

Communication from Public

Name: John Grant
Date Submitted: 05/03/2019 11:57 AM
Council File No: 19-0600
Comments for Public Posting: Please see the attached letter regarding Local 770 and UCBA's Support for DCR and Cannabis Enforcement (FY 19-20).

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May 3, 2019

Via Email Only

**UNITED FOOD
AND COMMERCIAL
WORKERS UNION**

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Honorable Mayor Eric Garcetti
Honorable Council President Herb Wesson
Honorable Councilmember Paul Krekorian
Los Angeles City Hall
200 North Main Street
Los Angeles, CA 90012

Dear Mayor Garcetti and members of the City Council Budget and Finance Committee:

We commend the City Council and Mayor for responding to the will of voters and communities throughout Los Angeles in setting forward a broad vision of a well-regulated cannabis market that prioritizes social equity. This year's budget represents a crucial "make or break" moment for a regulated, equitable cannabis industry.

United Food and Commercial Workers (UFCW) Local 770 represents hundreds of cannabis workers in the City of Los Angeles, as well as more than 31,000 workers in healthcare, retail health, grocery, packing and cannabis. The United Cannabis Business Association is the largest and most active trade association for legal cannabis business operators in Los Angeles. Our current and future cannabis workers are looking to the City for a regulated market and equitable pathways to opportunity. Our members and community allies belong to neighborhoods that were hard hit by the war on drugs and looking to the City for a regulated industry and reinvestment to repair the decades of the punitive war on drugs.

The Department of Cannabis Regulation (DCR) has been working overtime, with a small but dedicated staff, to enact the vision set forward in Proposition 64 (2016) and the 2017 city regulations that enshrined one of the nation's first social equity programs. In numerous public reports, DCR has been realistic about the fact that they have been minimally resourced for such a large and profound mission. Even so, they have done more than could ever be expected, and have set forward ambitious plans to move LA forward in 2019-2020.

UFCW 770, UCBA, and many community allies have continually come forward to ask for genuine resourcing. Now is our chance to meet the needs DCR has outlined so they can fulfill their mission - and LA can live up to its promise as a model of equity with a thriving industry.

UNION LOCAL

If DCR continues to be hamstrung, so too will legitimate unionized cannabis employers who want to play by the rules. If DCR continues to lack real resources, so too will the future small business owners from low-income, hard-hit communities that the social equity program was meant to benefit. Perhaps most invisible are thousands of employees in both current shops that respect labor rights and future social equity businesses whose livelihoods are on the line. They, too, are often from social equity communities and look to cannabis for a high-road job and professional pathways. Their neighbors, families and communities will benefit when we wholly invest in a regulated market.

To serve businesses, workers and hard-hit communities who want a well-regulated market, we need a fully-funded and well-staffed Department of Cannabis Regulation. Cannabis tax funds should go first and foremost to run the department that makes these resources possible, and to repair the harms of the war on drugs. DCR knows best how to implement robust pathways to licensing and to enforce current regulation without criminalization, and it's time to listen.

We need to support funding for other city departments that are working in collaboration with DCR to regulate the cannabis industry and to eliminate the illicit market that is hurting workers and our communities. The LA Fire Department (LAFD) is essential for executing compliance and inspection departments, the Bureau of Contract Administration (BCA) ensures that employers are complying with local and state laws regulating wages and employment, and the LA Department of Water and Power (LADWP) are critical for ongoing measures to shut off utilities and impose civil penalties on landlords leasing to illegal shops.

Further, this letter calls on the City to increase its commitment to funding DCR and enforcement against unlicensed, illegal operators. We believe that expenditures related to enforcement matters will generate revenues by increasing taxes from legal operators and protect and create good paying jobs. We recommend increases in funding for enforcement by LAPD, opportunities for additional state resources and expanded funding to support the Los Angeles Fire Department's inspection program as outlined below.

1. **Business, Licensing, and Compliance (BLC) Program: \$3 million annually for three years.** The 2019-20 Proposed Budget includes a new General Fund appropriation of \$1.5 million to support the BLC Program. (As outlined in the department's letter, dated April 23, 2019)
2. **Cannabis Enforcement Resources (LAPD - \$10 Million):** We support an additional Ten Million dollars for investigating and enforcing laws against illegal cannabis businesses, but request specific allocations within LAPD that are dedicated to solely to cannabis enforcement and the City's efforts to disconnect power and fine property owners. This request would ensure that overtime allocations are not spent on other priorities that may occur during the fiscal year.

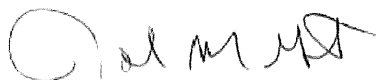
3. **State Resources for Cannabis Enforcement (State of California - \$10 Million):** We urge the City to continue to find available funding opportunities for cannabis enforcement that may exist with the State. Additionally, we would support the City seeking grant funding from the Attorney General's office specifically for cannabis enforcement.

4. **Cannabis Enforcement Program Expenses (Los Angeles Fire Department - \$444,650):** The LAFD has requested additional resources in their budget letter to this committee specifically for expenses related to vehicles, inspection field equipment and mobile devices for their inspections of the 1,2000 illegal cannabis operations in the City.

The nation is watching. What we do in Los Angeles when it comes to cannabis sets the tone for the rest of the cities in the county - and across the US. Other cities are referencing both the shortcomings and successes of the City of LA's regulation and equity program, which is the largest and most ambitious in the US. Let's have them focus on the successes for generations to come.

