

## Communication from Public

**Name:**

**Date Submitted:** 04/03/2025 05:31 PM

**Council File No:** 14-0366-S5

**Comments for Public Posting:** Community Impact Statement submitted by Voices Neighborhood Council.



Javonne Sanders, At-Large  
Giovanni Garcia, Area 1  
Sidney Thomas, Area 2  
Guystyn Cook, Area 3  
Vacant, Area 4  
Vacant, Youth Rep  
Omar Ramos, Vice Chairperson



Jason M. Saunders , Chairperson

Emmanuel Alcantar, Education  
Dulce Vasquez, Housing  
Chrisman Oliver, Community-Based  
Edward G. Garren, Parliamentarian  
Robert (Robin) Boerner , Recording Secretary  
Andrew Daramola, Treasurer  
Erika Torres, Corresponding Secretary

---

***Council File: 14-0366-S33 - Unlicensed Commercial Cannabis Business Activity/Padlock Enforcement/Cease and Desist***

Voice Neighborhood Council Community Impact Statement on Unlicensed Cannabis Dispensaries and Support for Social Equity Operators.

### **Public Safety and Community Harm**

The unchecked spread of unlicensed cannabis dispensaries in South Los Angeles has created a public safety crisis. These illegal businesses not only undercut the legal market but also fuel:

- The sale of untested and potentially dangerous cannabis products, increasing the risk of fentanyl-laced products and other contaminants.
- A rise in violent crime, robberies, and illicit activity around these locations.
- Neighborhood decline due to loitering, traffic congestion, and unregulated operations.

Recent testimony from the LAPD Gang and Narcotics Division at the February 4th City Council Government Operations Committee meeting made it clear: despite the City's commitment to enforcement, illegal dispensaries continue to operate with little to no action taken against them. Meanwhile, legally licensed cannabis businesses—many of which are Black-owned social equity operators—are struggling to survive under excessive regulations and crippling tax burdens.

### **Economic Harm to Social Equity Businesses**

The City promised economic opportunity to social equity license holders as restitution for communities disproportionately impacted by the War on Drugs. That promise is being broken. Illegal dispensaries are thriving while legal businesses are being pushed out due to:

- Unfair competition: Illegal operators avoid taxes and licensing fees, allowing them to sell products at lower prices.
- Excessive taxation: Licensed businesses face tax rates as high as 45%, making it nearly impossible to compete.
- Regulatory barriers: Bureaucratic delays and burdensome compliance requirements further restrict legal businesses.

As a result, many social equity businesses have shut down or are barely surviving while illegal shops continue to expand, eroding the integrity of the City's regulatory system.

### **Immediate Actions Required**

We call on the Cannabis Regulation Commission to take the following steps immediately:

1. Enforce the Law Against Illegal Dispensaries
  - Shut down illegal dispensaries in South Los Angeles.
  - Hold landlords accountable for knowingly renting to these businesses.
2. Provide Tax Relief and Financial Support for Social Equity Businesses
  - Implement a five-year tax holiday for social equity licensees, suspending City cannabis taxes.
  - Create a low-interest loan and grant program to support these businesses.
3. Hold a Public Hearing on This Crisis
  - Voice Neighborhood Council requests that the Cannabis Regulation Commission agendaize this issue for its March 20, 2025 meeting.
  - We will present testimony, data, and community concerns to emphasize the urgency of this issue.
4. Engage the City Council
  - The Commission must work with the City Council to schedule a hearing on the failure to enforce regulations and the economic relief needed for social equity businesses.

### **Conclusion**

South Los Angeles has become a hub for illegal cannabis activity, while legal, social equity businesses are being pushed to the brink of collapse. This is not just an economic issue—it is a public safety crisis. If the City does not act immediately, the very businesses it claimed to support will disappear.

Voice Neighborhood Council stands with legal cannabis operators in our community. We demand swift action to enforce the law, protect consumers, and uphold the economic justice that social equity licensees were promised.

We will present our concerns at the upcoming Cannabis Regulation Commission meeting and expect the City to take decisive action.

Sincerely,  
Voice Neighborhood Council