



LOS ANGELES COUNTY
CONSUMER & BUSINESS AFFAIRS

May 15, 2023

Board of Supervisors

Hilda L. Solis
First District

Holly J. Mitchell
Second District

Lindsey P. Horvath
Third District

Janice Hahn
Fourth District

Kathryn Barger
Fifth District

To: Supervisor Janice Hahn, Chair
Supervisor Hilda L. Solis
Supervisor Holly J Mitchell
Supervisor Lindsey P. Horvath
Supervisor Kathryn Barger

From: Rafael Carbajal
Director

Director

Rafael Carbajal

Chief of Staff
Joel Ayala

FIFTH QUARTERLY REPORT REGARDING IMPLEMENTATION OF AN EQUITABLE COMMERCIAL CANNABIS REGULATORY FRAMEWORK (ITEM NO. 6, AGENDA OF FEBRUARY 15, 2022) AND OTHER ACTIVITIES RELATED TO THE LEGALIZATION OF CANNABIS (ITEMS NO. 3 AND NO. 9, AGENDA OF FEBRUARY 7, 2017; ITEM NO. 20, AGENDA OF MAY 21, 2019)

On February 15, 2022, your Board directed the Department of Consumer and Business Affairs (DCBA) and its Office of Cannabis Management (OCM), in consultation with relevant County departments, to proceed with the development of a commercial cannabis regulatory framework and an equity program outlined in the Updated Framework and Recommendations for Regulating Commercial Cannabis in Unincorporated Los Angeles County report (December 2021).¹ Your Board further directed OCM to coordinate with relevant County departments to provide written status updates on a quarterly basis.

OCM filed quarterly reports on May 16, 2022; August 15, 2022; November 18, 2022; and February 17, 2023.² The quarterly reports also combine other updates regarding Cannabis Legalization (Items No. 3 and No. 9, Agenda of February 7, 2017) and the Implementation of the Unlicensed Cannabis Business Closure Plan (Item No. 20, Agenda of May 21, 2019),³ as a single consolidated report to your Board.

¹ Office of Cannabis Management Report, Updated Framework and Recommendations for Regulating Commercial Cannabis, December 20, 2021: <http://file.lacounty.gov/SDSInter/bos/supdocs/166359.pdf>

² Office of Cannabis Management Quarterly Reports (May 16, 2022, August 15, 2022, November 18, 2022, and February 17, 2023): <http://file.lacounty.gov/SDSInter/bos/supdocs/166488.pdf>

³ Consolidated Cannabis Legalization and Implementation of Unlicensed Business Closure Plan Reports: <http://file.lacounty.gov/SDSInter/bos/supdocs/111534.pdf>



dcba.lacounty.gov
info@dcba.lacounty.gov

320 W. Temple St., Room G-10, Los Angeles CA, 90012-2706
(213) 974-1452 · (800) 593-8222 · Fax: (213) 687-1137

This fifth quarterly report provides the latest progress on program design and implementation of an equitable cannabis program. Specifically, the following report includes updates on the following topics:

- Summary of the community feedback sessions to collect input on equity program recommendations included in the recently published Equity Assessment;
- Progress on cannabis business permitting process development;
- Efforts on cannabis compliance and enforcement; and
- Legislative advocacy efforts.

Since the last quarterly report, OCM coordinated and hosted a series of community feedback sessions during the month of March. The sessions focused on presenting some of the key findings from the recently published Equity Assessment and to gather public input on recommendations included in the report. In addition to the feedback sessions, an online survey was made available on OCM's website to provide other opportunities for public feedback on equity program considerations, including program eligibility, workforce development, and tax revenue allocations. Feedback on the equity program continues to be accepted directly through OCM's e-mail: Cannabis@lacounty.gov.

The attached report provides a summary of community feedback collected thus far through the above-mentioned channels. Some of the most common themes from the feedback sessions include concerns with the illicit market and its impact on regulated cannabis businesses; concerns with the low number of initial cannabis business permits to be made available; varying opinions regarding defining communities impacted by the war on drugs; concerns related to zoning requirements and permit distribution; an emphasis on the need for legal protections for equity applicants from predatory investments and local community benefit requirements; and a desire for reinvestment of cannabis business tax revenues going directly back to communities.

OCM is compiling all community feedback collected and will incorporate suggestions as an addendum to the Equity Assessment for final Cannabis Equity Program recommendations, targeted for late summer 2023.

Since the last report, the OCM is also finalizing agreements with identified consultants that will support two critical program needs. One consultant will be tasked with conducting a Programmatic Environmental Impact Report (PEIR) of the County's commercial cannabis business program in compliance with the California Environmental Quality Act (CEQA). Meanwhile, the other consultant will provide services in strategic planning, research, performance measurement, project management, and process improvement on the design and development of the Cannabis Equity Program. Obtaining industry expertise in the design of the equity program and services mentioned in the Equity Assessment will help ensure the County effectively meets the needs of equity operators

and an evolving industry. Both agreements are anticipated to be executed by the end of May 2023.

To support the development of an equitable cannabis business program, OCM recently applied to the State's Retail Access Grant. This grant makes \$20 million available to local governments to support the development and implementation of a cannabis retail licensing program and expand access to regulated, tested cannabis in the legal market. Grant funds will be distributed in two phases, with a total of \$10 million in funding available in each phase. The County is eligible to receive up to \$475,000 in Phase 1 and a maximum of \$2 million in Phase 2. If awarded, OCM would utilize grant funds on general program development and equity program costs, including application fee support, technical and legal assistance, and direct financial assistance for equity applicants. OCM will provide an update on the grant application, anticipated in June 2023.

Lastly, OCM continues to promote visibility and participation of the Cannabis Compliance and Enforcement Program (the Emblem Program) through educational billboards and promotional videos and direct outreach to other jurisdictions to encourage participation in the program. OCM continues to work with partnering County departments to respond to concerns related to illicit cannabis activities, including community presentations and exploring additional collaborative opportunities regarding substance use and youth prevention strategies.

OCM will continue to provide quarterly updates to your Board on the progress of these efforts, with the next report scheduled to be submitted in August 2023.

Should you have any questions concerning these matters, please contact me or Laura Magallanes, Acting Deputy Director of the Office of Cannabis Management, at lmagallanes@dcba.lacounty.gov.

RC:JA:LM:FGN
JG:SMB:EV:ph

Attachment

c: Executive Office, Board of Supervisors
Chief Executive Office
Acting County Counsel
Sheriff
Agricultural Commissioner/Weights and Measures
Fire
Public Health
Public Works
Regional Planning

FIFTH QUARTERLY REPORT ON IMPLEMENTING AN EQUITABLE COMMERCIAL CANNABIS REGULATORY FRAMEWORK

INTRODUCTION

On December 20, 2021, the Los Angeles County Office of Cannabis Management (OCM) submitted an updated framework and recommendations for regulating commercial cannabis in unincorporated Los Angeles County,⁴ which was subsequently approved by your Board in February 2022. In seeking to create an equitable cannabis business program, the report recommended addressing both the administrative infrastructure barriers that create inequitable outcomes, and the gap in educational, technical, and financial resources caused by systemic racism and exacerbated by the war on drugs. It further highlighted the need for a centralized and simplified licensing program, a strong and supportive compliance infrastructure, and significant investment into education, job training, technical assistance, and capital for qualified equity candidates.

Since the approval of the updated framework, OCM continues to work with partnering County departments on the development and implementation of an equitable cannabis regulatory framework. OCM provides written quarterly updates to your Board, detailing the latest progress on program design and implementation of an equitable cannabis program.

This fifth quarterly report provides updates on the development of the Cannabis Equity Program, the cannabis business permitting process, cannabis compliance and enforcement efforts, and legislative advocacy efforts.

EQUITY CANNABIS PROGRAM

In the last quarterly report, OCM provided a summary of the recently commissioned Equity Assessment findings and recommendations. The report also contained preliminary considerations for program eligibility, such as justice involvement, income, residency, and ownership requirements. Other topics mentioned included reserving a certain portion of permits for equity applicants, as well as launching the Cannabis Equity Program, with an initial focus on retail and delivery permits. OCM also provided updates on upcoming public outreach and community feedback sessions.

Summary of Community Feedback Sessions

During the month of March, OCM hosted four in-person and one virtual community

⁴ Office of Cannabis Management Report, Updated Framework and Recommendations for Regulating Commercial Cannabis, December 20, 2021: <http://file.lacounty.gov/SDSInter/bos/supdocs/166359.pdf>

feedback sessions throughout unincorporated Los Angeles County. The time and locations also mentioned in the last report are included in the chart below.

