



# City of Culver City

Mike Balkman Council  
Chambers  
9770 Culver Blvd.  
Culver City, CA 90232

## Staff Report

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**File #:** 18-0693, **Version:** 1

**Item #:** PH-1.

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**CC - PUBLIC HEARING:** Introduction of an Ordinance Amending Culver City Municipal Code Chapter 11.17 "Commercial Cannabis Businesses", By Adding New Subchapter 11.17.400 "Adoption by Reference of Part 7 of Chapter 8.04, 'Commercial Cannabis Activities,' and Chapter 11.37, 'Cannabis Facilities,' of the Los Angeles County Code," Pertaining to Public Health Regulatory Requirements, Inspections, and Permits.

**Meeting Date:** January 22, 2018

**Contact Person/Dept:** Jesse Mays, Assistant to the City Manager  
Lisa Vidra, Senior Deputy City Attorney

**Phone Number:** City Manager's Office (310) 253-6000  
City Attorney's Office (310) 253-5660

**Fiscal Impact:** Yes ☐ No ☒

**General Fund:** Yes ☐ No ☒

**Public Hearing:** ☒ **Action Item:** ☐ **Attachments:** ☒

**Commission Action Required:** Yes ☐ No ☒ **Date:**

**Public Notification:** (E-Mail) Meetings and Agendas - City Council (01/17/18), Marijuana (01/10/18); Culver City News (01/04/18, 01/011/18);

**Department Approval:** John Nachbar, City Manager (01/16/18)

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### **RECOMMENDATION**

Staff recommends the City Council introduce an Ordinance Amending Culver City Municipal Code Chapter 11.17 "Commercial Cannabis Businesses", by adding new Subchapter 11.17.400 "Adoption by Reference of Part 7 of Chapter 8.04, 'Commercial Cannabis Activities,' and Chapter 11.37, 'Cannabis Facilities,' of the Los Angeles County Code," pertaining to public health regulatory requirements, inspections, and permits.

### **PROCEDURE**

1. Mayor requests a motion to receive and file the affidavit of publication and posting of notice of the public hearing;

2. Mayor calls for a staff report;
3. The City Council poses questions to staff as desired;
4. Mayor seeks a motion to open the public hearing and invites public comments;
5. Mayor seeks a motion to close the public hearing;
6. The City Council discusses the matter and takes desired actions.

### **BACKGROUND:**

The State of California approved the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) in June 2017, creating one licensing structure within a single regulatory framework governing both commercial medicinal and adult-use cannabis activities. To effectuate the terms of MAUCRSA, the State began issuing various licenses in January 2018. MAUCRSA allows local jurisdictions to enact appropriate regulations to govern the licensing and siting of cannabis businesses. Culver City approved a cannabis business permitting structure in December 2017.

MAUCRSA provides that cities have the full power and authority to enforce State cannabis laws and regulations for cannabis facilities that are issued a state license and are located within the incorporated area of a city. Further, cities assume complete responsibility for any regulatory function within the city limits that would otherwise be performed by the county.

Culver City does not have its own health department and lacks the public health infrastructure or expertise to conduct the inspections of licensed commercial cannabis facilities. Environmental health inspections of commercial cannabis facilities are a critical activity to protect the health of the public. As such, the City of Culver City desires to engage the Los Angeles County Department of Public Health Division of Environmental Health (DPH) to provide public health and safety inspection and enforcement services of commercial cannabis facilities within the City. Similarly, under a 1963 agreement, the City currently contracts with DPH for public health and safety inspection and enforcement services for restaurants and other food related businesses. The County requires a new contract with Culver City to provide these services for cannabis businesses because State law prohibits a city from using its already existing health officer agreement with a county to require the county to perform public health inspections of commercial cannabis activities within the city's jurisdiction.

