



# ANNUAL REPORT

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# 2023





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# Message from Executive Director Michelle Garakian

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To all of the stakeholders of Los Angeles and to those of you who live, work, do business in the City, I am pleased to present the Department of Cannabis Regulation's 2023 Annual Report. In 2023, the Department of Cannabis Regulation (DCR) celebrated its sixth anniversary. In that time, DCR has overseen the creation of a tremendous business framework from the ground up that has issued more commercial cannabis business licenses than any other jurisdiction in the United States. Of those licenses, one-third have been issued to Social Equity individuals – a key element of DCR's mission.

Small businesses are the backbone of the Angeleno economy. Legal cannabis businesses offer well-paying jobs that provide a unique skill set to a transitional workforce and local residents, support the City's general fund, provide opportunities for entrepreneurship and generational wealth for those impacted by the War on Drugs. While there is still much work to be done, I will let the information in this Annual Report speak to the goals DCR has reached in 2023. In short, DCR has focused on supporting social equity, streamlining services, increasing transparency, maintaining public health and safety goals, and providing exceptional customer service.

As we look forward to 2024, DCR will continue to be an efficient and dynamic agency balancing the business needs of a thriving and equitable cannabis industry with public health and safety at the forefront. DCR looks forward to continuing to support a prosperous Los Angeles for all.

Best,

Michelle Garakian  
Executive Director  
Department of Cannabis Regulation





# Message from the Cannabis Regulation Commission President

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On behalf of the Cannabis Regulation Commission, it is my esteemed pleasure to serve as its president. In this role, I am focused on increasing economic opportunity throughout the local cannabis industry while maintaining public safety and increasing community benefits. As administrators of cannabis licenses for the largest cannabis program in the country, it is our responsibility to lead with thoughtfulness and compassion.

I am grateful for the service of my fellow Commission members and Executive Director Michelle Garakian, her team, and all of those who proudly serve our industry.

As we begin a new year, the Cannabis Commission reinforces its commitment to serving its licensees and stakeholders by supporting a robust cannabis industry that values and upholds entrepreneurship, safety standards and justice.

With Purpose,

Ms. Thryeris Mason  
President  
Cannabis Regulation Commission





# DCR Mission Statement

The Department of Cannabis Regulation's (DCR) mission is to foster, support, and regulate a responsible cannabis industry that reflects and uplifts the communities in Los Angeles.

## DCR's core values:

- **Ensuring wellbeing & safety:** DCR is dedicated to upholding the highest standards of safety to ensure the wellbeing of consumers and their communities — promoting the safe and responsible use of cannabis and cannabis products and enforcing regulations that serve this purpose.
- **Social Equity:** DCR is committed to serving the Social Equity community, addressing historical disparities to create opportunities for people previously affected by the criminalization of cannabis.
- **Economic Growth & Development:** DCR is committed to fostering economic growth and development through a promising industry contributing to the vitality of the region — supporting job creation, innovation, and sustainable economic development.
- **Compliance & Enforcement:** DCR maintains a strong regulatory body using progressive enforcement tools — ensuring businesses operate equitably, safely, ethically, and responsibly.
- **Continuous Improvement:** DCR strives to continue evaluating and improving its processes and procedures to better serve Los Angeles — ensuring the Department remains effective and efficient.