Date	Time	Location	Supervisory District
March 13, 2023	5:30 p.m.-7:00 p.m.	East Los Angeles Library 4837 E. 3 rd Street Los Angeles, CA 90022	1
March 16, 2023	5:30 p.m.-7:00 p.m.	South Whittier Library 11543 Colima Road Whittier, CA 90604	4
March 18, 2023	12:30 p.m.-2:00 p.m.	Quartz Hills Library 5040 West Avenue M-2 Quartz Hill, CA 93536	5
March 21, 2023	5:30 p.m.-7:00 p.m.	A C Bilbrew Library 150 E. El Segundo Boulevard Los Angeles, CA 90061	2
March 23, 2023	12:00 p.m.-1:00 p.m.	Virtual	All Districts

The community feedback sessions focused on presenting some of the key findings from the recently commissioned Equity Assessment, while providing an opportunity to gather public input on some of the recommendations included in the report. The sessions provided ample time for public input, offering guiding questions related to topics on program eligibility, workforce development, and tax revenue allocation, including:

1. Who should be eligible for the County’s Cannabis Equity Program?
2. What business and workforce development resources would you like to see offered by the County’s Cannabis Equity Program?
3. What programs or services should be prioritized when allocating cannabis business tax revenue?
4. How can we ensure cannabis businesses benefit the communities where they are located?

While the guiding questions were offered to help facilitate a focused dialogue, attendees also provided other general feedback on any related topics. These sessions were open to the public and included Spanish translation services. The sessions were advertised through County listservs of approximately 81,500 contacts and directly to stakeholder groups, your Board offices, as well as OCM’s website.

In all, more than 100 individuals registered for at least one session with a wide interest in the cannabis industry. Attendance at each in-person session varied from 8 to 25 individuals, with the largest number of attendees (40) at the virtual session. A recording of the virtual session is available on OCM's website.

Attendees at the sessions included medical cannabis advocates, current industry participants, community advocates, and residents. The diverse perspectives and opinions highlighted the varied stakeholder interests, both in areas of differences and similarities. Below provides some of the recurring concerns from the community feedback sessions:

- **The unregulated market and its impact on regulated cannabis businesses.** Attendees generally expressed less opposition to regulated cannabis businesses compared to unregulated businesses. Unregulated cannabis businesses were said to blight local communities and increase public health and safety risks. Conversely, attendees at each session expressed a desire to convert unregulated cannabis businesses into the regulated market. Some suggestions from the sessions included pausing enforcement against unregulated cannabis retail businesses, while allowing cooperating owners to pursue a pathway towards compliance.
- **Public health and safety with cannabis business.** Public health and safety, including safe access to legal cannabis, was also consistently discussed throughout the sessions. Some attendees highlighted concerns surrounding mental health, substance abuse, and youth access. Attendees were not in consensus on the solution to such concerns. Some residents called for a recommitment to prohibition or much larger buffers from sensitive uses. Other residents contended that prohibition, or de facto prohibition by virtue of large buffer zones, is a failed public policy; these residents instead advocated for increased legal access to drive out unregulated operators in favor of permitted operators who will be bound by local health and safety regulations.
- **Prioritizing populations impacted by the war on drugs for equity program eligibility, but less consensus around how to define Disproportionately Impacted Areas (DIAs).** Attendees generally agreed that those most disproportionately impacted by cannabis prohibition should receive the first cannabis business permits, and that the most DIAs should be identified using data. However, there were mixed opinions on how to define those most disproportionately impacted, including whether to use justice involvement, income, housing burden rates, or other criteria. Some attendees argued that only current residents of DIAs should qualify, while others pushed for five- or ten-year residency requirements. Furthermore, attendees disagreed on whether eligibility should be tied to residency in unincorporated Los Angeles County compared to anywhere

within the County. In multiple meetings, attendees resisted a low-income eligibility component, contending that such a requirement invites predatory investment and tokenization of equity applicants.

- **The low number of initial cannabis business permits to be made available.** Industry respondents were united in the perspective that the current amount of authorized cannabis business permits is insufficient to meet consumer demand within Los Angeles County. Residents highlighted the number of unregulated cannabis retail businesses currently in operation as proof of consumer demand and the need for safe access. Similarly, attendees at each feedback session warned that lack of access, caused by an inadequate number of permitted retailers, will not reduce consumer demand, but merely drive consumers and entrepreneurs towards the illicit market. As such, attendees urged the County to consider increasing the number of cannabis business permits to be made available.
- **Safe and equitable access to cannabis, zoning requirements, and permit distribution.** Significant discourse surrounding cannabis business locations and concentrations emerged, with a focus on safe and equitable access. Residents urged a methodical approach to determining which business types, and in what quantity, should be located throughout unincorporated Los Angeles County. Attendees supported such considerations as population density, the availability of legal cannabis in areas adjacent to unincorporated communities, environmental hazards, and the predominant zoning of unincorporated areas. Residents also highlighted the need for a nexus between the cannabis business owner and the community in which they operate. Overall, attendees agreed that zoning and permit distribution must be performed equitably, and not necessarily equally.
- **Legal protections for equity applicants from predatory investments and local community benefit requirements.** Attendees offered feedback on proposed support services for the County's Cannabis Equity Program, such as legal and technical assistance. Residents regularly raised concerns surrounding predatory investment and the need for robust regulations, free legal assistance, or both, to address it. Residents also expressed a need for assistance in the context of price-gouging, specifically rent prices in "green zones", i.e., relatively limited areas that conform with all applicable cannabis zoning requirements. Attendees also pushed for certain policies to support equity beyond cannabis business ownership, including the need for local protections for medical cannabis donations made pursuant to Senate Bill (SB) 34. Attendees also expressed support for a local targeted hire program, in which cannabis businesses must hire a certain percentage of their workforce from disadvantaged communities. Other

suggestions included a business-specific community benefits plan that mandates each business provide some form of direct benefit to the community in which they operate.

- **Cannabis business tax revenues reinvested back into communities.** Attendees overwhelmingly were opposed to allocating Measure C revenues to the County General Fund, citing transparency concerns. Instead, communities consistently raised the importance of allocating tax dollars to the communities that generate them. This priority, it was asserted, must be balanced with ensuring tax dollars are allocated to DIAs, even if it is not where a cannabis business is located. Thus, varying opinions emerged between ensuring tax dollars go back to the communities that generated them, ensuring tax dollars go to DIAs, and not necessarily only placing cannabis businesses in DIAs.

Online Feedback Survey

In addition to the community feedback sessions, OCM offered an online survey for the public to provide input. The survey was posted on OCM's website over a six-week period and included questions similar to the feedback sessions regarding the Equity Assessment and development of the County's Cannabis Equity Program. The survey remained available between March 1, 2023 and April 15, 2023, and promoted through the County listserv, OCM's website, and social media channels. During this timeframe, OCM received nearly 30,000 website pageviews and had nearly 8,300 impressions through social media posts, resulting in 40 online survey responses. Despite the low response rate, the responses generally aligned with concerns expressed during the in-person sessions and illustrated the differing opinions across various stakeholders. A full breakdown of the survey results is included as an attachment in this report (**Attachment A**).

E-mail Feedback Submissions

OCM also accepted public input submitted directly to OCM's e-mail account at Cannabis@lacounty.gov. Relatively few residents submitted written feedback via e-mail compared with the survey and feedback session participants. Of the e-mails received, emphasis was placed on equitably locating cannabis businesses, mental health, and public safety. Submitted written responses are also included as an attachment in this report (**Attachment B**) and will continue to be accepted throughout the development phase of the Cannabis Equity Program.

As a next step, OCM is compiling all community feedback collected and will incorporate suggestions as an addendum to the Equity Assessment for final Cannabis Equity Program recommendations, targeted for late summer 2023.

REGULATORY FRAMEWORK

Cannabis Permitting Process and Development

OCM continues coordinating regular workgroup meetings with Regional Planning, Public Health, Public Works, Fire, and Agricultural Commissioner/Weights and Measures to identify, develop, and implement operational level strategies to support a more streamlined business process, and with a focus on cross-departmental communication, transparency, and customer service.

