



City Clerk Council and Public Services <clerk.cps@lacity.org>

Fwd: Thank You For Attending Yesterday's Meeting Regarding the Social Equity Program

Gloria Pinon <gloria.pinon@lacity.org>

Fri, Feb 15, 2019 at 7:35 AM

To: Clerk - Public Use - Clerk Council and Public Services <Clerk.CPS@lacity.org>



----- Forwarded message -----

From: Adam Vine <adam@cagefreecannabis.com>

Date: Thu, Feb 14, 2019 at 4:32 PM

Subject: Re: Thank You For Attending Yesterday's Meeting Regarding the Social Equity Program

To: Michelle Garakian <michelle.garakian@lacity.org>, Cat Packer <cat.packer@lacity.org>

Cc: Alexander Freedman <alexander.freedman@lacity.org>, Jeffrey Cranmer <jeffrey.cranmer3@gmail.com>, Kelsey Middleton <kelsey.middleton@lacity.org>, CityClerk@lacity.org <CityClerk@lacity.org>

Hi all,

Please find attached our feedback to DCR's report of February 8, 2019.

Thank you for your service to the city and your commitment to the Social Equity Program.

Sincerely,
Adam

From: Michelle Garakian <michelle.garakian@lacity.org>**Date:** Wednesday, February 13, 2019 at 3:27 PM**To:** Cat Packer <cat.packer@lacity.org>**Cc:** Alexander Freedman <alexander.freedman@lacity.org>, Jeffrey Cranmer <jeffrey.cranmer3@gmail.com>, Kelsey Middleton <kelsey.middleton@lacity.org>**Subject:** Re: Thank You For Attending Yesterday's Meeting Regarding the Social Equity Program

Greetings,

Thank you all for continuing to send your feedback to DCR. Please continue to do so via written comments. Many of you have inquired about sending the slides presented at the 2/6 SEP Stakeholder meeting. Instead, please find the [report](#) (CF 14-0366-S5) we remitted to the City Council for review. This report will be considered this Friday, February 15th at the [City Council Rules, Elections and Intergovernmental Relations Committee \(REIR\)](#) meeting taking place at 8:30 AM in the John Ferraro Council Chamber Room 340 located in City Hall.

Thank you very much,

Michelle



CITY OF LOS ANGELES DEPARTMENT OF
CANNABIS
REGULATION

Michelle Garakian
Assistant Executive Director
Department of Cannabis Regulation
213-978-0738
City of Los Angeles

On Thu, Feb 7, 2019 at 4:36 PM Cat Packer <cat.packer@lacity.org> wrote:

Hello,

Thank you for attending yesterday's stakeholder meeting to discuss the City's Social Equity Program.

My team sincerely thanks you for your presence, participation and for sharing your insightful perspectives. Please know that we are sincerely considering every comment shared and as such, hope to balance the interests of all stakeholders.

Although we limited attendance in an attempt to create an environment to allow for constructive and critical dialogue, we are actively and openly seeking recommendations from anyone and everyone, and we look forward to continuing to engage with you as we continue to improve and implement next steps.

As discussed, this conversation is ongoing and we invite you to stay engaged. The next City Council REIR Committee Meeting is tentatively scheduled to take place on February 15, 2019, at 8:30 AM. Please continue to check the [City Council Committee schedule](#) regarding meeting details and to find the committee agenda. By Monday, the Department will have remitted an initial report to the committee which will contain our proposed recommendations and various policy considerations including the initial feedback we received yesterday. Once available, You may find this report [here](#) by inputting CF 14-0366-S5 into the search field.

Furthermore, the Social Equity Program will be discussed at the upcoming [Cannabis Regulation Commission](#) which is tentatively scheduled for February 28, 2019, at 2:00 PM in City Council Chambers at City Hall. Please advise your constituents and members that they are welcome to both meetings. To subscribe to the Mailing List for Cannabis Regulation Commission Agendas: [Click Here](#).

In the meantime, please feel free to reach out to Michelle to schedule a call to discuss your individual concerns in further detail. We strongly request that you send your comments in written form so we can compile them for consideration.

Thank you again for your time.

Sincerely,



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

Cat Packer
Executive Director
Department of Cannabis Regulation

City of Los Angeles
213-978-0738



CFC_City of LA Feedback_14 Feb 2019.pdf
142K



Cage-Free
Cannabis



Cage-Free
Repair

February 14, 2019

Cat Packer
Executive Director, Department of Cannabis Regulation
City Hall
200 N. Spring Street
Los Angeles, CA 90012

cc: Honorable Members of the Rules, Elections, and Intergovernmental Relations Committee,
Los Angeles City Clerk's Office, Richard Williams – Legislative Assistant, Michelle Garakian,
Assistant Executive Director, Department of Cannabis Regulation

RE: Cannabis, Social Equity, and COUNCIL FILE NO. 14-0366-S5 [AMENDMENTS]

Dear Director Packer,

Please find below our feedback in response to your report to the Rules, Elections, and
Intergovernmental Relations Committee, dated February 8, 2019.

