

May 3, 2019

The Honorable Paul Krekorian  
Chair, Budget and Finance Committee  
City Hall, Room 395  
Los Angeles, CA 90012

Re: Department of Cannabis Regulation 2019-2020 Proposed Budget

Dear Councilmember Krekorian,

Over the past few years, several members on council, including myself, have worked to establish the historic Social Equity Program. Council President Wesson, Councilmember Price, and myself established the most aggressive equity program that we have seen in the nation, addressing the decades of mass incarceration in communities of color as a result of the War on Drugs.

The City is in a powerful position to create systematic change nationwide, as many cities and states across the country are looking to the City of Los Angeles to set the standards and the creation of policy that address cannabis industry.

Throughout the implementation process of the Social Equity Program we have worked vigorously to reach a comprehensive enforcement strategy against unlawful commercial cannabis activity. We have logged over 60 illegal shops in Council District 8 and are anticipating more. Although the new complaint portal has been extremely helpful in locating illegal shops, we are still in dire need of a collaborative and data driven enforcement strategy composed of public education and outreach campaign.

Since the implementation of the Social Equity Program, we have received an overwhelming amount of response from Angelenos. Though we are excited to have several individuals apply to acquire licensing for cannabis related businesses, there are not enough resources to address the backlog. Since January 2018, DCR has issues temporary approvals to over 180 businesses that submitted applications during Phase One Priority Processing (LAMC Sec. 104.07). DCR continues to process applications associated with over 450 businesses that submitted applications during Phase Two Priority Processing (LAMC Sec. 104.08). In order to efficiently address the magnitude

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# MARQUEECE

LOS ANGELES CITY  
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# HARRIS-DAWSON

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of applications for the Social Equity Program, DCR needs additional resources.

As we prepare for the upcoming Fiscal Year 19-20, I believe that we are in a great position to continue making the Social Equity Program a success, however, we must secure necessary funding to do so. At this time, knowing that the Department of Cannabis Regulation requests the Budget and Finance Committee's support for an additional \$2.25 million General Fund allocation to the Department's Special Fund to align the Business, Licensing and Compliance Technical, I am requesting that DCR's complete budget ask be adopted in the City's budget for Fiscal Year 2019-20.

Thank you for your consideration of this request.

Sincerely,



MARQUEECE HARRIS-DAWSON  
Councilmember, 8<sup>th</sup> District  
Chair, Homelessness and Poverty Committee

CC:  
Councilmember Curren Price  
Councilmember Mike Bonin  
Councilmember Paul Koretz  
Councilmember Bob Blumenfield