OCM's previous quarterly report provided an overview of each County department's responsibilities with cannabis business approvals, including plan reviews, on-site inspections, and equipment registrations. OCM estimated the process for obtaining all necessary approvals taking between 6 to 12 months, and costing businesses up to \$15,000 or more in County fees. However, these estimates may vary on a case-by-case basis due to numerous factors that could impact the cost and time to open a cannabis business. The report further highlighted certain missteps from other jurisdictions that led to prolonged licensing delays for equity applicants. Although many of the factors influencing overall costs and approval timelines mentioned in the report are out of the County's control, added delays or complexities in the process may result in increased costs for cannabis businesses and challenges for equity applicants with limited resources.

Since the last report, the County department workgroup has discussed implementation of pre-application strategies aimed at reducing delays and complexities of the permitting process, as well as opportunities to reduce costs for equity applicants. These strategies include:

- **Pre-Application Counseling:** The County department workgroup identified pre-application counseling as a strategy to reduce delays and complexities in the land entitlement and permitting process by educating applicants on requirements prior to application submission. In February 2023, OCM began exploring optional pre-application counseling meetings for cannabis businesses to help applicants determine the clearances required from each department. Historically, pre-application counseling has been used primarily for more complex projects and land development. However, Regional Planning has observed a recent uptick in pre-application counseling requests for less complex projects requiring ministerial approvals, indicating a feasible option for future cannabis business owners.

Pre-application counseling meetings are coordinated by Regional Planning and held virtually on a monthly basis, normally occurring on the second Tuesday of each month. Requests for pre-application counseling can be made online via

Planning's Applications & Forms webpage,⁵ with an average wait of approximately one and a half to two months for a scheduled meeting. Applicants must also pay a fee to each department that reviews preliminary plans and provides counseling services, which could cost about \$1,000 to receive pre-application counseling from Regional Planning, Public Health, Public Works, and Fire.

- **Application Fee Support:** OCM also began exploring the feasibility of subsidizing fees for equity applicants. As previously mentioned, the fees associated with plan reviews and inspections may cost applicants upwards of \$15,000, which are based on a full cost recovery model. Thus, subsidizing fees for an equity applicant would require departments to either absorb the loss in revenue or identify another source of funding to offset that cost. To this end, OCM is evaluating grants (*see Retail Access Grant section*) that may be used to pay for equity application fees and offset the initial costs to departments. Subsidizing fees in an efficient customer service friendly manner will require additional research and department coordination.

OCM continues to work with departments on these and other strategies to build a streamlined entitlement and permitting process and report back to your Board with updates and recommendations.

CEQA Environmental and Equity Program Consultants

Since the last report, OCM has been finalizing agreements with identified consultants that will support two critical program needs. The first agreement will task the consultant with conducting a Programmatic Environmental Impact Report (PEIR) of the County's commercial cannabis business program in compliance with the California Environmental Quality Act (CEQA). This work is integral to developing a zoning and land use ordinance, as OCM continues to work with partnering County departments to establish an equitable commercial cannabis permit program. As part of the project scope, the PEIR and zoning ordinance will be developed simultaneously on parallel tracks. Their adoption will be one of the most significant tasks toward establishing an equitable commercial cannabis permit program. The PEIR project will serve to evaluate the environmental impacts of the County's cannabis business program, identify mitigation measures to reduce adverse impacts, codify mitigation measures into the zoning ordinance, and provide training to Planning staff on how to conduct streamlined project-specific environmental reviews. The project is scheduled to last through June 2024 and will require public hearings before the Planning Commission and your Board prior to adoption. OCM will co-lead the project with

⁵ Regional Planning Applications & Forms webpage: <https://planning.lacounty.gov/applications-and-forms/>

Planning, with cross-departmental coordination emphasized throughout the ordinance development and the PEIR review process.

The second agreement will be for consulting services in strategic planning, research, performance measurement, project management, and process improvement on the design and development of the Cannabis Equity Program. Obtaining industry expertise in the design of the equity program and services mentioned in the Equity Assessment will help to ensure the County effectively meets the needs of equity operators and an evolving industry. Both agreements are anticipated to be executed by the end of May 2023.

Software Business Solution

OCM previously detailed the highly complex cannabis regulatory structure that requires coordination between numerous parties, including businesses, state and local governments, and ancillary agencies. To reduce risks and ensure timely implementation, OCM is prioritizing review of permit software platforms with minimal customization “out of the box” to sufficiently address business needs. However, start-up and maintenance costs for such software products are significantly more expensive than anticipated, particularly when considering the low number of permits initially approved by your Board. The high costs may also impact applicants by increasing permit fees to sufficiently recover department costs. To address these concerns, OCM continues to compare other software platforms, while also minimizing costs through a phased implementation approach and pursuing state grants to ensure reasonable fee amounts for applicants.

The ideal permit software platform will enhance the overall user experience and streamline internal business processes through a centralized platform utilized by all departments reviewing and processing business applications. However, several departments have already invested significant time and capital to build out their respective workflows on other platforms, like EPIC LA. While this may make utilization of a centralized platform across departments unlikely, there are some strategies that could be applied that help accomplish the goal of enhanced customer service experience and communication across departments. One strategy would be to implement systems level integrations between platforms to support information transfer across departments. Additionally, at a minimum, OCM could obtain read-only access to EPIC-LA to quickly determine where an applicant is in the approval process as a short-term option. The latter option was also included as a technology recommendation in a One-Stop Needs Assessment of the Santa Clarita Valley Civic Center in a July report back to your Board.⁶

⁶Chief Executive Office Report, *Enhancing Development Services in the Santa Clarita Valley*, July 19, 2022: https://file.lacounty.gov/SDSInter/bos/bc/1127406_EnhancingDevelopmentServicesintheSantaClaritaValley.pdf#search=%22pre-application%22

OCM will continue to explore options to procure and implement business solution software that will enhance the program and meet all the identified requirements.

State Retail Access Grant

On March 10, 2023, the California Department of Cannabis Control (DCC) began accepting applications for the Cannabis Local Jurisdiction Retail Access Grant Program. This grant made \$20 million available to local governments to support the development and implementation of a cannabis retail licensing program and to expand access to regulated, tested cannabis in the legal market, while reducing demand in the illicit market. Grant funds will be distributed in two phases with a total of \$10 million in funding available in each phase.

Phase 1 funding will be disbursed in two payments. The first payment will comprise 80 percent of the initial award upon execution of the grant agreement. The second payment will comprise the remaining 20 percent of the initial award and be distributed after the jurisdiction has established a cannabis retail licensing program. Phase 2 funding will only be made available to jurisdictions that were awarded during Phase 1. During phase 2, local jurisdictions are eligible to receive an additional \$75,000 for each cannabis retail license issued or \$150,000 for each equity retail license.

The County is eligible to receive up to \$475,000 in Phase 1 and a maximum of \$2 million in Phase 2. If awarded, OCM will utilize grant funds on general program development and equity program costs, including fee waivers, technical and legal assistance, and direct financial assistance for equity applicants.

OCM submitted its grant application to DCC by the April 28, 2023 deadline and anticipates notification on the grant award in early June. OCM will report back to your Board with additional updates on this grant moving forward.

CANNABIS COMPLIANCE AND ENFORCEMENT EFFORTS

OCM continues to collaborate with other County departments to ensure alignment in cannabis enforcement and community engagement efforts. Updates related to these efforts are listed below.

- **Community Presentations:** OCM, County Counsel, and Regional Planning have provided a series of community presentations in response to concerns with illicit activities. Recently, OCM, County Counsel, and Regional Planning participated in a community meeting in the Second Supervisorial District unincorporated Lennox. On March 15, 2023, OCM and County Counsel participated in a Wiseburn Watch community meeting and engaged directly with community members to provide updates on County enforcement efforts and answer questions specific to their

community. OCM also participated in the West Rancho Dominguez Community meeting on April 15, 2023 at Roy Campanella Park. County departments such as Regional Planning, Public Works and the Sheriff's Department were also present to support and provide resources to the community. These interactions allow the County to better understand and address the unique needs and concerns of each community. OCM and partnering enforcement departments will continue to work with your Board deputies and community members to identify more opportunities for community presentations.

