area;
3. Areas excluded from the definition of "Place of employment" in California Labor Code Section 6404.5(d), as may be amended from time to time; and
4. At the specific hookah cafés that are open and in continuous operation at the same location on or prior to February 1, 2011, provided that the operators have submitted a smoking operations plan for review and approval in compliance with Section 7.08.050; and
5. At the specific private membership clubs that are open and in continuous operation at the same location on or prior to February 1, 2011, provided that the operators have submitted a smoking operations plan for review and approval in compliance with Section 7.08.050.
6. An unenclosed cannabis consumption area provided that the operators have submitted a smoking operations plan for review and approval in compliance with Section 7.08.050 Smoking Operations Plan.

SECTION 10. The alphabetical list of land uses in Table 2-5 of Section 19.10.030 of Chapter 19.10 of Title 19 of the West Hollywood Municipal Code is amended to (1) delete the land use category for "medical marijuana collectives;" and (2) to add the following new land use categories to the alphabetical list to read as follows:

| LAND USE ² | PERMIT REQUIRED BY ZONE | | | | | | SPECIFIC USE REGULATIONS |
|---|-------------------------|----------------|----------------|----------------|--------|-----------------|--------------------------|
| | CN | CC/SSP | CA | CR | PD CSP | PF ³ | |
| Cannabis adult-use retail | P ¹ | P ¹ | P ¹ | P ¹ | — | — | 19.36.091 Chapter 5.70 |
| Cannabis commercial cultivation (ancillary to | P ¹ | P ¹ | P ¹ | P ¹ | — | — | Chapter 5.70 |

| LAND USE ² | PERMIT REQUIRED BY ZONE | | | | | | SPECIFIC USE REGULATIONS |
|--|-------------------------|----------------|----------------|----------------|-------|-----------------|---------------------------------------|
| | CN | CC/SSP | CA | CR | PDCSP | P ^{F3} | |
| adult-use retail and medical-use dispensary) | | | | | | | |
| Cannabis commercial cultivation (stand-alone indoor facility) | — | — | — | — | — | — | |
| Cannabis commercial cultivation (outdoors) | — | — | — | — | — | — | |
| Cannabis consumption area (edible products only) with On-site Adult-use retail (edible products for on-site consumption only) | P ¹ | P ¹ | P ¹ | P ¹ | — | — | 19.36.092 Chapter 5.70 |
| Cannabis consumption area (smoking, vaping, and edible products) with On-site Adult-use retail (smoking, vaping, and edible products for on-site consumption only) | P ¹ | P ¹ | P ¹ | P ¹ | — | — | 19.36.092 Chapter 5.70 7.08.030 |
| Cannabis delivery service (ancillary to adult-use retail and medical-use dispensary) | P ¹ | P ¹ | P ¹ | P ¹ | — | — | 19.36.093 |
| Cannabis delivery services – (office only) | P ¹ | P ¹ | P ¹ | P ¹ | — | — | Chapter 5.70 |
| Cannabis distributor (ancillary to adult-use retail and medical-use dispensary) | P | P | P | P | — | — | |
| Cannabis distributor (stand-alone facility) | — | — | — | — | — | — | |

| LAND USE ² | PERMIT REQUIRED BY ZONE | | | | | | SPECIFIC USE REGULATIONS |
|---|-------------------------|----------------|----------------|----------------|-------|------------------|--|
| | CN | CC/SSP | CA | CR | PDCSP | P ³ F | |
| Cannabis manufacturer (ancillary to adult-use retail, medical-use and dispensary) | P | P | P | P | — | — | Chapter 5.70 |
| Cannabis manufacturer (stand-alone facility) | — | — | — | — | — | — | |
| Cannabis medical-use dispensary | P ¹ | P ¹ | P ¹ | P ¹ | — | — | 19.36.093 Chapter 5.70 19.36.030 |
| Cannabis microbusiness | — | — | — | — | — | — | |
| Cannabis mobile consumption lounges | — | — | — | — | — | — | |
| Cannabis temporary use | — | — | — | — | — | — | |
| Cannabis Testing Laboratory | P ¹ | P ¹ | P ¹ | P ¹ | — | — | |

SECTION 11: The alphabetical list of non-residential land uses Table 3-6 in Section 19.28.040 of Chapter 19.28 of Title 19 of the West Hollywood Municipal Code is amended to (1) delete the land use category for “medical marijuana collectives;” and (2) to add the following new land use categories to the alphabetical list to read as follows:

| Non-Residential Land Use | Required Parking Spaces |
|--|------------------------------|
| Cannabis Uses – Adult Use Retail | 3.5 spaces per 1,000 sq. ft. |
| Cannabis Uses – Consumption Areas | 3.5 spaces per 1,000 sq. ft. |
| Cannabis Uses – Medical-Use Dispensary | 3.5 spaces per 1,000 sq. ft. |

SECTION 12. A new Section 19.36.091 is added to Chapter 19.36 of Title 19 of the West Hollywood Municipal Code to read as follows:

19.36.091 Cannabis Uses – Adult-Use Retail.

A. *Location Criteria.* An adult-use retail establishment shall be located in compliance with the following requirements:

1. The adult-use retail establishment shall not be located within a 600-foot radius of a daycare facility, youth center, or school that is located within or outside the city in compliance with State law. For the purposes of this requirement, "school" shall mean any property containing a structure which is used for education or instruction, whether public or private, at grade levels kindergarten through 12.

