

## Communication from Public

**Name:** Tyrone Freeman  
**Date Submitted:** 05/04/2020 05:40 PM  
**Council File No:** 20-0521  
**Comments for Public Posting:** California Minority Alliance support of grant award totaling over \$6 million dollars for social equity program to be administered by DCR, in addition, to need for expedited and ALL applicant processing to meet the economic recovery challenges caused by COVID-19



# CALIFORNIA MINORITY ALLIANCE

May 4, 2020

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The Honorable Councilwoman, Nury Martinez, City Council President  
Honorable Members of the Los Angeles City Council  
Los Angeles City Hall  
200 North Spring Street  
Los Angeles, CA 90012

### **RE: SUPPORT OF CF:20-0521 with AMENDMENTS AS INITIATE FOR CANNABIS INDUSTRY ABILITY TO REVIVE THE CITY OF LOS ANGELES ECONOMY**

Dear Honorable Councilmembers:

On behalf of the cannabis business owners, applicants, consumers, employees, community allies, and industry stakeholders of other jurisdictions, who make up the membership of the California Minority Alliance ("CMA"), formally **SUPPORT** the passage of **CF-20-0521 "Social Equity Program / Social Equity Applicants and Licensees / Local Equity Grant Funding Program Grant Funds / California Cannabis Equity Act of 2018 / Grant"**, **WITH** the outlined emergency amendments.

Although the prevalence of injustice and unfairness in the issuance of the first 100 invoices for Phase 3, Retail licensing Stage 1 process, has led to a legitimacy issue regarding the City's social equity program, CMA worked closely with the Governor's Office of Business and Economic Development (GO-Biz) in advocacy for funding of the City of Los Angeles Social Equity Program. Inasmuch, DCR acceptance of the proposed grant for **\$ 6,042,014.23** is a step in the direction of legitimacy for the City's social equity program.

*However, this step in the right direction must be accompanied by additional corrective actions attained through the processing of all applications submitted during the 14-Day Retail application period, who **did not** access the Accela platform prior to the start time of 10:00 a.m.*

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As Angelenos, we must all work to stop the spread of the virus and revitalization of the Los Angeles economy. That is, CMA understands moving into Phase 2 of reopening requires that the cannabis industry is on the front lines of addressing joblessness in our city due to the COVID-19 outbreak. CMA advocates that the rapid licensing of cannabis industry social equity applicants through the usage of the awarded grant funding provided by the passage of **CF-20-0521**, will both aggressively provide economic recovery for the city and provide jobs, economic recovery, and opportunity for those communities most impacted by the War on Drugs.

*Objectively, DCR's administration of the grant funds **MUST** seek to both provide access to capital for Verified Social Equity Applicants and achieve high repayment rates so funds can be procurable to assist more social equity applicant led businesses to be successful.*

Inasmuch, CMA calls on the members of City Council to amend **CF-20-0521** as a matter of urgency such that the current conditions are immediately implemented for the DCR acceptance of said grant monies allocated.

Vote in favor of amending **CF-20-0521** to immediately enact the following.

- Direct the Department of Cannabis Regulations (DCR) to **DEEM ALL** Social Equity Applications that **did not** violate the September 3, 2019, 10:00 a.m. *entry time* eligible for further processing pursuant Section 104.06, allowing those applicants that violated entry time guidelines to reapply for Round 2. According to the Audit **222** applicants signed-on to the Accela platform and 14 accessed application<sup>1</sup>. CMA recommends **All 222 and the 14** have to re-submit applications.
- Direct DCR to process Type 9 application processing per L.A.M.C. § 104.06.1(f).
- Direct DCR to process ALL Type 10 Retail Social Equity Applications submitted in compliance with application submission rules (*10: 00 a.m. entry time on September 3, 2019*) pursuant to L.A.M.C. 104.06.01(e). In other words, combine all Rounds of licensing.
- Direct DCR to begin Type 9 Application Processing for all City of Los Angeles Temporary Approved (pursuant L.A.M.C. 104.08) Phase 2 applicants, who have received Bureau of Cannabis Control (BCC) Provisional Licenses **ONLY**.
- Direct DCR that RETAIL licenses (Type 10) shall be issued to Social Equity Applicants who have complied with All provisions of the licensing application AND received State Licensing Approval of Annual licensing. In other words, Social Equity Retail Licenses shall be issued when an application (1) paid(waiver) all fees, (2) completed local licensing plan(s) including social equity staffing plan, and community engagement plan, (3) the premise is approved for *retail cannabis* business by Buildings and Safety, Fire Department, and Police pursuant L.A.M.C. 104.06 , (4) applicant has received state approval (*which is required before operations as a matter of statute*).

Sincerely,



Tyrone Freeman, Executive Director

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<sup>1</sup> 20200327 DCR Phase III Round 1 Licensing Performance Audit and Review.

<https://cannabis.lacity.org/sites/g/files/wph1171/f/DCR%20Phase%20III%20Round%201%20Licensing%20Performance%20Audit%20and%20Review%2003.27.2020.pdf>