- **Cannabis Compliance and Enforcement Program (the Emblem Program):** OCM and Public Health's Environmental Health Division continue to focus on increasing visibility and expansion of the Emblem Program throughout the County of Los Angeles. In addition to the most recent public education campaign with the launch of over 255 plus educational billboards and promotional videos⁷, additional locations were identified that now have billboards posted in known illicit dispensary and high traffic areas (**Attachment C**). The educational videos provide information on Public Health inspection processes and compliance of safety codes and requirements aimed to help prevent injury and illness. The videos are available via County online social media platforms, such as County Channel LA36 and on OCM's website: cannabis.lacounty.gov.
- **Youth Prevention Collaboration Efforts:** OCM met with Public Health's Division of Substance Abuse and Prevention and Control (SAPC) and associated coalitions regarding youth prevention strategies to explore collaborative opportunities regarding substance use and youth prevention. Coalition-building efforts address community-level public health issues of drug access and availability, with key strategies targeting risk and protective factors associated with cannabis to ensure public safety. Partnership efforts engage local stakeholders and community members that increase community education and awareness of the risks and harms of underage cannabis use. Other coalition efforts advocate for restricted online sales and delivery of substances to minors, advertising and packaging restrictions to minors, safe consumer labeling practices, and increased access to health and social services. Conversations have included options to develop more balanced messaging in promotional materials that acknowledge the health risks associated with cannabis use. As example of these efforts, OCM worked with SAPC to develop a "Stay Informed" flyer for 4/20, a day often celebrated by cannabis consumers, which provided helpful tips to be informed on cannabis use (**Attachment D**). This flyer was sent via e-mail through the OCM's listserv and posted on its social media platforms and related outlets. These efforts also include working with associated coalitions on developing additional resources that limit youth access and educate the community on responsible use and sales of cannabis products.

⁷ County Emblem Program: dcba.lacounty.gov/cannabisemblemprogram

LEGISLATIVE ADVOCACY

OCM continues to work closely with CEO-Legislative Affairs and Intergovernmental Relations (CEO-LAIR) to advocate for legislative and budget proposals that support the County's cannabis-related initiatives. The list of County-supported and other relevant legislation is outlined below.

County-Supported Legislation

- **AB 1565 (Jones-Sawyer) – California Cannabis Tax Fund: local equity program grants.** This bill would require, effective July 1, 2028, disbursement of up to \$15 million from the California Cannabis Tax Fund to assist local cannabis equity applicants and licensees to gain entry into, and successfully operate in, the regulated cannabis marketplace. Therefore, unless otherwise directed by the Board, consistent with existing policy, the Sacramento Advocates will support AB 1565.
- **SB 51 (Bradford) – Cannabis provisional licenses: local equity applicants.** This bill would amend the Business and Professions Code to authorize the California Department of Cannabis Control (DCC), in its sole discretion, to issue a provisional license for retailer activities to a local equity applicant, provided certain requirements are satisfied. This bill would also authorize DCC, in its sole discretion, to renew such provisional licenses until it issues or denies the provisional licensee's annual license, subject to certain requirements, or until 5 years from the date the provisional license was issued, whichever is earlier. OCM worked with CEO-LEIR on a supportive position for SB 51.

OCM continues to work with CEO-LAIR to review and monitor the following bills:

- **SB 508 (Laird) – Cannabis: licenses: California Environmental Quality Act.** This bill would remove CEQA compliance as a prerequisite to the DCC's issuance of an annual license to any cannabis business type, provided that the local jurisdiction assumes the role of lead agency and files with the state a notice of exemption, or notice of determination following a negative declaration or certified environmental impact report, on behalf of the individual cannabis business.
- **SB 512 (Bradford) – Cannabis: taxation: gross receipts.** This bill would prohibit the state from including in its tax definition of "gross receipts" the amount of any state cannabis excise tax and the amount of any local or municipal tax imposed on the privilege of engaging in commercial cannabis activities. Conversely, this bill would also prohibit local jurisdictions from including in their tax definition of "gross receipts" the amount of any state excise tax or other state tax imposed on the privilege of engaging in commercial cannabis activities.

- **AB 623 (Chen) – THC testing variances.** This bill would expand cannabis lab testing requirements to include a variance for cannabis edible products that contain less than 5 milligrams of THC.
- **AB 687 (Hart) – California Cannabis Authority.** This bill would increase Track and Trace requirements by including the zip code of the destination of any direct-to-consumer cannabis delivery. This bill would also appropriate an undetermined amount to the California Cannabis Authority (CCA), a joint powers authority, from the State and Local Government Law Enforcement Account, an account within the California Cannabis Tax Fund. These appropriated funds are to support the CCA's collection, organization, and dissemination of commercial cannabis activity data. This bill would permit municipalities who meet certain requirements, including membership in a joint powers authority and having a cannabis licensing structure, to access such data on a subsidized basis. This bill would also mandate CCA maintain a publicly accessible platform of anonymized commercial cannabis activity data.
- **AB 1719 (Bonta) – Cannabis: California Environmental Quality Act.** This bill would remove CEQA compliance as a prerequisite to the DCC's issuance of an annual license to a cannabis retailer, manufacturer, distributor, or lab tester, provided that (a) the premises is zoned commercial or industrial, (b) the local jurisdiction provides its approval, and (c) the site is an existing structure with limited modifications, as defined in the bill. This bill similarly removes CEQA requirements for local jurisdictions' design and implementation of their cannabis licensing structure, provided the same conditions are satisfied.

FUTURE REPORTS

OCM will continue to provide quarterly updates to your Board on the progress of these efforts, with the next report scheduled to be submitted in August 2023.

ATTACHMENT A

Community Feedback Sessions: Online Survey Stats & Comments

Community Feedback Survey on Los Angeles County's Cannabis Equity Program

40

Responses

18:20

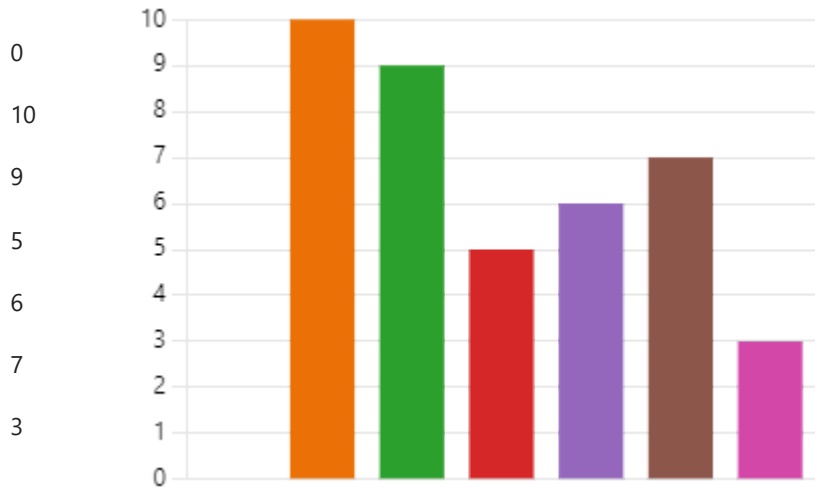
Average time to complete

Closed

Status

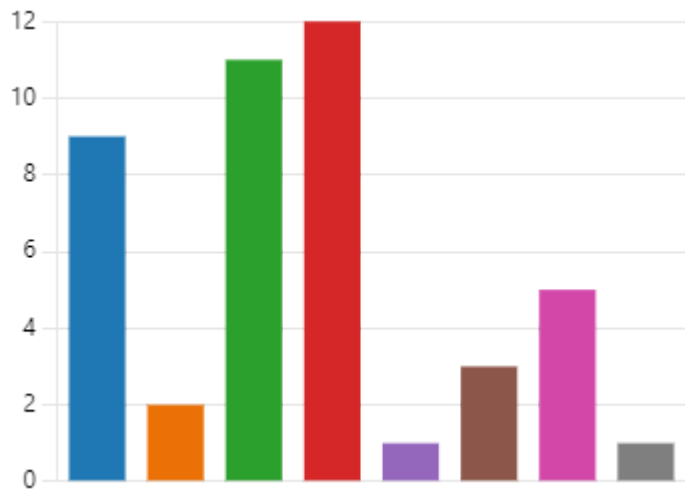
1. What is your age?

