



April 28, 2019

President Herb J. Wesson, Jr.
The Honorable Members of the Los Angeles City Council
Ms. Cat Packer
Los Angeles City Hall
200 N. Spring Street
Los Angeles, CA 90012

Re: Los Angeles City Council Agenda for April 30, 2019 Item No. 14 Section 1(d) – Request for Immediate Licensure of Social Equity Candidates Holding Land
CF 14-0366-S5 CF 19-0600

Dear President Wesson, The Honorable Members of the Los Angeles City Council and Ms. Packer:

Our organizations are writing to request that the licensing of Phase III Candidates who have valid leases or own land, begin as soon as possible. To expedite this undertaking we outline solutions below, which we believe will allow for the immediate licensing of those holding land, without compromising opportunities for other applicants.

Pull Section 1(d)¹¹¹ from the Agenda and Return It to The Rules Committee for Revision. This section contains a wealth of requirements which engender such a lengthy time-line that Ms. Packer maintains that the earliest Phase III licensure could begin would be November of this

year.^[2] Those holding land are at grave risk of losing everything due to unforeseen delays which neither the applicants nor the City anticipated. Adding more delays is not the solution.

Suggested Revisions to Section 1(d):

Establish an immediate 30 day vetting period, where those who are holding land may come forward and establish their social equity status.

Allow the DCR the discretion to establish the timeline for all other Phase III vetting and application submissions, once those holding land have had their Social Equity status established, rather than establishing a specific timeline via ordinance.

We believe that no more than one hundred applicants will have leases or deeds and that the number could be far less. We won't really know until the vetting period is finished. Letting the DCR set their own timeline, allows them to make adjustments depending on whether those holding land are more or less numerous than anticipated.

Instead of waiting for the results of the enhanced Social Equity Analysis, set aside fifty (50) of the proposed one hundred and fifty (150) licenses to accommodate those who may be identified as social equity eligible in the new analysis.

Allow those holding land to waive the requirement for technical assistance until such time as it becomes available. To ensure this freshman class of social equity candidates does have assistance in problem solving, create a working group of the freshman class, and provide them with a space where they can meet.

It's important to remember that historically, operators worked with each other to find solutions, technical assistance from anyone who didn't have cannabis retail experience was useless to them, because their problems were so specialized. Many of those signatory to this letter would be happy to volunteer their time and expertise to ensure those holding land received assistance.

Cannabis retail businesses are unique operations. To maximize the effectiveness of technical assistance the DCR needs to follow a sample group through the application process and initial operations. If this isn't done, precious technical assistance monies may be wasted on things which don't help retail operators at all.

Thus, immediately licensing those holding land provides relief for the licensee and a pool of operators the DCR can draw inspiration from as it fashions its Technical Assistance Program.

We hope the suggestions above have been helpful and that the Council will elect to adopt them, thus removing the obstacles for immediate licensure of those who have sacrificed so much for so long.

Our group would be happy to meet with the DCR or council members to discuss these matters further.

Sincerely,

Donnie Anderson
Co-Founder and President
The California Minority Alliance

Cheryl Branch
Founder
Green Believers

Sherri Franklin
Co-Founder
Think and Grow Lab

Noreen McClendon
Executive Director
Concerned Citizens of South Central Los Angeles

Karim Webb
Chief Executive Officer
4th MVMT

Kika Keith
Founder
Life Development Group

Sean Kierman
Chief Executive Officer
Weed for Warriors

Honorable Darren W. Parker
President
Black American Political Association of California

Adam Spiker
Executive Director
The Southern California Coalition

Sarah Armstrong JD
Director of Industry Affairs
Americans for Safe Access

^[1] Item 1(d) reads: “1 (d) Amend where necessary to establish a 60-day period for the pre-vetting processing for Social Equity applications for retail commercial cannabis activity or closing 30 days after the Council adopts the findings of the enhanced Social Equity Analysis. Technical assistance will be in place a minimum of 45 days before the first application window opens.”

^[2] See: April 23, 2019 Letter from Ms. Packer to the Council, page 4 paragraph 4 stating: “Based on the policies currently under consideration, the earliest Phase Three could begin is November of 2019...” Link to the document at: http://clkrep.lacity.org/onlinedocs/2019/19-0600_rpt_DCR_04-24-2019.pdf