



Date: May 11, 2021
From: Park Mesa Heights Community Council
RE: Reform Cannabis Social Equity Regulatory Framework
CF#: 14-0366-S5

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Honorable Members of the Los Angeles City Council,

On September 1, 2017, in a letter addressed to his City Council colleagues, Los Angeles City Councilmember Marqueece Harris-Dawson, called on his fellow councilmembers to act on behalf of their constituents,

“As public servants of the City of Los Angeles, we are committed to building a just, equitable, and thriving city,” . . . “Even as we stand on this precipice, we must recognize that we stand squarely in the shadow of the unjust War on Drugs. This atrocity targeted Angelenos of color, decimated neighborhoods, ripped families apart, and criminalized the illness of addiction. Today, we have an opportunity to build new systems and shape an industry in ways that recognize wrongs, respects all residents, and intentionally builds a more equitable society.”

More than three years later, Los Angeles, the largest medicinal/recreational cannabis market in the world, continues to be plagued with problems, especially its social equity (SE) program. The perception is that the social equity program is causing more harm than good to the community, the opposite of its intended goal.

It is imperative that we work together to change this perception by restoring the original stated purpose of the Social Equity Program: Reparations, Rebuilding, and Equity for the communities most affected by the War on Drugs. Let us bring the right spirit back to the program and accomplish its original goal.

Below are our proposed improvements and suggestions for amendments to the current legislation regarding cannabis licensing and social equity. We are prepared to offer more comprehensive language that can be adopted as well as statistical evidence that serves as a basis for our suggestions.

Proposed Objectives

- Immediately establish a Community Stakeholders working group to contribute to the ongoing development of standards and best practices for social equity owners, workers, investors, and community reinvestment. This group should be comprised of Neighborhood Council representatives.

- The City of Los Angeles has received over \$330 million from Cannabis tax revenues. A portion of this revenue was supposed to fund the Community Reinvestment act, introduced by Councilmember Marqueece Harris-Dawson, which would create the neighborhood health fund with the goal of revitalizing communities impacted by the War on Drugs. To date, this fund has not been created.
- The department has received over \$10 million from the California Cannabis Equity grant program. The specifics on how this funding was to be utilized was supposed to be provided by July 1, 2020. This information needs to be provided on how the department will utilize the funding.
- Corporate Social Responsibility Reporting – the community is owed 3 years of reporting
- Social Equity/Transitional Workers Hiring report
- Reevaluate the selection process of Commissioners – the community should take part in the decision of who sits on the commission.

The Park Mesa Heights Community Council and its Stakeholders are looking forward to working with you to ensure that the cannabis licensing process is fair and truly supports the community.