- 24 or younger
- 25 - 34
- 35 - 44
- 45 - 54
- 55 - 64
- 65 or older
- Prefer not to say



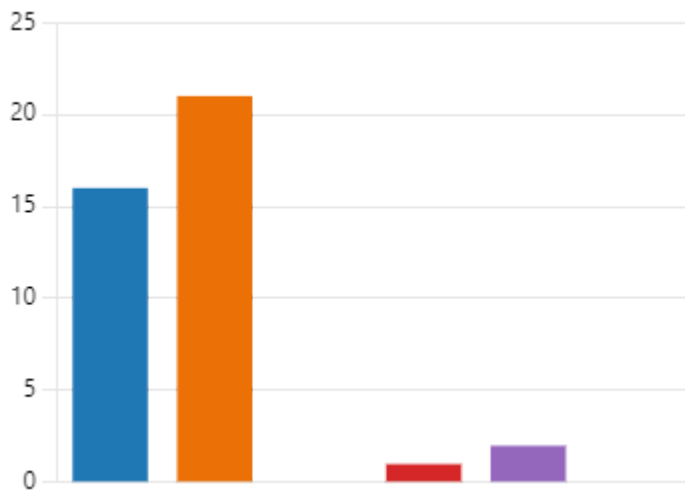
2. Which of the following best describes your race and ethnicity?

● African American or Black	9
● Asian or Pacific Islander	2
● European American or White	11
● Hispanic or Latino	12
● Middle Eastern or North African	1
● Native American or Indigenous ...	3
● Prefer not to say	5
● Other	1

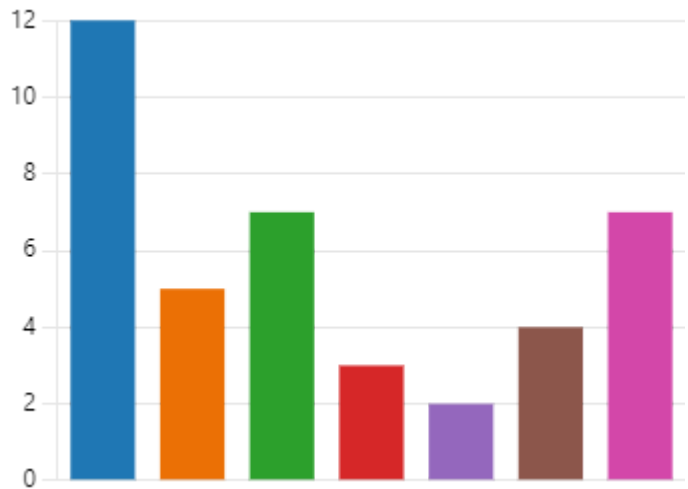
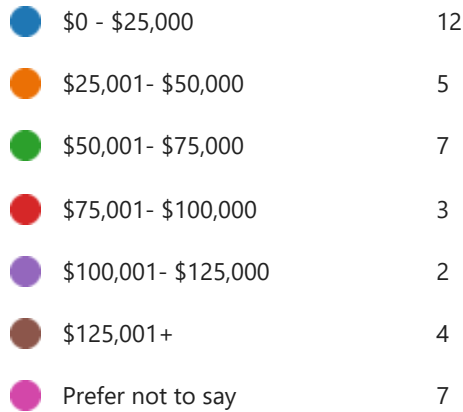


3. Which of the following best describes your gender identity?

● Woman	16
● Man	21
● Transgender	0
● Non-binary	1
● Prefer not to say	2
● Other	0



4. What is your annual individual income before taxes?



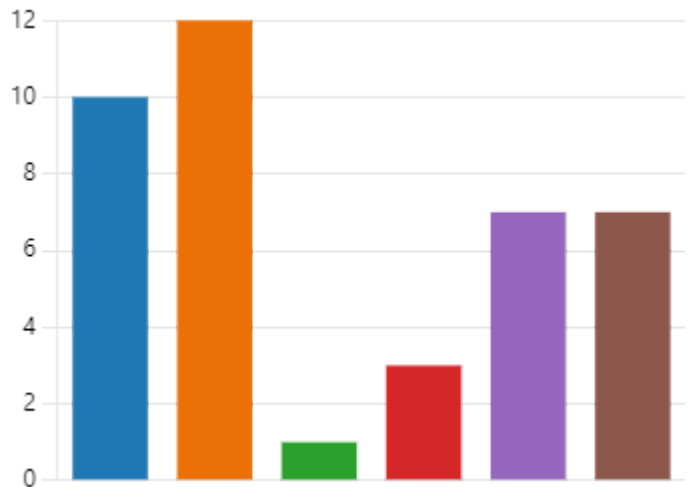
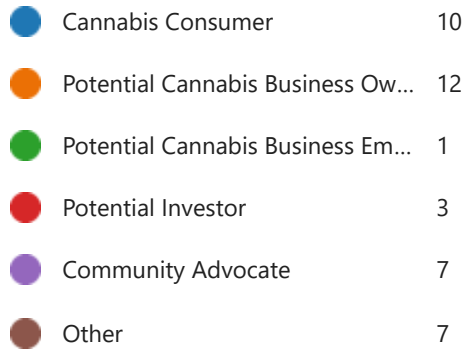
5. What is your current ZIP code?

40
Responses

Latest Responses

"90640"
"90038"
"90650"

6. How would you best describe your primary interest in the County's Cannabis Equity Program?



7. Please identify any prior experience in the cannabis industry.

● Cannabis Business Owner	8
● Cannabis Business Employee	7
● Cannabis Business Investor	3
● N/A	16
● Other	8



8. Which of the following should be used to define a disproportionately impacted area?

● Area Median Income levels	20
● Cannabis-related arrest rates	20
● Housing Burdened Rate (i.e., tho...	21
● Other	7



9. How long should an applicant be required to have lived in a disproportionately impacted area to be eligible for the County's Cannabis Equity Program?

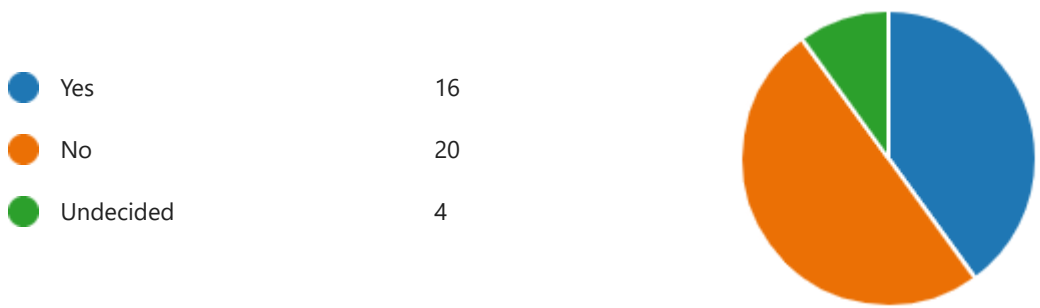
● Less than 5 years	8
● At least 5 years	22
● No residency requirement	10



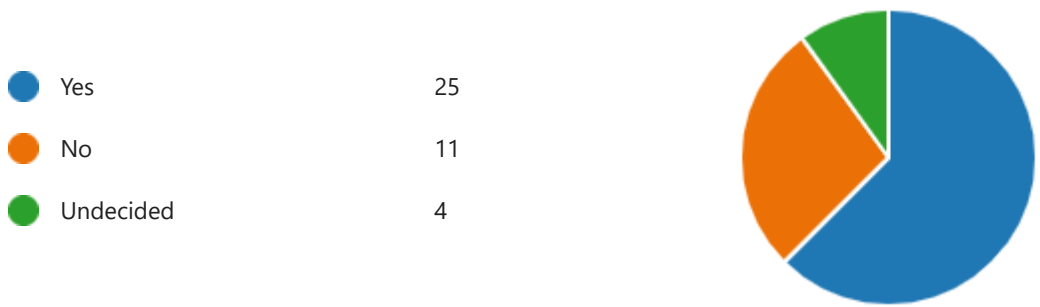
10. Should a cannabis-related conviction or arrest be an eligibility requirement for individuals applying to the Cannabis Equity Program?



11. Should the conviction or arrest of an individual's immediate family member (parent/guardian, sibling, spouse, child) also qualify them for the Cannabis Equity Program even if they themselves have never been convicted or arrested?



12. Should an individual's low income status qualify them to be eligible for the Cannabis Equity Program?



13. Should there be a maximum wealth or asset cap to be eligible for the Cannabis Equity Program?

● Yes	25
● No	10
● Undecided	5



14. Should cannabis businesses be required to hire local or targeted workers (e.g., formerly incarcerated, disabled, veterans, etc.)?