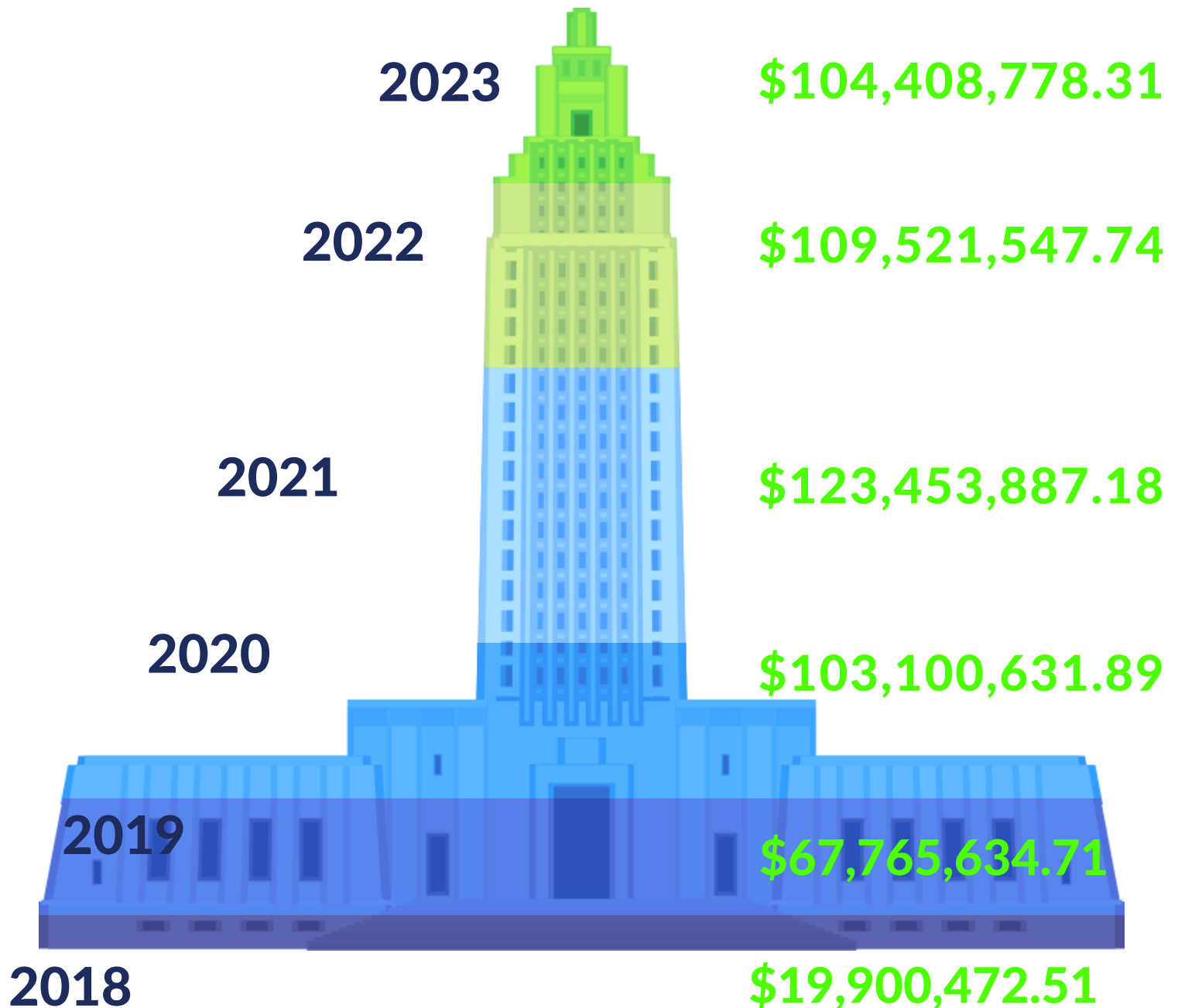
# Revenue





# Gross Receipt Taxes Collected Since 2018

# \$528,150,952.34



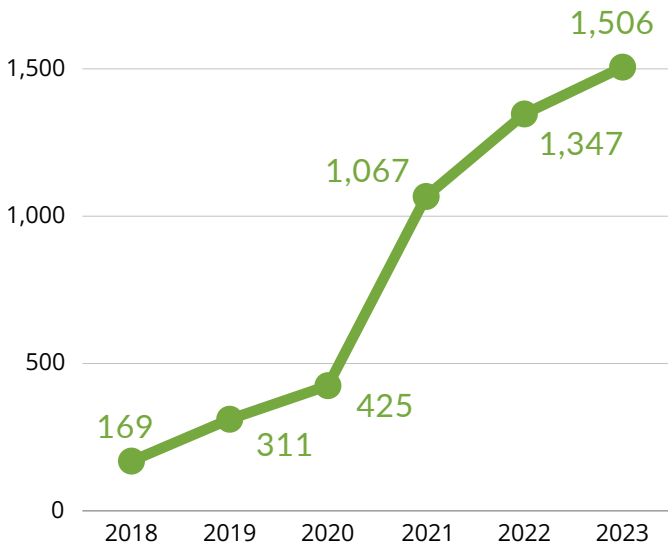
# Licensing & Compliance



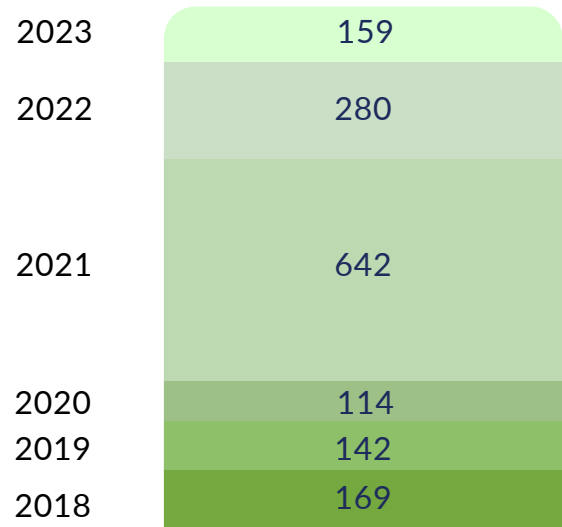


# Licensing Numbers

Number of licenses in Los Angeles, 2018-2023



New licenses issued