Thank you for your consideration,

UFCW LOCAL 770



John M. Grant, President

UNITED CANNABIS BUSINESS ASSOCIATION



Jerred Kiloh, President

JMG:JK:le

cc: Miguel Sagalang, Deputy Mayor for Budget and Innovation
William Chun, Deputy Mayor for Economic Development
Richard Llewellyn, City Administrative Officer
Sharon Tso, Chief Legislative Analyst

Communication from Public

Name: Fanny Guzman
Date Submitted: 05/03/2019 01:43 PM
Council File No: 19-0600

Comments for Public Posting: I will be echoing some of my colleagues and quoting some iconic revolutionary figures. the masses are poor, the masses belong to what you call the lower class, and when we talk about the masses, were talking about the white masses, were talking about the black masses, and the brown masses, and the yellow masses, too. We will not fight racism with racism. We're gonna fight racism with solidarity! Racism is just a tool used by Capitalists to divide and conquer. We are here in solidarity with all our brothers and sisters to be each other's keeper! Any program that's brought into our community should be analyzed by the people of that community. It should be analyzed to see that it meets the relevant needs of our communities. the social equity component of Measure M provides a vehicle for those in the community wishing to be a part of the economic side of the cannabis industry. But there are community members and areas ravaged by the "war on drugs" who have no interest in the business and still they are entitled to justice! i.e. A mother in Boyle Heights would love to see "Parenting Classes on How to Discuss Drugs (all drugs) with their Kids." It's unconscionable to proceed without having an adequate funded program. How can such program be implemented without proper resources? Why should we keep begging the city to reinvest into OUR communities? The following are urgently important and pressing questions we'd like answers on:

- When will the City put the cannabis revenue into fulfilling the promises made in Measure M regarding social equity AND SOCIAL JUSTICE??
- When will the City incorporate the people in the spending decision making as contemplated under Measure M, which passed with 81% approval? Measure M was passed mandating quarterly reports on cannabis tax revenue from the Office of Finance. Has anybody receive their report for 2019 Q1 (Jan. - Mar.)? It's already May 2. It's our understanding that the Mayor & Budget Chair can request revenue projections from the controller any day of the year Be true to what's on paper!

Communication from Public

Name: Oscar Aguayo
Date Submitted: 05/03/2019 02:32 PM
Council File No: 19-0600
Comments for Public Posting: My my question to our council members where did 41 million dollars go. Also, We urge the city to fully fund DCR's Budget request for Fiscal Year 2019-2020, and we support DCR's ask for an additional \$2.5 millions dollars in funding

Communication from Public

Name: Nick Pacheco

Date Submitted: 05/03/2019 03:11 PM

Council File No: 19-0600

Comments for Public Posting: The Controller projects \$41 million in cannabis tax revenue, yet, I am unable to locate in the released 2019-2020 Proposed Budget documents how this money will be spent to implement the mandates of Measure M. Also, the 2018-2019 fiscal year cannabis revenue projections, according to the Controller, were exceeded by \$23 million. Where can I obtain the information outlining where this money was spent? \$64 million dollars is unaccounted for and this money could be used to establish a low interest loan program for Social Equity licensees or to fund a fee deferment program. Measure M mandates the Office of Finance to generate quarterly reports of the cannabis tax revenue. When will the Budget committee host public meetings with the community to set priorities for spending this cannabis revenue?



Richard Williams <richard.williams@lacity.org>

Public Comment on the Mayor's 2019-2020 Budget for the Dept of Cannabis

1 message

Janve Praise <janvepraise@gmail.com>

Fri, May 3, 2019 at 1:35 PM

To: "andrew.choi@lacity.org" <andrew.choi@lacity.org>, "cityclerk@lacity.org" <cityclerk@lacity.org>,

"clerk.budgetandfinancecommittee@lacity.org" <clerk.budgetandfinancecommittee@lacity.org>

Cc: "rob.katherman@lacity.org" <rob.katherman@lacity.org>

Good afternoon,

The following is my public comment for today's meeting of the Budget Committee regarding the Mayor's 2019-2020 proposed budget.

Please add this comment to council file 19-0600.

Honorable members of the Budget and Finance Committee:

Thank you for the work you have done thus far to move the licensing process forward, fund, and empower the DCR to launch Phase 2 and 3 according to an accurate representation of the spirit of social equity.

However, **further regulatory delays to the process for those turn-key ready social equity applicants, places them, and all social equity applicants that follow, at risk of imminent failure. Furthermore, DCR is currently underfunded, which delays all aspects of licensing, and delays the implementation of programmatic support for social equity applicants in the form of business, licensing, and compliance assistance.**

DCR predicts that licensing for Round 1 of Phase 3 would begin no earlier than November 2019. We are financially unable to withstand further delay. It is not equitable. Each and every additional day we wait exhausts even our basic personal resources, and ensures the likelihood **our failure**. We have prepared for this opportunity for 637 days, we have held property for 413 days, my family has invested our legacy and our savings in Social Equity. In delaying this process, City Council **will prescribe failure** to the social equity applicants most qualified and most prepared to succeed, and therefore most suited to represent the City of Los Angeles, and lead the social equity movement in cannabis.

The Budget and Finance Committee MUST fund the DCR as requested! The Mayor's Budget should reflect the voters intent in voting for the Social Equity Program. We will all fail without adequately funding infrastructure, management, oversight, and support of ALL licensees, especially social equity applicants. DCR has recommended, stakeholders have pleaded, and constituents voted to fully support the sustainability AND success of cannabis legalization. As with the absolutely necessary support for enforcement, the success of the industry hinges on funding the DCR.

Thank you,

Janve Sobers
Social Equity Applicant