

Communication from Public

Name: Luis Rivera

Date Submitted: 06/04/2025 03:46 PM

Council File No: 25-0591

Comments for Public Posting: Re: Department of Cannabis Regulation / Phase III / Round 3 / Retail License Lottery / Los Angeles Municipal Code / Amendment, Council File: 25-0591 Dear Councilmembers, Thank you again for your motion to pause the Phase 3 Round 3 retail cannabis lottery. Many licensed cannabis operators—especially Social Equity licensees—are grateful for your leadership and willingness to step in when the process clearly needed a deeper look. We believe the pause is a great first step, but it must lead to concrete action. Without real changes, the same problems will return when the process resumes. Below are key concerns and simple, actionable steps that many operators have voiced:

Concerns:

- A pause alone doesn't guarantee progress.
- Many legal operators are overwhelmed with back taxes, compliance delays, and increasing fees.
- Illegal shops continue to operate without consequence, while compliant operators suffer.

Suggestions from Operators:

- * Redirect lottery revenue toward enforcement - Use the money collected from previous license rounds to fund enforcement against illegal shops that undercut legal businesses.
- * Open the cultivation lottery - Retail is just one part of the market. Opening the cultivation lottery would create more opportunity and help stabilize the industry.
- Pause all fee increases and review fee structures - Legal operators are being crushed by rising fees. A freeze would provide relief while a deeper review is conducted.
- * Reallocate cannabis grant funds directly to Social Equity licensees - Rather than routing funds through complex technical assistance programs, direct support for things like rent, tax relief, and licensing costs would have a greater impact.

Sincerely, Luis Rivera Founder & Executive Director info@socialequityla.org

Social Equity LA is a 501(c)3 nonprofit organization dedicated to social equity and economic development through Access, Inclusion and Diversity. Social Equity LA is committed to promoting fairness, justice, opportunity, and equity in the design and implementation of economic and workforce development and public policy for key industries in disadvantaged communities throughout Greater Los Angeles.



Social Equity LA

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June 3, 2025

Re: Department of Cannabis Regulation / Phase III / Round 3 / Retail License Lottery / Los Angeles Municipal Code / Amendment, Council File: 25-0591

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Sincerely,

Luis Rivera

A handwritten signature in black ink, appearing to read "Luis Rivera", is positioned above the printed name.

Founder & Executive Director

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