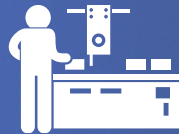
## Licenses By Activity



Retail



Delivery



Non-Volatile Manufacturing



Distribution



Cultivation



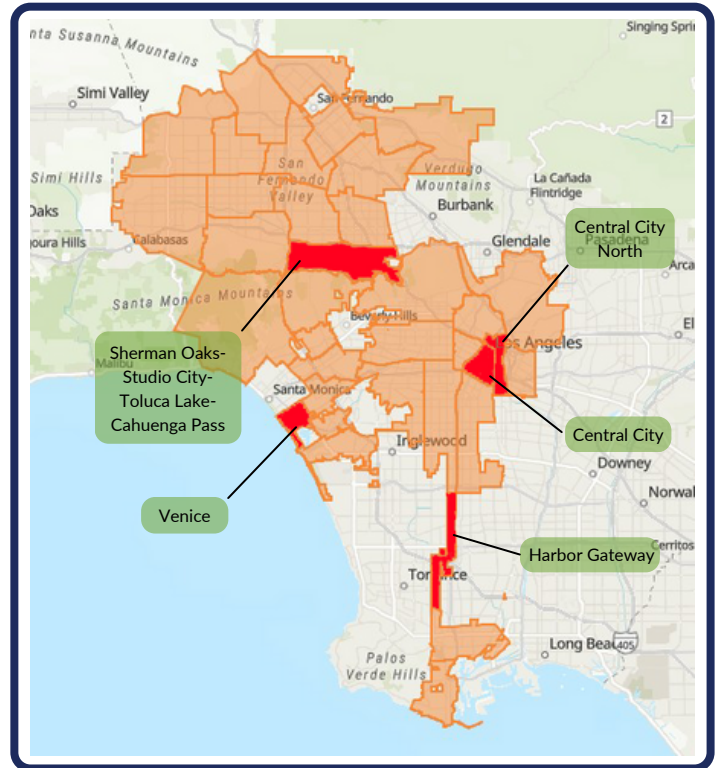
Testing Lab

Social Equity	111	130	71	92	95	0
General	176	0	244	311	266	10
<b>Total</b>	<b>287</b>	<b>130</b>	<b>315</b>	<b>403</b>	<b>361</b>	<b>10</b>