● Yes	25
● No	13
● Undecided	2

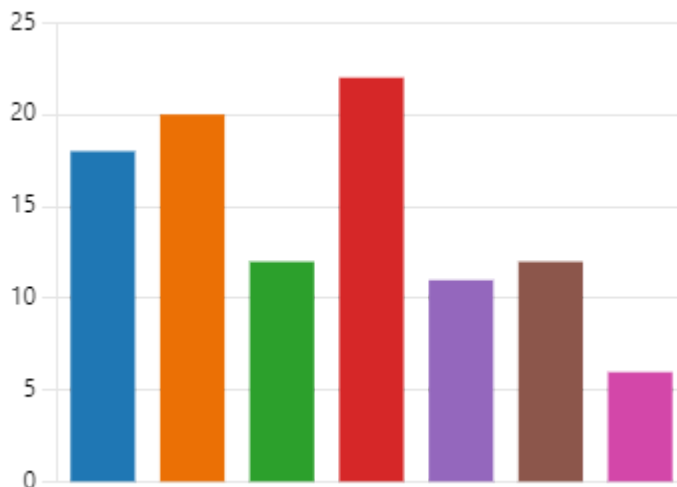
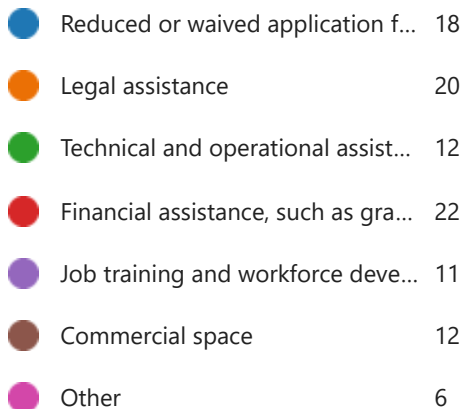


15. If cannabis businesses are required to hire local or targeted workers, what should be the minimum hiring mandate?

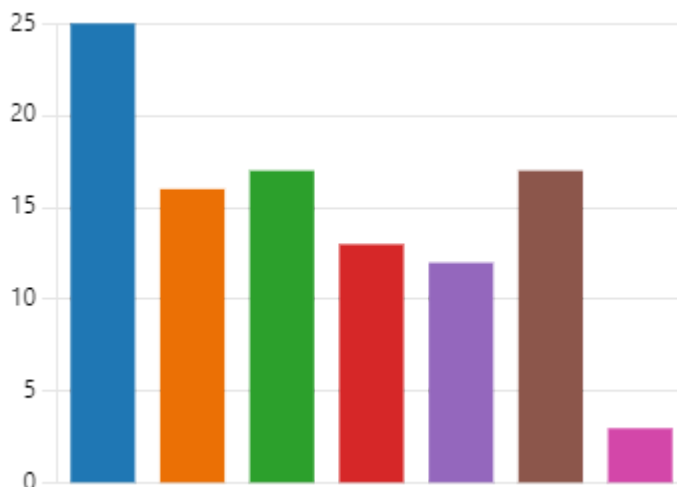
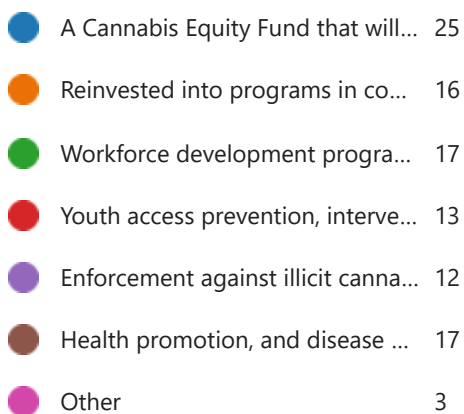
● 30% of workforce	9
● 40% of workforce	3
● 50% of workforce	9
● Undecided	4



16. What are the most important resources that a Cannabis Equity Program can provide to support workers and entrepreneurs in the cannabis industry?



17. Which programs or services should be prioritized for funding by Measure C tax revenues?



18. Any other feedback you would like to share with us?

21
Responses

Latest Responses
"Consider allowing outside delivery and collecting taxes from th..."

# Question #18: Any other feedback you would like to share with us?	
1	Great survey! Very direct/ to the point!
2	SE applicants need robust ecosystem support. Some cannabis firms are capitalized in the hundreds of millions with top-flight JD/MBAs calling the shots. There is already data from the California Cannabis Industry Association on many of the
3	Normalize Health Insurance for part time workers in the cannabis industry
4	Where is my licence, I have waited too damn long, over 18 years, 17 years 9 months after promised by supervisor staff ass. Named Rick. Ask Joe niccitta we're my licence is! Ask Sari Steel were my license is!
5	Social equity operators are heavily targeted by predatory investors especially as new licenses are issued (since those newbies won't have the experience that the first round of applicants had - repeating harmful cycles) . There needs to be protections for applicants so they can thrive instead of just survive. THERE NEEDS TO BE RE-EDUCATION to the community about cannabis. since people still see it as a drug that is part of the bigger drug abuse problem, Cannabis businesses are going to face a lot of community scrutiny without the perspective that cannabis is not like the other drugs it shares a schedule 1 class with.
6	I am a qualified tier1 social equity applicant, in Los Angeles, I have over 15 year's of experience in all area's of cannabis and hemp, I am a former advocate, vendor and member of the CA department of health medical marijuana program (2014-2016) and I need financial assistance to open my secured retail location
7	Please consider giving applicants the highest number of points on applications when the applicant indicates their community commitment will include a compassion program so that the poorest patients can receive free medicine.please consider a tax credit for costs involved in running a compassion program
8	I want to volunteer for any county committees on cannabis
9	Cannabis businesses must be located within unincorporated areas that have historically been affected by the war on drugs and any applicant who wants to run a cannabis business and any worker who wants to work at a cannabis businesses must be a resident of the unincorporated community where the cannabis business is located because that ensures that they have roots in the community and (hopefully) care about the community. Revenue from Measure C must go directly to the communities where the businesses are located and it must be used to develop park and recreation facilities in the community to promote a healthy and active lifestyle. Furthermore, cannabis grow operations
10	Please require a cannabis arrest or conviction as the criteria. Those are the people most affected by cannabis
11	Cannabis should be available for all medical patients at reduced rates in cities that do not allow dispensaries.
12	we are first in the USA Cannabis Spot Exchange, we are looking for a meeting with you in order to present our project and share with you whst huge positive effects it is going to have on the whole industry. We count on your support and
13	You guys have missed on millions of dollars of revenue and growth by literally stagnating zoning and ordinance for YEARS. Why is LA county YEARS behind LA city in allowing legal businesses to establish in properly zoned areas? Shame
14	Close the illegal dispensaries and work to have cities approved more legal dispensaries
15	Our communities are in a catastrophic disarray. Homeless don't need homes. There are so many free drug addiction, housing, rehabilitation programs with openings. Housing is not the solution just like having cannabis dispensaries are a contribution to drug addiction, homelessness and crim. A drug addict will end up in jail, the street and or prison. These dispensaries are only in low income areas who sell cannabis to teenagers. It is unbelievable that we would have a
16	No moratorium against Cannabis stores in Santa Clarita/Castaic CA area
17	Cannabis should not have been legaized. It causes more crime than before it was legalized. And non-smokers have to deal with that disgusting odor that cannabis creates. We should not have to suffer just because people want to smoke
18	It's good to see this matter introduced in a healthy and constructive manner. I fully support this cause and I visualize the positive impact a well structured program will bring to LA. Thank you.

Consider allowing outside delivery and collecting taxes from those transactions as a way to jump start the program to fund social equity without incentivizing the need for applicants to partner with predatory investors. It's no longer equity when large MSO's are the ones getting the license and then collecting all the profits from the backend
19 prioritizing the sales of their own products as well as collecting fees in services and more.

Additionally, since the county intends for this to be only the first round of licensing, it should prioritize equity applicants who are residences of the unincorporated areas and were arrested in the unincorporated areas. They

ATTACHMENT B

Email Feedback Submissions

From: [Acton Town Council](#)
To: [Office of Cannabis Management](#); [Acton Town Council](#)
Subject: Re: LA County Equity Program: Community Feedback Sessions
Date: Thursday, March 23, 2023 2:24:28 PM
Attachments: [image003.png](#)
[image002.png](#)

CAUTION: External Email. Proceed Responsibly.

Hello;

I apologize for this slow response to your email. At the ATC meeting on Monday (March 20) we talked about the Cannabis survey and feedback sessions as well as the BOS motion and voted to submit a comment in response to the motion: The following is the statement that I tried to make at the BOS meeting.... thank you for listening and caring about what our community thinks.

