

Communication from Public

Name: Jorge Toste

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Comments for Public Posting: I want to start by thanking the city of Los Angeles and everyone involved in creating the social equity program. Multiple arrests, jail sentences, felony probation, and having to register as a drug offender resulted in years of being locked out of society- all due to marijuana convictions. The equity program has allowed me to sit at the table in an industry that I was once sure I would be left out of. I'm now a phase 3 round 1 applicant whose application was required to relocate because another application, 16 positions ahead of me, was approved within 700 feet of my original location. I've been searching for a compliant location ever since. My application is currently abandoned. I am writing to request reconsideration of the amendments to Section 104.04. The amendment aims to deter and punish landlords for renting to unlicensed retailers, but I firmly believe that this change will cause more harm to small business social equity entrepreneurs than to landlords of unlicensed businesses. I am finally in the 11th hour of negotiating a lease with a landlord. If the proposed changes become enacted, this property will no longer be compliant- completely derailing my efforts and significantly narrowing my path toward licensure, as the window of opportunity for me to refile is closing in 2025. As far as my personal experience goes, after years of literally walking the streets of Los Angeles searching for properties, most landlords don't want to rent to cannabis retail. Most landlords that are willing to rent to cannabis often look at it as an opportunity to gouge applicants with an unreasonable "green tax" rental rate, making it even more difficult for licensed cannabis retailers to survive in today's market. Most of those properties are advertised on popular listing sites, making them highly competitive and are almost always quickly leased to larger groups with deep funding who are "partnered" with an equity applicant, making it more difficult for small business SE entrepreneurs to enter the retail market. In contrast, many landlords of unlicensed shops have affordable, off-market properties, usually in undesirable and difficult-to-rent areas, and are happy just to find a tenant willing to rent their long-vacant space. These locations already have consumers who buy cannabis who are familiar with the location, potentially turning a parcel with an unlicensed shop into a licensed one- all of which can make a perfect fit for small business

applicants like myself. Generally speaking, most landlords and real estate agents are unfamiliar with the application procedures for cannabis in Los Angeles. Landlords of unlicensed retailers often self-manage their properties and are genuinely confused about the process of legally allowing cannabis retail- a process that has dramatically evolved over the last +15 years. Given the opportunity, most landlords with compliant locations who are willing to rent to cannabis businesses would much rather rent to a licensed shop than an unlicensed one. This proposed amendment also does nothing to deter or punish landlords with unlicensed shops located within a 700-foot buffer zone of a school or other sensitive use. I would also like to note that many community plan areas have fewer compliant areas outside of sensitive use buffer zones than potentially available licenses, making it impossible for those community plan areas to reach anywhere near the intended capacity. These recommended amendments to Section 104.04 will decrease the already slim number of compliant business premises that are currently potentially available. Thank you for the opportunity to comment, please contact me at jorgetoste707@gmail.com with any questions