## Undue Concentration

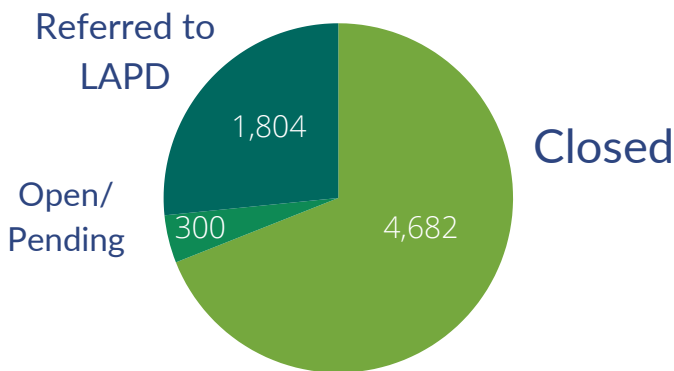
Undue Concentration (UC) is the term used when a Community Plan Area (CPA) has reached maximum capacity for commercial cannabis retail locations based on population. In L.A., this capacity sits at 1 retail license per every 10,000 residents in each CPA. **In 2023, UC was reached in 5 different CPAs throughout L.A: Central City, Central City North, Harbor Gateway, Sherman Oaks/Studio City/Toluca Lake/Cahuenga Pass, and Venice.** This means that DCR no longer has the discretion to grant retail licenses in these CPAs; instead, interested and eligible parties must go through a Public Convenience and Necessity (PCN) process.



## Compliance and Enforcement Complaint Portal

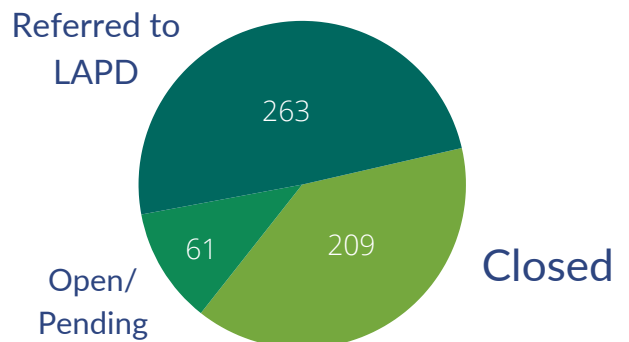
### Since 2018 inception

**6,786** Complaints Submitted



### 2023 Complaint Portal

**533** Complaints Submitted



# Social Equity Program





## Social Equity Recap

DCR's Social Equity Program was created to promote equitable ownership and employment opportunities in the cannabis industry to address the disproportionate impacts of the War on Drugs. In 2019, DCR received funding for the Social Equity Program to help foster and support a cannabis industry that reflects the communities it serves.

On April 20, 2023, the first SEIA selected in the Phase 3 Retail Round 2 application lottery, held in December 2022, was issued a license. Since then, a total of 29 retail licenses have been issued to this group of 100.



**1,977 PEOPLE**

verified as Social Equity  
Individuals as of December 2023



**200**  
operational SEP  
licenses  
(as of Dec 2023)

Social Equity Business  
Operational Status

## In 2023:



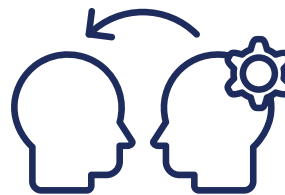
**\$5**  
**MILLION**

in direct financial  
grants for rental  
assistance



**165**  
**HOURS**

LMS courses for  
SEIAs



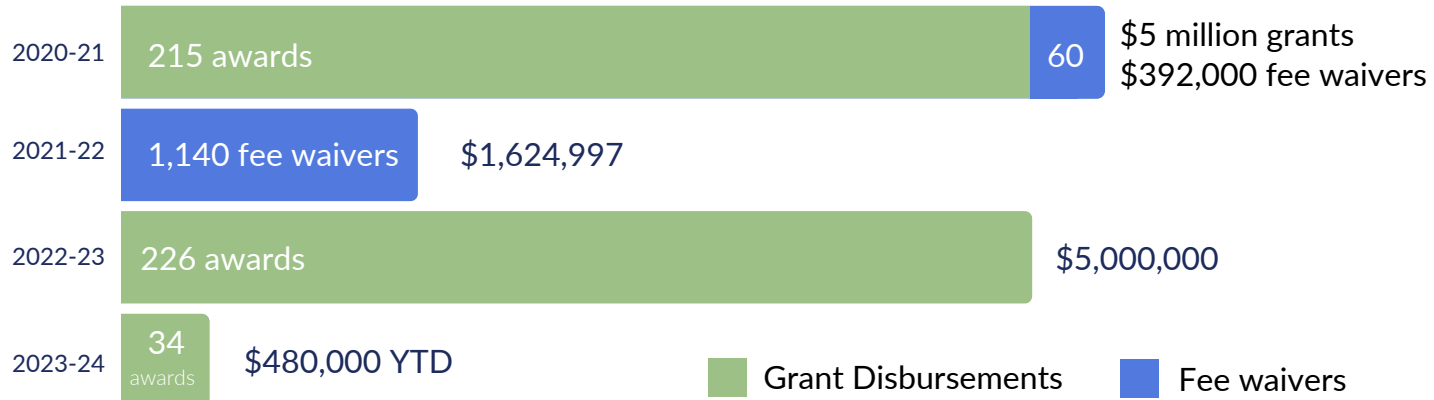
**350+**  
**HOURS**  
one-on-one  
coaching utilized