On December 19, 2017, the Los Angeles County Board of Supervisors enacted an ordinance that created a public health regulatory framework and permitting structure with applicable health and safety requirements specifically tailored to commercial cannabis facilities. Culver City must adopt the County ordinance by reference in order to contract with DPH to conduct environmental health and sanitation inspections of commercial cannabis facilities permitted by and operating within Culver City. Once the County ordinance is adopted, and the contract is executed between the City and the County, DPH may begin to accept applications for public health permits from commercial cannabis facility applicants who propose to locate facilities within Culver City, and inspectors may begin to enforce State and local public health laws and regulations pertaining to commercial cannabis activities within Culver City.

DPH cannabis business inspections will be conducted in a similar manner to the public health inspections that DPH conducts for restaurants and other businesses located in Culver City. Facilities will be inspected for compliance with the requirements of Los Angeles County Code (LACC) Title 8 and Title 11.37 and with state public health laws and regulations. DPH's services will come at no cost to the City. The cost of the DPH permitting and inspections will be borne by the cannabis businesses themselves through fees charged by the County.

### **DISCUSSION:**

The proposed Culver City ordinance (Attachment 1) adds a new subchapter 11.17.400 entitled "Adoption by Reference Part 7 of Chapter 8.04, 'Commercial Cannabis Activities,' and Chapter 11.37, 'Cannabis Facilities,' of the Los Angeles County Code," (Attachment 2) to Chapter 11.17 (Commercial Cannabis Businesses).

LACC Part 7 of Chapter 8.04 creates a public health permit requirement for commercial cannabis activities such as cultivation, distribution, manufacturing, and retail sale. The section authorizes the County Health Officer to enter and inspect the premises of a cannabis facility for compliance with both State and local health and safety requirements as a condition of the permit. Non-compliance with the conditions of the public health permit could result in the suspension or revocation of the permit. The ordinance also provides public health permit and inspection fees for cannabis businesses.

Chapter 11.37 of the LACC imposes specific requirements for the operation and maintenance of commercial cannabis facilities, including manufacturing, distribution, and retail facilities. These requirements protect the health of customers and the public by enforcing requirements that ensure the cannabis facility is operated in a clean and sanitary manner, so that the cannabis and cannabis products that are consumed by the public are not adulterated or misbranded. To accomplish this, Chapter 11.37 requires public health permit holders to have:

- An odor control plan
- A cannabis and cannabis product recall protocol
- A waste management plan
- Standards for employee health
- An employee training program for cleanliness standards

These requirements are conditions of the public health permit and are intended to protect not only the health and safety of the cannabis consuming public, but also limit the potential negative impacts on those living and working in proximity to the various types of cannabis facilities.

DPH has hired 15 staff specifically to work on the Cannabis Compliance and Enforcement Program. The City of Los Angeles has already contracted with the County to obtain DPH's public health permitting and inspection services for cannabis businesses. If the proposed Culver City ordinance is introduced by City Council, then concurrent with City Council's consideration of adoption of the proposed ordinance at the next City Council meeting, staff will request City Council also consider approval of an agreement with the County for public health inspection services.

Per the County, the adoption of the proposed ordinance, which establishes a fee structure for the purpose of meeting operating expenses for the County's public health regulatory requirements, inspections, and permits for cannabis businesses, is exempt from the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21080(b)(8) and California Code of Regulations Section 15273(a) of the CEQA Guidelines.

### **FISCAL ANALYSIS**

There are no fiscal impacts associated with this item. If approved at a future City Council meeting, DPH's services will come at no cost to the City. The cost of the DPH permitting and inspections will be borne by the cannabis businesses themselves through fees charged by the County.

### **ATTACHMENTS**

1. 2018-01-22 - ATT Proposed Ordinance
2. 2018-01-22 -ATT Los Angeles County Public Health Ordinances

### **MOTION**

That the City Council:

Introduce an ordinance amending Culver City Municipal Code Chapter 11.17 "Commercial Cannabis Businesses", by adding new subchapter 11.17.400 "Adoption by Reference of Part 7 of Chapter 8.04, 'Commercial Cannabis Activities,' and Chapter 11.37, 'Cannabis Facilities,' of the Los Angeles County Code," pertaining to public health regulatory requirements, inspections, and permits.