We agree that “it is critically important that the City ensure that the Social Equity Program
(SEP), which is an integral component of Phase 3, is fully-established before most of the
opportunities to participate in the storefront retail licensing process are gone.”

We share the “concerns that if storefront retail licensing begins in the Spring 2019, many Tier 1
and Tier 2 applicants who are depending on BLC support that is not yet available will completely
miss the opportunity to even apply for a license because all of the City's Community Plans will
have reached undue concentration well before they are ready to apply.”

With that in mind, Cage-Free Cannabis, a California Benefit Corporation, and Cage-Free Repair,
a fiscally sponsored project of the Social Good Fund, support the DCR's recommendation of a
“bifurcated storefront retailing licensing process.” We support the lottery-based system proposed
by DCR, so long as proper safeguards can be implemented to prevent bad actors from gaming
and/or dominating system, because it offers the fairest and most equitable opportunity to Social
Equity Applicants who lack the resources needed to compete in a merit-based system.

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Phone: 202.412.9964 • 6151 Strickland Ave. Los Angeles, CA 90042

www.cagefreecannabis.com • adam@cagefreecannabis.com

Additionally, we support all ten of DCR's "additional proposed amendments" in Section C of their letter of February 8, 2019. We also support DCR's recommendations in Section D of the same letter, EXCEPT for Recommendation D, which would allow "a person to hold no more than a 49% ownership or profit-sharing interest in 12 Tier 1 storefront retail licenses." We believe that no person should be allowed to partner or invest in more than 3 SEP applicants under Phase 3. This will avoid "stacking" and monopolization of retail licenses/locations by one entity. We also believe that the integrity of the SEP program is at risk if the City does not implement protections for SEP applicants against the manipulation of predatory investors.

Above all, we reiterate our support for **the approximately \$5 million in funding of DCR that was requested in our coalition letter dated January 18, 2019**, as well as a Community Reinvestment Fund.

Given that LAPD's 2018-19 budget line item is \$1.6 billion, and that, between 2012-2016, the people of Los Angeles who were booked for cannabis "crimes" forfeited \$7.9 million in non-refundable bond deposits; and given that "collectively, persons arrested by the LAPD for a cannabis-related offenses lost 25 years of life in LAPD detention between 2012 and 2016," and that "African Americans lost more time than any other racial group,"¹ we strongly believe that the City of Los Angeles can and must find the resource to ensure this Social Equity Program is funded, staffed, transparent, and successful.

With all of these facts in mind, we request once again that the City Council allocate resources from the General Fund to support DCR and the Social Equity Program. Those budget requests are reprinted here for your convenience:

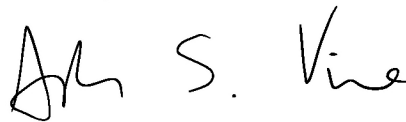
1. Full funding of the DCR Social Equity Program, including business and technical assistance for Social Equity Applicants that includes legal assistance, licensing and trademark assistance, graphic design support, etc. (\$1,000,000).
2. Research and analysis to support the expansion of the priority licensing formula in the Social Equity Program to include zip codes in the San Fernando Valley and Boyle Heights (\$95,000).

¹ Bryan, Isaac, et al. *RACE, COMMUNITY, AND THE RECENT DISPARITIES IN CANNABIS ENFORCEMENT BY THE LAPD*. UCLA, 2018, *RACE, COMMUNITY, AND THE RECENT DISPARITIES IN CANNABIS ENFORCEMENT BY THE LAPD*, milliondollarhoods.org/wp-content/uploads/2018/03/MDH-Cannabis-Report-March-2018.pdf.

3. Expansion and regular maintenance of the DCR website so that the public can receive accurate information (\$125,000).
4. Job training and workforce development for careers in the primary and ancillary cannabis industry (\$1,500,000).
5. Harm reduction sites that include areas for safe consumption for people who do not own a private place to consume, which includes the houseless population, tourists, and poor people in general who often have landlords (including HACLA) who disallow cannabis on their premises. (\$750,000).
6. A low-interest or no-interest loan fund for social equity licensees (\$1,500,000).
7. Annual audits of Social Equity Programs and licensees to ensure that they are benefiting equity applicants and not exposing them to predatory relationships (\$250,000).
8. Annual tracking and reporting of cannabis arrests, infractions, and other forms of enforcement (\$150,000).
9. Education for communities of color about the health, wellness, and economic impacts of the cannabis plant and the cannabis industry (\$800,000).
10. Research that helps understand the impacts of the cannabis industry on communities most affected by the War on Drugs in Los Angeles. (\$225,000).

If you have any questions, comments, or feedback about our positions, please do not hesitate to get in touch.

Most sincerely,

A handwritten signature in black ink that reads "Adam S. Vine". The signature is written in a cursive, flowing style.

Adam Vine

Co-founder, Cage-Free Cannabis & Cage-Free Repair

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