**43**  
people referred  
to Pro Bono/Low  
Bono Services  
Program



## Direct Financial Assistance



Since 2020, DCR’s Social Equity Program has awarded over \$12 million in direct financial assistance to over 1,700 social equity applicants through grant disbursements and fee waivers. In 2023, SEP provided \$5 million in grant disbursements for rental assistance to 226 social equity applicants.

## LMS

The Social Equity Program’s Learning Management System (LMS) is an online, use-as-you-go library of video courses designed for cannabis entrepreneurs and those who want to work in the industry. The topics are relevant to the changing market and include courses in marketing, security basics, human resources, among other topics.



# Engagement





## DCR Engagement and Outreach

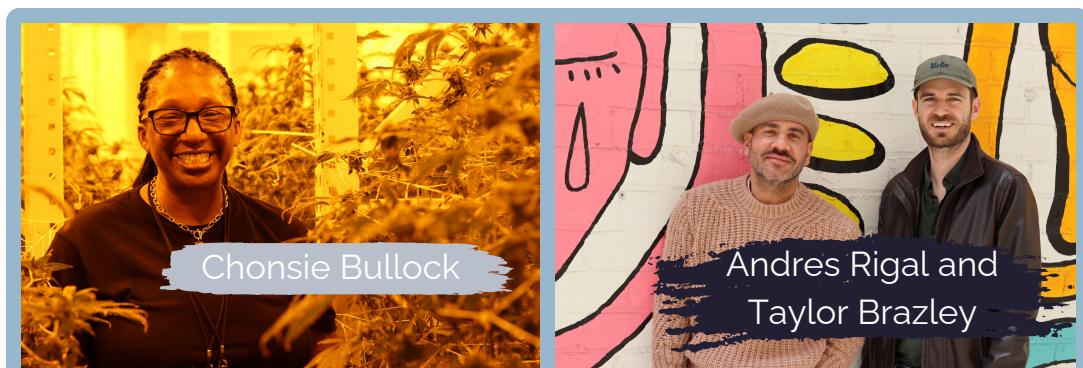
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### Cannabis Business Operator Highlights

The legalization of cannabis in California has challenged many people to accept the normalization of a product once kept in the shadows due to prohibition. This is especially true in cities, like Los Angeles, where cannabis legalization has created new economic opportunities for those most affected by the inequitable enforcement of past cannabis laws.

Through the small business spotlight stories, DCR has been able to feature business owners in Los Angeles, putting a face and name to the many entrepreneurs building businesses in communities all across the City. These stories include a single mom dreaming of entrepreneurship, a pastor's daughter, a man convicted of cannabis possession at the young age of 21 and another who was fascinated with the medicinal nature of the plant from his late teenage years.

We'd like for you to meet them.



Chonsie Bullock

Andres Rigal and Taylor Brazley



Orlando Padilla & Travis Miller

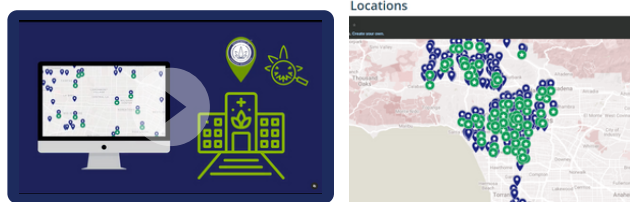
Domenica Soto

David Pauwels



## Retail Map

On April 20, 2023, in honor of 4/20, DCR launched a consumer-friendly map of licensed retailer locations in the City of Los Angeles. Unlike other publicly available sites, this map is the DEFINITIVE list that shows only legal cannabis retailers. It is updated quarterly and also notes which cannabis retail stores are owned by Social Equity Individuals. Here is a [video](#) about the site and here is a [link to the map](#).