B. No more than 8 adult-use retail establishments shall be permitted to operate in the city at any time. An application for a new adult-use retail establishment shall not be approved unless there are fewer than 8 adult-use retail establishments operating or approved in the city at the time of approval.

SECTION 13. A new Section 19.36.092 is added to Chapter 19.36 of Title 19 of the West Hollywood Municipal Code to read as follows:

19.36.092 Cannabis Uses – Consumption Areas with On-Site Adult-Use Retail.

A. *Location Criteria.* A cannabis consumption area shall be located in compliance with the following requirements:

1. The consumption area shall not be located within a 600-foot radius of a daycare facility, youth center, or school that is located within or outside the city in compliance with State law. For the purposes of this requirement, "school" shall mean any property containing a structure which is used for education or instruction, whether public or private, at grade levels kindergarten through 12.

2. The consumption area shall be restricted to persons 21 or older and shall not be visible from any public place or a non-age restricted area.

3. The consumption area may be co-located with an adult-use retail or a medical-use dispensary location pursuant to local and state regulations.

B. No more than 8 consumption areas with smoking, vaping, and ingestion of edible cannabis products and no more than 8 consumption areas limited to the ingestion of cannabis products only are permitted to operate in the city at any time. An application for a new consumption area shall not be approved unless there are fewer than 8 consumption areas with smoking, vaping, and ingestion of cannabis products or 8 consumption areas with ingestion of edible cannabis products only operating or approved in the city at the time of approval.

C. All cannabis consumption areas that allow smoking and vaping of cannabis shall comply with Section 7.08.03 Smoking of the Municipal Code.

E. No sales of tobacco products or smoking or ingesting of tobacco (i.e. chewing tobacco) shall be allowed in a cannabis consumption area.

F. No alcoholic beverage sales or ingestion of alcohol products shall be allowed in a cannabis consumption area.

SECTION 14. A new Section 19.36.093 is added to Chapter 19.36 of Title 19 of the West Hollywood Municipal Code to read as follows:

19.36.093 Cannabis Uses – Medical-Use Dispensary.

A. *Location Criteria.* A cannabis medical-use dispensary shall be located in compliance with the following requirements:

1. The medical-use dispensary shall not be located within a 600-foot radius of daycare facility, youth center, or school that is located within or outside the city in compliance with State law. For the purposes of this requirement, "school" shall mean any property containing a structure which is used for education or instruction, whether public or private, at grade levels kindergarten through 12.

B. No more than 8 cannabis medical-use dispensaries shall be permitted to operate in the city at any time. An application for a new medical-use dispensary shall not be approved unless there are fewer than 8 medical-use dispensaries operating or approved in the city at the time of approval.

SECTION 15. Section 19.36.165 Medical Marijuana Collectives in Chapter 19.36 of Title 19 of the West Hollywood Municipal Code is repealed in its entirety.

SECTION 16. The following new definitions are added to the alphabetical list of definitions in Section 19.90.020 Definitions of Specialized Terms and Phrases, Chapter 19.20 of Title 19 of the West Hollywood Municipal Code to read as follows:

C. **Definitions, "C."**

Cannabis Adult-Use Retail. An establishment wherein cannabis, cannabis products, or devices for the use of cannabis, are offered for retail sales or delivery to persons 21 years of age and over and qualifies for an A-license under Division 10 of the Business and Professions Code.

Cannabis Commercial Cultivation. Any commercial activity involving planting, growing, harvesting, drying, curing, grading, or trimming of cannabis, except for the personal cultivation allowed for medical patients and adults under state law.

Cannabis Consumption Area with On-Site Adult-Use Retail. A licensed premise where cannabis may be purchased (for on-site consumption only) and consumed by persons 21 years of age and over. A cannabis consumption area must be limited to one of the following uses:

1. Consumption of cannabis by smoking, vaping, and ingesting edible products.
2. Consumption of cannabis edible products by ingestion only.

Cannabis Delivery Services. The commercial transfer of cannabis or cannabis products to a customer, including the use by a retailer of any technology platform owned and controlled by the retailer.