Jacqueline Ayer
Correspondence Secretary

0-0

My name is Jacqueline Ayer and I am speaking on behalf of the Acton Town Council. The motion before you is based on a “Pathways and Practices Study” which supports an enforcement moratorium policy that is uninformed and harmful - particularly towards the residents of the 5th district who, for years, have been forced to endure the devastation created large cartel-run illegal cannabis operations that perpetrate human trafficking, the enslavement of people of color, murder, and environmental destruction. The “Pathways” Study naively perceives enforcement only as a tool of oppression and it ignores the undeniable fact that enforcement is absolutely critical to address the enormous illegal operations in the 5th district that are destroying communities and the environment. I am an environmental engineer and I am offering this testimony as a subject matter expert. If you want to impose an enforcement moratorium on small scale operations in certain areas that have been unduly burdened by the “War on Drugs”, that is one thing, but you must maintain a commitment to enforcement on deadly and environmentally destructive illegal operations run by the cartels and you must use a portion of the revenue accrued from cannabis taxation to support and expand such enforcement efforts.

Another concern is that this motion directs the OCM to develop recommendations for a plan to use cannabis tax revenues but it does not direct the OCM to solicit public input **before** preparing such recommendations. Instead, it directs OCM to conduct public outreach AFTER providing you with its recommendations. This is completely backwards; any recommendations that OCM makes for spending cannabis tax revenues must be based on what the public actually wants, not what OCM *thinks* the public wants. So I ask that you amend this motion to include a requirement that OCM conduct public outreach and receive public input **before** preparing and submitting any recommendations to you 120 days from now.

On Tue, Mar 21, 2023 at 2:46 PM Office of Cannabis Management

From: [Sandie City Terrace](#)
To: [Office of Cannabis Management](#)
Cc: [First District](#); [Barger, Kathryn](#); FourthDistrict@bos.lacounty.gov
Subject: Cannabis Equity Program
Date: Thursday, March 23, 2023 3:03:31 PM

CAUTION: External Email. Proceed Responsibly.

I attended the online workshop and provided feedback. I want to obtain feedback on how the Cannabis Equity Program Assessment is not equitable and is not a representation of people wanting weed/drugs in the community.

The assessment provided by Robert Chala and other researchers from UCLA provides a review of their view to bring drugs into the community for the purpose of drug addiction in Latino/communities for the purpose of research. The word Equity is not appropriate to use unless such institutions as USC and UCLA place these shops on their campus.

Concerns:

The assessment encourages cannabis shops 600 feet from schools k-12, parks, and libraries. Did Robert Chlala stand outside of these establishments and ask parents if this is what they want? Robert Chlala input should be viewed only as input based on no true assessment of parents that have children of these ages provided input. And parents that have and are dealing with youth and young adults with cannabis addiction, parents, and recovering drug addicts do not want these shops in the community.

The danger of THC use:

Psychoactive chemicals can damage the brain throughout mid-20s brain development. As a result, teenagers and young adults who use cannabis before their mid-20's might experience short-term and long-term effects, including severe effects on scholastic, professional, and social success. 3 Motor vehicle accidents can injure them. Regular cannabis use before 18 may increase the chance of skipping classes, getting lower grades, dropping out of school, and subsequently being unemployed or doing less satisfying jobs. 1, 2.

In 2014, the number of emergency department visits with any mention of a cannabis diagnosis (n=91,361) surpassed the number of hospitalizations (n=81,137) for the first time in this time period.(3).

With mounting evidence that the risk of cannabis-induced psychosis may be related to both dose and potency of tetrahydrocannabinol (THC).(4).

Personally, I know of 3 suicides of young men in the community. I had the parents request a toxicology report and came back with a high concentration of THC.

The whole assessment is to push drugs and create addiction in the community. Schools such as USC and UCLA should place these shops on their campus. I was a USC student and to much dismay, I found out that faculty educate students to agree to these drugs lobby in Sacramento to push bills to endorse the push of drugs. Moreover, politicians create boards to explore what the community wants and are from USC and UCLA which also receive funding for research on drug addiction with taxpayer money. These institutes should not be allowed to do the assessment because of the county and state funding received to study cannabis addictions and long terms affects in brown & black communities. In other words, i see an ethical issue.

I live in ELA and I have never had a parent of children under 18 say "I wish there was a cannabis shop and taxpayers should fund it in front of schools and parks."

Lastly, the way this workshop is marketed is to push drugs. I guess this is the new way of drug dealing. It use to be the gangs now it's the education, county, and state offices placing drugs, addictions, and drug-related deaths/suicide issues in the community. There are no equity issues. USC and UCLA cannot decide for the people. We the people are not here for the county to give taxpayer money for educational institutes to do their research after they place the drug and issues in the community. If people want to obtain Cannabis for medical use it can be obtained by mail/delivery no need to have cannabis shops on every corner and street. No taxpayer and no license fee should be waived knowing that placing these types of drug shops in the community is not benefiting our people.

Sincerely,

Sandie

1. Fergusson DM, Boden JM. Cannabis use and later life

outcomes. *Addiction*. 2008;103(6):969-76. doi:[10.1111/j.1360-0443.2008.02221.x](https://doi.org/10.1111/j.1360-0443.2008.02221.x)

2. Zhang C, Brook JS, Leukefeld CG, Brook DW. Trajectories of marijuana use from adolescence to adulthood as predictors of unemployment status in the early forties. *Am J Addict*. 2016;25(3):203-209.

doi:[10.1111/ajad.12361](https://doi.org/10.1111/ajad.12361)

3. *obtained from California Department of Public Health's EpiCenter: California Injury Data Online: <http://epicenter.cdph.ca.gov/>*

4. Pierre JM, Gandal M, Son M. Cannabis-induced psychosis associated with high potency "wax dabs". *Schizophr Res*. 2016 Apr;172(1-3):211-2. doi: 10.1016/j.schres.2016.01.056. Epub 2016 Feb 11. PMID: 26876313.



catalyst-cannabis.com

WEEDFOR THE PEOPLE

Policy Analysis

Improving Cannabis Social Equity Program Outcomes in L.A. County by Leveraging Established and Proven Cannabis Companies Committed to Social Equity in the Cannabis Industry

Damian A. Martin, Esq., M.B.A.

Co-Founder & Attorney for Catalyst Cannabis Co.

Phone: 757-652-0460 | Email: damian.martin.esq@gmail.com

April 15, 2023

Executive Summary

This Policy Analysis explores cannabis social equity programs and their underlying policies in Los Angeles County ("L.A. County") through the lens of an established cannabis company committed to social equity in the cannabis industry—Catalyst Cannabis Co. ("Catalyst"). L.A. County and its Office of Cannabis Management seek to create a sustainable social equity policy framework as part of its cannabis business permitting program for the unincorporated areas of the County. This Policy Analysis is intended to help the County in this endeavor. To that end, this Policy Analysis discusses the failures of past cannabis regulations and how these failures necessitated the need for social equity in the current cannabis industry and provides a brief overview of what social equity policies L.A. County's Office of Cannabis Management proposes to incorporate in L.A. County's cannabis business permitting program. After establishing that background, the ultimate purpose of this Policy Analysis is finetune the L.A. County Office of Cannabis Management's recommended policies for L.A. County's cannabis social equity program based on the real-world experience and insights of Catalyst derived from its deep and committed participation in two cannabis social equity programs already implemented by incorporated municipalities within L.A. County—the City of Long Beach ("Long Beach") and the City of Los Angeles ("Los Angeles").

The central conclusion of this Policy Analysis from Catalyst's real-world experience and insights is that the shortcomings of Long Beach and Los Angeles's cannabis social equity programs (as manifested by the lack of or limited open and operating cannabis dispensaries owned by social equity individuals) result from treating social equity individuals' operational cannabis business partners as an afterthought or non-consideration. Rather than treating social equity individuals' operational cannabis business partners as an afterthought or non-consideration like Long Beach and Los Angeles, L.A. County should look at these operational cannabis business partners as a critical component of its cannabis social equity program to be leveraged to help attain the positive social outcomes the program seeks to achieve by ensuring that social equity individuals are

partnered with operational cannabis business partners that are actually committed to and have a proven track record of accomplishing the objectives of L.A. County’s cannabis social equity program. L.A. County can ensure that social equity individuals’ operational cannabis business partners are committed to and have a proven track record of accomplishing the objectives of L.A. County’s cannabis social equity program by subjecting applicants to and allocating permits through a high bar, purely merit-based application process with objective scoring criteria that evaluates the applicant’s ability to actually achieve the social equity program’s objectives. Ultimately, by leveraging the real-world experience and insights of Catalyst and incorporating policy recommendations proposed in this Policy Analysis into its cannabis social equity program, L.A. County and its Office of Cannabis Management can improve on the shortcomings from other social equity programs already implemented in L.A. County, better achieve the policy ideals of cannabis social equity programs, and make significant progress towards making amends for the devastation on L.A. County communities wrought by the War on Drugs.

