



July 25th, 2022

Honorable Members of the Los Angeles City Council
City of Los Angeles
City Hall, Room 395
Los Angeles, California 90012

Attention: Planning and Land Use Committee; Immigrant Affairs, Civil Rights, and Equity Committee; and Budget and Finance Committee, Information, Technology, and General Services Committee

Re: Response to Los Angeles City Council for COMPREHENSIVE SOCIAL EQUITY REFORM.

The Social Equity Owners and Workers Association (**SEOWA**), composed of cannabis social equity applicants and operators across Los Angeles, writes to you in support of a recently proposed ordinance amendment submitted by the LA Department of Cannabis Regulation (**DCR**) that aims to strengthen and streamline the cannabis licensing process including a comprehensive reform to the social equity program. These are proposed amendments to Los Angeles Municipal Code (LAMC) Section 104.

Though we applaud the work that the city of Los Angeles and DCR has done to further the intent of the Social Equity Program, these critical recommendations, outlined below, have yet to be addressed by the City Council. Specifically, we are in favor of a proposal to a **“relocation process”** solely for APPLICANTS who are experiencing hardships and are unable to move forward in their existing community planning area and **aggregate** ownership shares for Social Equity Applicants.

SEOWA is incredibly thankful for the City Council’s efforts to make the Social Equity cannabis licensing process more streamlined in support of many of our concerns as Social Equity Owners. Although some necessary amendments have been made to LAMC, there are still many provisions to amend that are important safeguards for the success of the Social Equity program. We are grateful that the City Council and DCR are actively collaborating on more Social Equity reform. We are hopeful this bold action will continue as the Council and the department collaborate on a new motion that surgically addresses our needs. **We ask that the LA City Council create and pass a motion immediately to address these extremely time sensitive matters with urgency.**

A. Aggregation of equity ownership shares

DCR proposes an amendment to allow one or more Social Equity Individual Applicants to aggregate their ownership shares to meet a combined total of 51% interest in the licensed business. This would allow a greater number of Social Equity Individual Applicants to participate in the Social Equity Program while ensuring that the business entity qualifies as a Social Equity Applicant and remains predominantly controlled by Social Equity Individual Applicants. **This promotes collective and cooperative economics in the marketplace giving applicants an option to pool resources within the community and not just rely on large corporate and/or predatory investors.**

B. Addressing Relocation outside of a Community Plan Area



Social equity applicants continue to face undue hardships in our pathway to licensure. Of the 200 Phase 3 Round 1 SEA's, only 50 have been approved for Temporary Approval. Social Equity entrepreneurs are severely under-resourced, so there is already a disadvantage between Social Equity Entrepreneurs and the investor community. Many are not able to move forward in the process due to issues that stem from: 1. real estate disputes between predatory investors and SEIA, 2. unreasonable property owners and SEIA or 3. lack of availability of complaint locations.

With 150 phase 3 round 1 applicants actively in search of compliant properties, it is urgent that they get a chance to move before the additional 125 Phase 3 Round 2 Applicants, who won't be tied to a Community Plan, enter the market.

Provisional licensure is set to sunset in March 2023, adding additional time pressure for finding a location as well. We urge the City Council to move a motion to address these items above to ensure the success of the Social Equity program

SEOWA looks forward to continued collaboration with the LA City Council and Department of Cannabis Regulation, and urges your support of these critical measures on behalf of LA's social equity community.

For any questions on our position, please contact kika@seowa.org or alfred@seowa.org

Regards,

**SOCIAL EQUITY OWNERS & WORKERS ASSOCIATION
EXECUTIVE BOARD OF DIRECTORS**


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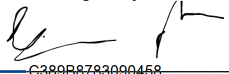
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