Cannabis Distribution. The procurement, sale, and transport of cannabis and cannabis products between licensees only, not to retail customers or medical patients.

Cannabis Manufacturer. An establishment that conducts production, propagation, blending, infusion, or, compounding of cannabis or cannabis products either directly or indirectly by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis products or labels or relabels its container.

Cannabis Microbusiness. A retail area of less than 10,000 square feet where cannabis is cultivated, manufactured, distributed, and sold directly to retail customers.

Cannabis Medical Use Dispensary. An establishment wherein cannabis is sold for medicinal purposes by a medicinal cannabis cooperative, collective, dispensary, operator, or retailer who cultivates, distributes, or sells medicinal cannabis to qualified patients, or primary caregivers of qualified patients, pursuant to Health and Safety Code section 11362.5 and qualifies for an M-license under Division 10 of the Business and Professions Code.

Cannabis Mobile Consumption Lounges. Any operational vehicle or trailer where cannabis or cannabis products are sold, distributed or consumed by the public, whether or not in a fixed location.

Cannabis Temporary Use and License. A license that authorizes the holder to engage in commercial cannabis activity for a period of up to 120 days with one 90-day extension in accordance with state regulations, if the applicant is in compliance with local regulations.

Cannabis Testing Laboratory. A laboratory, facility, or entity that offers or performs tests of both adult use and medical cannabis or cannabis products and that is both of the following: (1) accredited by an accrediting body (i.e. International Organization for Standardization (ISO)) that is independent from all other persons involved in commercial cannabis activity in the state, and (2) is licensed by the Bureau of Cannabis Control.

SECTION 17. The following definition in the alphabetical list of definitions in Section 19.90.020 Definitions of Specialized Terms and Phrases, Chapter 19.20 of Title 19 of the West Hollywood Municipal Code is amended read follows:

P. Definitions, "P."

Plant Nurseries and Garden Supply Stores. Commercial agricultural establishments engaged in the production of ornamental plants and other nursery products grown under cover or outdoors. Cultivation of cannabis for medicinal or any other purpose is prohibited. Includes stores selling these products, nursery stock, lawn and garden supplies and commercial scale greenhouses. The sale of house plants or other nursery products entirely within a building is also included under "General Retail Stores." Home greenhouses are addressed under "Residential Accessory Uses and Structures."

SECTION 18. The four existing medical cannabis collectives that are lawfully operating in the City on December 31, 2017 may continue to operate until such time as the operator receives a state license and a local business license under this ordinance. The four existing medical cannabis collectives may immediately apply for a temporary and annual state licenses and local business license to operate a medical cannabis retail use and adult use retail. A Temporary Use Permit may be issued for the four existing medical cannabis collectives to engage in sales of adult – use cannabis on a temporary basis provided that the operator receives and maintains a valid temporary license for such activity from the state. Any of the existing four medical cannabis collective locations that do not meet the location requirements of this ordinance or state law may move to a new location in the City and still be considered an existing medical cannabis collective under this section, provided the new location meets current operating requirements under 5.70.043. This operator may also receive a Temporary Use Permit in the original location if the state will issue a license for this location. The four existing medical cannabis collectives shall be eligible to apply on or after January 1, 2018 for the first four (4) of the eight (8) available medical-use retail licenses without having to comply with the scoring requirements in Section 5.70.035 above, provided that the operator intends to continue operating as a medical-use retail facility. Any permanent change of operations to adult-use shall meet the requirements of this ordinance and shall not receive priority for being an existing medical cannabis collective.

The provisions in this section shall no longer apply once the existing medical cannabis collective has received non-temporary state and local licenses to operate a cannabis retail use, and in no event after January 1, 2019.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of West Hollywood at a regular meeting held this 20th day of November, 2017 by the following vote:

| | | |
|----------|----------------|--|
| AYES: | Councilmember: | D'Amico, Horvath, Meister, Mayor Pro Tempore Duran, and Mayor Heilman. |
| NOES: | Councilmember: | None. |
| ABSENT: | Councilmember: | None. |
| ABSTAIN: | Councilmember: | None. |


JOHN HEILMAN, MAYOR

ATTEST:


YVONNE QUARKER, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)
CITY OF WEST HOLLYWOOD)

I, YVONNE QUARKER, City Clerk of the City of West Hollywood, do hereby certify that the foregoing Ordinance No. 17-1016 was duly passed, approved, and adopted by the City Council of the City of West Hollywood at a regular meeting held on the 20th day of November, 2017, after having its first reading at the regular meeting of said City Council on the 6th day of November, 2017.

I further certify that this ordinance was posted in three public places as provided for in Resolution No. 5, adopted the 29th day of November, 1984.

WITNESS MY HAND AND OFFICIAL SEAL THIS 21st DAY OF NOVEMBER, 2017.


YVONNE QUARKER, CITY CLERK