

LOS ANGELES FIRE DEPARTMENT



KRISTIN M. CROWLEY
FIRE CHIEF

April 17, 2023

BOARD OF FIRE COMMISSIONERS
FILE NO. 23-043

TO: Board of Fire Commissioners
FROM: *KC* Kristin M. Crowley, Fire Chief
SUBJECT: CANNABIS UNIT OVERVIEW

FINAL ACTION: Approved Approved w/Corrections Withdrawn
 Denied Received & Filed Other

SUMMARY

The information in this report outlines the fire prevention activities of the Cannabis Unit in the Fire Prevention and Public Safety Bureau (FPB).

RECOMMENDATION

That the Board:
Receive and File.

DISCUSSION

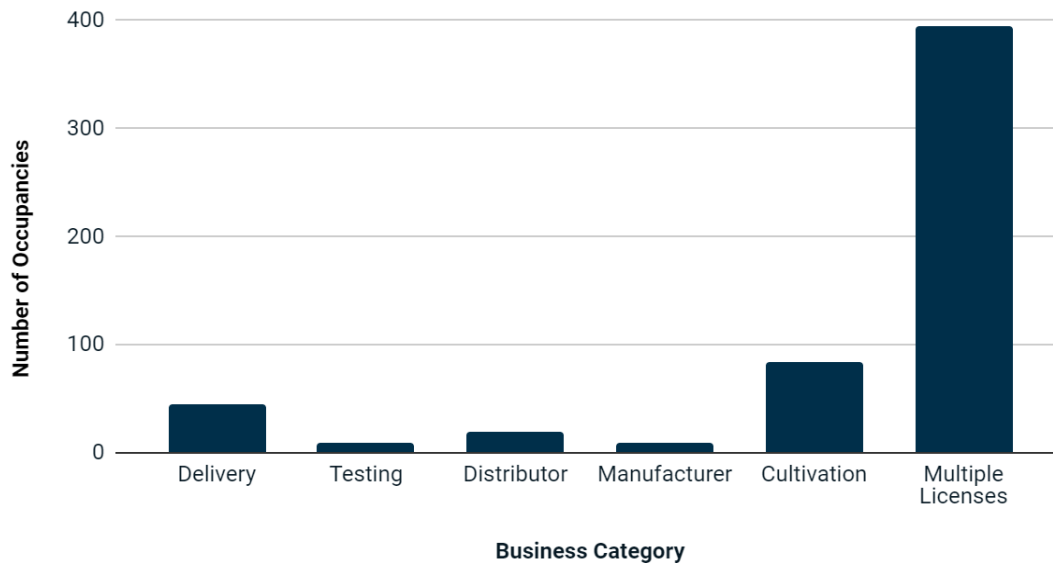
In 1996, California passed Proposition 215 making medical marijuana legal for qualified patients. The proposition was the impetus to many of the State and Local laws in place in California today. The subsequent passage of Proposition 64, which made the sale and manufacturing of cannabis legal for personal use, is paving the way for a thriving cannabis industry.

The Cannabis Unit was formed in 2018 as a part of the Administrative Section in the Fire Prevention and Public Safety Bureau of the Los Angeles Fire Department. It is overseen by a Battalion Chief, supervised by a Captain I and has a staff of one Management Analyst and three Inspector I positions. The Cannabis Unit is responsible for conducting and/or overseeing annual compliance of Fire and Life Safety, Chemical Inventory and appropriate permits for all businesses conducting cannabis related operations in the City of Los Angeles. Depending upon the planned business operations, occupancies oftentimes require additional inspections, permits and approvals obtained through both LAFD Certified Unified Program Agency (CUPA), Fire Development Services (FDS) as well as Los Angeles Department of Building and Safety (LADBS). The goal of the Unit is to ensure the cannabis related businesses in the City are up to code and safe for the public as well as our firefighters.

The Los Angeles Fire Department began working with the Department of Cannabis Regulations (DCR) to track who was issued licenses, also known as Temporary Approvals. These businesses would be allowed to participate in the following individual activities, or combination of: Cultivation, Distribution, Manufacturing, Delivery and Testing. Currently, we have 562

occupancies in the City that are operating legally and being inspected by our Unit. The graph below is a breakdown of our occupancies:

Number of Occupancies By Business Category



Permits are required by law for any business to implement a change of use, perform a building repair or alteration, and/or use CO₂ or any other hazardous material (CO₂ is used for growing the plants and can be lethal if there is a leak). The permitting process is long and it can take up to two years for a business to obtain a permit. Below is a list of permits that may be required depending on the business category:

Permits & Approvals	Issuing Department	Reason
Cannabis License or Temporary Permit	Department of Cannabis Regulation	Required to conduct cannabis related business in the City of Los Angeles
Specific Action Permit	Los Angeles Fire Department-Fire Development Services	Required for Installation of Extraction and Some Gas Enrichment Appliances
Operational Permit	Los Angeles Department of Building and Safety	Required for Continuous Use of Each Extraction and Gas Enrichment Appliance
Appliance Plan	Approval by Los Angeles Fire Department-Fire Development Services	Required for Specific Action Permit Installation
CUPA Permit	Los Angeles Fire Department-Certified Unified Program Agency	Required for Hazardous Material Inventory over Allowable Threshold (CO ₂)
Fire Safety Plan	Los Angeles Fire Department	Required of All Licensed Cannabis Occupancies

DCR Licensing Procedure Issues

Like many other occupancies in the Fire Prevention Bureau, the inspection of cannabis facilities requires training specific to the nature of the activities and building features involved. An additional degree of complexity is added when onsite cannabis operators are not fully compliant with the terms of their cannabis licensure. For an entity to become a licensed cannabis business, it is a costly venture and for some it may even be cost prohibitive. Unfortunately, this leads unscrupulous operators toward unauthorized, and in some cases, even dangerous business practices.

