



clerk CIS <clerk.cis@lacity.org>

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## Your Community Impact Statement Submittal - Council File Number: 14-0366-S5

1 message

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**LA City SNow** <cityoflaprod@service-now.com>  
Reply-To: LA City SNow <cityoflaprod@service-now.com>  
To: Clerk.CIS@lacity.org, CannabisCommission@lacity.org

Thu, Feb 27, 2025 at 10:44 AM

A Neighborhood Council Community Impact Statement (CIS) has been successfully submitted to your Commission or City Council. We provided information below about CISs and attached a copy of the CIS.

We encourage you to reach out to the Community Impact Statement Filer to acknowledge receipt and if this Community Impact Statement will be scheduled at a future meeting. Neighborhood Council board members are volunteers and it would be helpful if they received confirmation that you received their CIS.

The CIS process was enabled by the to Los Angeles Administrative Code §Section 22.819. It provides that, "a Neighborhood Council may take a formal position on a matter by way of a Community Impact Statement (CIS) or written resolution." NCs representatives also testify before City Boards and Commissions on the item related to their CIS. If the Neighborhood Council chooses to do so, the Neighborhood Council representative must provide the Commission with a copy of the CIS or rResolution sufficiently in advance for review, possible inclusion on the agenda, and posting on the Commission's website. Any information you can provide related to your agenda setting schedule is helpful to share with the NC.

If the CIS or resolution pertains to a matter *listed on the Commission's agenda*, during the time the matter is heard, the designated Neighborhood Council representative should be given an opportunity to present the Neighborhood Council's formal position. We encourage becoming familiar with the City Council's rules on the subject. At the Chair's discretion, the Neighborhood Council representative may be asked to have a seat at the table (or equivalent for a virtual meeting) typically reserved for City staff and may provide the Neighborhood Council representative more time than allotted to members of the general public. They are also permitted up to five (5) minutes of time to address the legislative body. If the CIS or resolution pertains to a matter *not listed on the agenda*, the designated Neighborhood Council representative may speak during General Public Comments.

We share this information to assist you with the docketing neighborhood council items before your board/commission. If you have questions and/or concerns, please contact the Department of Neighborhood Empowerment at [empowerla@lacity.org](mailto:empowerla@lacity.org).

\*\*\*\*\* This is an automated response, please DO NOT reply to this email. \*\*\*\*\*

### Contact Information

Neighborhood Council: Empowerment Congress West

Name: Kathy Guyton

Email: [kathyguyton.ecwa@gmail.com](mailto:kathyguyton.ecwa@gmail.com)

The Board approved this CIS by a vote of: Yea(14) Nay(0) Abstain(0) Ineligible(0) Recusal(0)

Date of NC Board Action: 02/26/2025

Type of NC Board Action: For

### Impact Information

Date: 02/27/2025

Update to a Previous Input: No

Directed To: City Council and Committees, Board of Cannabis Regulation Commissioners

Council File Number: 14-0366-S5

City Planning Number:

Agenda Date:

Item Number:

Summary:

Ref:MSG11952391

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February 26, 2025

Los Angeles City Council  
City Hall  
200 N. Spring St.  
Los Angeles, CA 90012

**RE: CF 14-0366-S5 - Proposition D/Medical Marijuana Dispensaries/Adult Use of Medical Marijuana Act**

Empowerment Congress West Area Neighborhood Development Council (ECWA) submits this Community Impact Statement (CIS) to highlight the detrimental effects of unlicensed cannabis dispensaries in our community and to advocate for immediate action in support of licensed social equity operators.

**Public Safety and Community Harm**

The unchecked proliferation of unlicensed cannabis dispensaries in South Los Angeles has created an alarming public safety crisis. These unregulated businesses not only undermine the legal market but also contribute to:

- The sale of untested and potentially harmful cannabis products, posing serious health risks to consumers. This is especially alarming in light of the recent deaths related to Fentanyl-laced products.
- Increased criminal activity, including violent crime, robberies, and illicit transactions around these businesses.
- Decreased neighborhood quality of life due to loitering, traffic issues, and unregulated operations.

We are alarmed at the recent testimony by Police Chief Rodriguez at the February 4th City Council Government Operations Committee meeting where he stated numerous times that despite the City's stated commitment to enforcement, these illegal storefronts remain operational with little to no intervention. Meanwhile, legally licensed cannabis businesses in our community, many of which are Black-owned social equity operators, struggle to survive under constantly changing regulations and immense tax burdens.

### **Economic Impact on Social Equity Businesses**

Social equity license holders were granted licenses with the promise of economic opportunity and restitution for communities disproportionately impacted by the War on Drugs. However, their ability to operate successfully is being severely undermined by:

- Unfair competition: Illegal dispensaries do not pay taxes or licensing fees, allowing them to sell products at significantly lower prices.
- Excessive taxation and fees: Legal operators face local and state taxes of up to 45%, putting them at a competitive disadvantage.
- Regulatory barriers: Bureaucratic delays and burdensome compliance requirements further stifle the ability of social equity businesses to compete.

As a result, many of these businesses have closed or are struggling to stay open, while illicit operators continue to erode the integrity of the City's regulatory framework.

### **Immediate Actions Requested**

To address this urgent crisis, we urge the Cannabis Regulation Commission to take the following immediate steps:

1. Aggressive Enforcement Against Illegal Dispensaries
  - Prioritize targeted crackdowns on unlicensed businesses in South Los Angeles.
  - Hold landlords accountable for knowingly leasing to illegal operators.
2. Tax Relief and Financial Assistance for Social Equity Businesses
  - Advocate for tax amnesty and a tax holiday for social equity licensees, suspending City cannabis taxes for five years.
  - Establish a low-interest loan and grant program to support social equity businesses.
3. Joint Presentation and Public Hearing
  - ECWA requests that this issue be agendaized for discussion at the Cannabis Regulation Commission meeting on March 20, 2025.
  - We seek to present testimony, data, and community concerns to highlight the urgency of this issue.
4. City Council Engagement
  - The Commission should collaborate with the City Council to schedule a hearing on enforcement failures and economic relief for social equity licensed businesses.

### **Conclusion**

South Los Angeles has become a hotspot for illegal cannabis activity while our legal, social equity businesses face an existential crisis. This is not just an economic issue; it is a matter of public safety

and community well-being. Without immediate enforcement and policy intervention, the very businesses the City set out to empower will disappear.

Empowerment Congress West Area Neighborhood Council stands with the legal cannabis operators in our community and urges the Commission to take swift action to uphold the integrity of the industry, protect consumers, and ensure economic justice for social equity licensees.

We look forward to presenting our concerns at the upcoming Cannabis Regulation Commission meeting and welcome collaboration on solutions to this crisis.

Sincerely,

Empowerment Congress West Area Neighborhood Development Council (ECWA)

cc:

Mayor Karen Bass

Los Angeles Cannabis Regulation Commission

Los Angeles Police Department

Black Los Angeles Cannabis Council (BLACC)