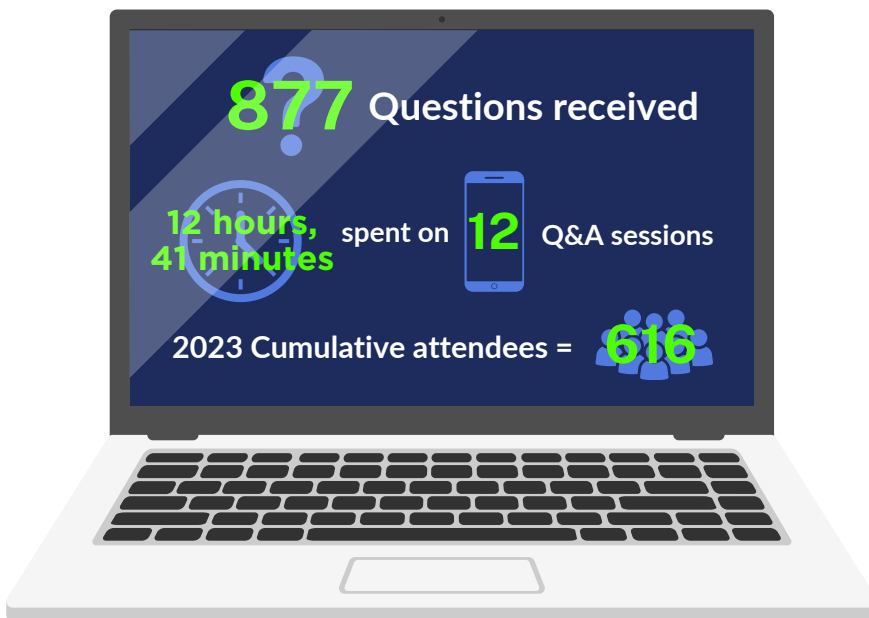


## DCR Trainings

DCR hosted 10 subject-specific trainings via [virtual webinars](#). More than 13 hours of additional training hours in 2023 on top of monthly Q&A Virtual Lunch Hour.



## Q&A Virtual Webinars



Since 2022, DCR has hosted monthly [virtual webinars](#) dedicated to answering questions in real-time from constituents, applicants and licensees. The webinar series, called Q&A Virtual Lunch with Assistant Director Jason Killeen, continues to be popular. Assistant Director Killeen fields questions from how to start in the cannabis industry to how to change business locations to obtaining grants. Here are some statistics

# Legislative Updates





# Legislative Progress

DCR understands the fluid nature of the growing cannabis industry and the unique challenges faced by these small businesses. DCR drafts resolutions and letters of support for state legislative bills and recommends changes to its own processes in order to reflect the dynamic nature of this industry. In 2023, the following legislative actions made important updates to DCR's regulatory framework:



**SB 51 (Bradford):** This bill extended the State's provisional licensing application deadline until January 1, 2031, for retail Social Equity applicants, giving these individuals more time to meet state requirements. SB 51 was signed by the Governor on October 8 and took effect January 1, 2024.

**Amendments to the Los Angeles Municipal Code (LAMC):** The City Council, at DCR's request, amended the LAMC several times to adjust DCR's licensing processes and timelines. For example, on November 7, 2023, Councilmember Padilla (CD 6) supported by Councilmembers Harris-Dawson (CD 8) and Price (CD 9), introduced a motion to extend the deadline for applicants selected in the Phase 3 Retail Round 1 lottery to submit a Pre-Application by 3 years. Additionally, City Council approved a comprehensive reorganization to the Cannabis Procedures Ordinance (LAMC 104.00 et seq.), amendments that account for the extension in SB51 for retail social equity applicants, and amendments that streamlined the Annual Licensing process, among others.



# Photos 2023





CITY OF LOS ANGELES DEPARTMENT OF  
**CANNABIS  
REGULATION**





CITY OF LOS ANGELES DEPARTMENT OF

# CANNABIS REGULATION





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