

Communication from Public

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Council File No: 21-1083
Comments for Public Posting: California Minority Alliance SUPPORT FOR CF:21-1083



CALIFORNIA MINORITY ALLIANCE

October 14, 2021

The Honorable Councilwoman, Nury Martinez, City Council President
Rules, Elections, and Intergovernmental Relations Committee Members
Los Angeles City Hall
200 North Spring Street
Los Angeles, CA 90012

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Honorable Marqueece Harris-Dawson
Los Angeles City Council District 8
200 N Spring St. Room 450
Los Angeles, CA 90012

RE: SUPPORT FOR CF: 21-1083_Cannabis Licensing Process / Social Equity Applicants / Existing License Relocation / Phase 3 Round 1 / Deadline Rescission

Dear Honorable Councilmembers Mrs. Martinez and Mr. Harris-Dawson:

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"), hereby supports for the implementation of *"common sense changes to DCR's licensing practices"*.

Specifically, this letter serves as a reiteration of the proposed guidelines for the collaborated recommended changes outlined in the Council Members' Price and Harris-Dawson motion.

It is evident and founded on the fact that since implementing the cannabis licensing process in the City of Los Angeles, the Department of Cannabis Regulations application review process has changed more frequently than the winds of a typhoon. Constant changes have both negatively impacted each social equity applicants' ability to engage in the local cannabis business successfully while simultaneously contributing to the exponential growth of the city's illicit market. Since 2017, not a single applicant seeking licensure in the city has received an annual license.

The state has contributed millions of dollars in grant monies to assist the city's licensing process of social equity applicants; yet, applicants still wait for initial application review spanning over time frames of eight or more months. For instance, in October 2020, applicants submitted applications for delivery, distribution, and manufacturing; as of this letter, less than 5% have received temporary approval for the state licensure process while paying the requested fees within 30 days of submitting said applications. In fact, a year has passed, fees have been paid, and still, over 90% of the applicants submitting applications have not reached the "temporary approval" licensing process stage.

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Despite the overwhelming number of complaints and concerns expressed by applicants, stakeholders, and business owners, DCR has yet to implement timely processing of applications in the nation's largest cannabis market, resulting in millions of dollars of lost revenue for city and state. Most importantly, the safety of the communities of our city suffers significantly from the increased market growth of illegal cannabis businesses throughout our city limits. These facts are reflective of a need for the changes outlined in the motion before council committees. For this reason, CMA supports this motion and the efforts to ensure that the licensing process is implemented promptly.

Sincerely,

Tyrone Freeman/s/
Dr. Tyrone Freeman
Executive Director