

## MOTION

In March 2017, the City's voters approved Proposition M, which enables the City Council to replace the current regulatory framework for cannabis with a new, comprehensive system. Since the passage of the Adult Use of Marijuana Act and Proposition M, the City Council has been conducting an open and public dialogue about how to best regulate all aspects of the cannabis industry within the City of Los Angeles. In addition to discussions regarding a regulatory framework, the City has also had discussions on how to address issues surrounding disparities in the enforcement of drug laws and their impacts on marginalized communities.

The City Council has hosted several discussions through public hearings where the establishment of a Social Equity Program has been requested frequently with the intention to promote equitable ownership and employment opportunities for marginalized communities and to address the disproportionate impacts of the war on drugs in those communities. The City Council instructed the CLA to secure a study relative to the development of a Social Equity Program focusing on an analysis of poverty and LAPD statistics and components of a Social Equity Program focused on access to ownership training programs, technical assistance and capital as well as outreach strategies to ensure that possible operators are aware of the resources the City is providing. In developing the program, the City should also use best practices from other municipalities that have created progressive, social equity policies, such as Oakland.

Based on information provided in the Social Equity report, there is compelling evidence that a Social Equity Program be created. In the 1970s and 80s, the City and County began formulating many gang suppression measures targeting gangs and drugs: SWAT's Community Resources against Street Hoodlums (CRASH), LA Sheriff's Operation Safe Streets Bureau and Gang Reporting Evaluation and Tracking (GREAT), Operation Hammer, Operation Knockdown as well as the LA District Attorney's Hardcore Gangs Investigations prosecutorial Unit. California passed over 80 anti gang measures between 1984 and 1988. Within years of these measures, 47% of all African American men in the City between the ages of 21 and 24 were listed as gang members, many of which were arrested for minor offenses. This meant that these young men were denied access to a public defender, leaving with no reals or access to proper defense of advocacy even as prosecutors increased convictions and prison sentences. By 2000, African Americans and Latinos comprised 64% of the population of the CA Department of Corrections.

More recent data shows that although African-American individuals comprise 9.6% of the City population, they represented 40% of all cannabis related arrests between 2000-2017. In addition, despite representing less than 1/7<sup>th</sup> of the City's population, cannabis related arrests in Council District 08 and 09 between 2010-16 represented 21% of the total population. Furthermore, Zip Codes 90037, 90044 and 90003 comprise 5.8% of the City population, but account for over 10% of all cannabis related arrests.

This focus on enforcement affected not only the livelihood of individuals arrested, but that of their family members and communities at large. Specifically, it negatively impacted educational and employment opportunities, prevented access to federally funded housing, which leads to



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housing instability and homelessness, which the City is seeing a correlation with very high numbers of African Americans as well. The Social Equity report findings support the notion that unless barriers such as access to capital and real estate are addressed in addition to community reinvestment, this opportunity gap will never be closed. As a follow up to previous motions introduced by Councilman Harris-Dawson focusing on a pilot program, decriminalization for possession of marijuana for 18-20 years old, tax revenue being used for community benefits, a public hearing process, and social equity tiering, this Program should focus on individuals with prior cannabis arrest records and their families, as well as the communities that experienced the most disproportionate cannabis-related enforcement.

The City of Oakland sought to target similar individuals through it's Equity Permit Program, which provides industry specific technical assistance, business ownership technical assistance, no interest business start-up loans, and waivers from City permitting fees. The Equity Permit Program also stipulates that during the Initial Permitting Phase, a minimum of fifty (50) percent of all permits issued shall be issued to Equity Applicants, which we would like to see modeled in our City's program.

I THEREFORE MOVE that the City Council REQUEST the City Attorney, with the assistance of the Executive Director of Cannabis Regulation, prepare and present an ordinance establishing a Social Equity Program for recreational cannabis dispensaries based on recommendations from the Social Equity report, with attention to streamlining development permitting, Equity Application Participation Ratio, Provisional Licensing, Compliance, Education and Outreach Assistance, Monitoring and Adaptive Management Assistance, Third Party Consultants, Residency Requirement, Ownership Requirements, Waived Fees, Workforce Requirement, Incubator/ Industry Partner Program, technical assistance, community reinvestment, expungement assistance and an investment program and fund as well as any remaining items relevant to establishing a Social Equity Program.

CO PRESENTED BY:   
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SECONDED BY: 

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