When DCR issues a license, they do not require the business or license holder to obtain any of the required permits through LADBS, CUPA or FDS to operate legally. Many of the businesses start operating immediately without these permits, often performing unlicensed and unpermitted tenant improvements on the building, creating dangerous conditions for the public and our firefighters. Because of the time and cost it takes to obtain a permit, many businesses are not even attempting to get them. Unpermitted improvements are a common violation that we try to correct with a written notice of violation.

If DCR could ensure that businesses have their permits *prior* to issuing licenses, it would help considerably. Our Unit has created a document, which has been approved by the City Attorney, to be sent to every new license holder with specific instructions on how to obtain the proper permits. Because of the current way the businesses obtain their licenses, it puts them at risk for numerous violations. It increases the volume of notices of violations and time it takes to conduct inspections for each business. Additionally, the permits cost money and the City is missing out on collecting fees. DCR has stated that they will not change their licensing procedure. Below is a summary of Notice of Violations issued by our Unit:

SAFETY VIOLATIONS AND NOTICES ISSUED BY THE CANNABIS UNIT		
	2022	2023 (as of 3/1/2023)
Notice of Violations	155	31
Safety Violations	1923	386

Inspection Challenges

Due to the issues with permits and the nature of the business, cannabis inspections can be difficult to schedule, inspect and document. Many licensed cannabis businesses do not have the appropriate permits and often operate in unsafe conditions. As the cannabis industry is a cash only business, security is very strict, and some businesses refuse the Fire Department access to the entire building. Many of the legal businesses also have illegal aspects to them; illegal construction, use of unpermitted CO₂, no permits, locked doors and no ventilation systems in place. Many businesses are using illegal/unpermitted generators to get the power required to operate, or illegally obtain power from the City. All unsafe violations are documented and the building owner is sent the Notice of Violations. DCR has no enforcement in place to do anything of consequence to the operators, so they do not fear losing their license/temporary approval. If evicted, operators just open up another location with their license without any of the other required permits in place. It causes confusion to track the license holders and their new locations because many businesses do not notify DCR, and as a result, DCR does not have the capability to track and conduct inspections on their end.

Legal Process

While voluntary compliance is always preferred in Fire Code violations, it may not be a reality in some instances. The cannabis business owners are often not the building owner and do not have a vested interest in correcting what in some cases may be costly repairs and/or modifications necessary to achieve compliance. Despite time and effort invested in educating or persuading the responsible party to conform to the City of Los Angeles Fire Code, there will be those who choose not to comply.

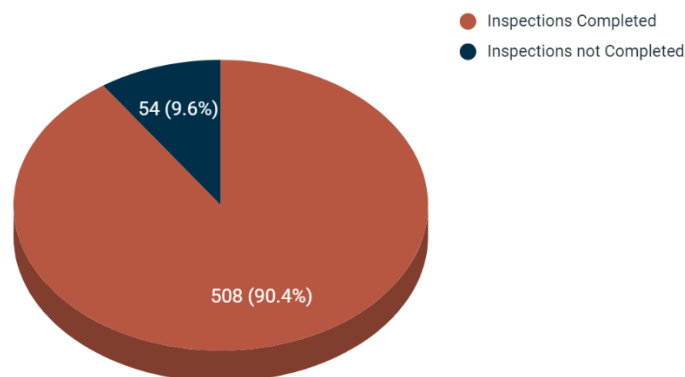
Once it has been determined by the Inspector that the occupant neither has intentions, nor has made progress toward correcting Fire Code violations, the occupancy is referred to the City Attorney for adjudication. Legal action by the Fire Department is facilitated through the Legal Liaison Unit. A successful outcome in court ultimately begins with the ground work established by the Cannabis Inspector. It is incumbent upon the Cannabis Inspector to carefully review all documentation, pictures, notices and inspection timelines for accuracy and completeness prior to being submitted to Legal Liaison. The submitted packet includes the following:

- F-290
- F-340
- F-341
- Property Owner Information
- Picture Log
- All correspondence and any other evidence that will support building a case.

Unit Vacancies Issue

In 2022, we were able to reach approximately ninety percent (90%) of inspections completed. The reason for not achieving the goal of one hundred percent was due to two districts in our unit being vacant for several months last year. DCR continues to give out licenses and we track them all. We also handle any complaint from the field regarding a cannabis business. Oftentimes, those complaints are illegal and operating without a license (Illegal Cannabis). We refer those occupancies to the Illegal Cannabis side in the Legal Liaison Unit. The chart below is a summary of our Unit's inspection effort for 2022:

Cannabis Unit Inspections for 2022



Future Outlook

As DCR continues issuing temporary approvals, inspectors employ an increasing number of hours conducting annual maintenance inspections and communicating with business owners to achieve compliance. It would be helpful to have one Inspector II position as a liaison between Inspectors and the agencies involved in the cannabis industry. Two additional Inspector I positions would also be beneficial to keep up with the rising number of cannabis occupancies.

CONCLUSION

To demonstrate our commitment to fire/life safety, the Cannabis Unit continues to direct focus to fire prevention inspections as a priority Department-wide. Our focused approach and accountability measures both within the FPB are providing positive results.

As we seek opportunities to improve efficiency and enhance service levels, we continue to rely on the commitment of all involved.

Board report prepared by Anthony Hardaway, Battalion Chief, Fire Prevention and Public Safety Bureau.