Introduction

This Policy Analysis explores cannabis social equity programs and their underlying policies in L.A. County through the lens of an established cannabis company committed to social equity in the cannabis industry—Catalyst. Accordingly, this Policy Analysis has been authored by Damian A. Martin, Esq., M.B.A., Co-Founder & Attorney for Catalyst. Mr. Martin is a graduate of UCLA School of Law where he received a Juris Doctor in 2015 and University of Maryland University College where he received a Master in Business Administration in 2010 and Bachelor of Science in Business Administration in 2007 with Summa Cum Laude honors. Some of his previous cannabis policy scholarship includes:

- [*California Medical Marijuana Law: The Voters and Legislature Have Made Their Decision; Now Let Them Interpret It!*](#) (2015) Journal of Law, Economics & Policy, Volume 11.1
- *California’s Water Regulations for Cannabis: Life-Altering Substance for Cannabis Cultivators* (2015)
- *Cultivating a Local Ordinance under California’s Medical Marijuana Regulation and Safety Act* (2015)
- [*Erroneous cultivation bans must stop*](#) (January 20, 2016) Los Angeles Daily Journal (co-authored with Bruce Margolin)
- [*Environmental Regulation of Marijuana Cultivation in California: Got the Munchies for Some New Regulation but Only Boring Old Sticks are on the Menu*](#) (Spring 2016) Resnick Program Student Compendium: Topics in Food Law and Policy (3rd place winner in the Texas A&M Journal of Property Law 2015 Writing Contest)

Mr. Martin has been serving cannabis business clients since the outset of the State of California’s licensing of cannabis businesses. In his tenure in the industry, Mr. Martin has personally drafted over a dozen local regulatory ordinances in various cities in California, has successfully obtained local approval for over twenty cannabis business permit applications, and has legal, project management, and/or ownership responsibilities in numerous permit applications that are currently pending approval—making him one of the most prolific and successful cannabis administrative attorneys in California. Prior to his entry into the cannabis field, Mr. Martin built

strong foundational strategic analytical skills that would help him successfully navigate the cannabis industry’s unpredictable landscape working as a Strategic Management Analyst for the District of Columbia Courts and a Senior Operations Analyst for Capital One Financial Corp. Mr. Martin also served in the U.S. Navy in a series of high-level operational leadership positions as an intelligence analyst conducting deployments to Chad, Iraq, and Yemen in support of U.S. Navy SEAL operations.

Most importantly, Mr. Martin’s Wife, Ana, is a social equity owner of a Catalyst cannabis dispensary located in South Los Angeles scheduled to open in mid-June this year, and one of his Wife’s best friends is the majority owner of another social equity permittee in the City of Los Angeles, in which Mr. Martin is the minority owner. Therefore, Mr. Martin’s commitment to successful cannabis social equity program outcomes in L.A. County is part of the core of who he is as a person, and Catalyst’s corresponding commitment to cannabis social equity is embraced and begins at the highest levels of the organization.

1. Background

L.A. County and its Office of Cannabis Management seek to create a sustainable social equity policy framework as part of its cannabis business permitting program for the unincorporated areas of the County. This Policy Analysis is intended to help the County in this endeavor. To that end, this Policy Analysis will first discuss the failures of past cannabis regulations and how these failures necessitated the need for social equity in the current cannabis industry and then will provide a brief overview of what social equity policies L.A. County’s Office of Cannabis Management proposes to incorporate in L.A. County’s cannabis business permitting program.

A. Cannabis Industry Regulatory History from a Social Equity Lens

Throughout its history, cannabis regulation has been underpinned by racism, both overt and systematic—with the State of California’s regulations being a prime example. Beginning 1909, California experienced an influx of Indian immigrants looking to participate in California’s growing agricultural industry. These Indian immigrants began harvesting cannabis to great success—causing resentment from white farmers and narcotics prohibitionists such as Henry J. Finger. Finger, a prominent member of the California Board of Pharmacy, the agency responsible for California’s cannabis prohibition, summarized these sentiments in a letter to the International Opium Conference on July 2, 1911:

Within the last year we in California have been getting a large influx of Hindoos and they have in turn started quite a demand for cannabis indica; they are a very undesirable lot and the habit is growing in California very fast [and] the fear is now that they are initiating our whites into this habit We were not aware of the extent of this vice at the time our legislature was in session and did not have our laws amended to cover this matter, and now have no legislative session for two years (January, 1913). This matter has been brought to my attention a great number of time[s] in the last two months [and] it seems to be a real question that now confronts us: can we do anything in the Hague that might assist in curbing this matter?

Shortly thereafter, Finger, along with his allies, began lobbying for cannabis prohibition in California, and, as a result of those efforts, on August 10, 1913, the 1913 Poison Act Amendments

went into effect, making it unlawful to possess cannabis drugs and empowering the California Board of Pharmacy as its chief enforcement authority. As a portent of the racially disparate approach to cannabis prohibition enforcement to follow in the next century, the first known cannabis “bust” occurred in 1914 when the California Board of Pharmacy launched a crackdown in the Mexican neighborhood Sonoratown in the City of Los Angeles.

From 1913 to 1996, cannabis was prohibited in California. During this near century, enforcement (arrest, incarceration, etc.) of the cannabis prohibition disproportionately impacted racial minorities and other underrepresented and marginalized groups and continued following the first cracks in California’s cannabis prohibition with the Compassionate Use Act of 1996 and The Medical Marijuana Program Act of 2003 since both laws only provided a post-arrest affirmative defense, rather than any immunity from arrest or real permission to operate a cannabis business.

Fast forwarding to California’s permitting of cannabis businesses, with the passage of The Medical Marijuana Regulation & Safety Act in 2015, Proposition 64 in 2016, and The Medicinal & Adult-Use Cannabis Regulation & Safety Act in 2017, racial disparities in cannabis regulation persist—but now, in addition to racial minorities and other underrepresented and marginalized groups being disproportionately subject to enforcement actions, the same groups that were most impacted by cannabis prohibition and the wider War on Drugs, are now underrepresented in the legal industry, with ownership in the new industry being overwhelming white and corporate with backing from institutionalized wealth with its own history of systematic oppression. To address this new form of racial disparity in the cannabis industry, regulatory agencies in both California and across the country have developed or are in the process of developing cannabis social equity programs. One such regulatory agency with a cannabis social equity program under development is L.A. County and its Office of Cannabis Management.

B. L.A. County’s Proposed Cannabis Social Equity Program

L.A. County seeks to join California and other jurisdictions in the efforts to correct the wrongs of the past, and it has empowered its Office of Cannabis Management to implement a social equity program for its cannabis business licensing program. For the sake of understanding what L.A. County through its Office of Cannabis Management is trying to achieve with its cannabis social equity program, the L.A. County’s Cannabis Equity Assessment defines “social equity” as:

“An attempt to repair the damage done by the War on Drugs; reparations; money from cannabis staying in the communities affected by the Drug War.”

In other words, L.A. County and its Office of Cannabis Management are trying to develop a program for the permitting of cannabis businesses in the unincorporated areas of the County that (1) prioritizes people and communities damaged by the War on Drugs in the issuance of permits to operate cannabis businesses and (2) keeps money “in the pockets” of people and communities damaged by the War on Drugs in the distribution of benefits (profits, tax revenue, etc.) derived from the operation of cannabis businesses permitted by L.A. County.

As stated above, L.A. County’s cannabis social equity program is still under development. More specifically as to where the development of the program stands as of this Policy Analysis, below is a chronology of events leading up to the present state:

- 1) In February 2022, the L.A. County Board of Supervisors directed the Office of Cannabis Management to develop and implement a permitting program for cannabis businesses operating in the unincorporated areas of the County that addresses social equity.
- 2) In March 2022, the L.A. County Office of Cannabis Management received a grant from the California Governor's Office of Business & Economic Development to conduct a social equity assessment and to develop a cannabis social equity program.
- 3) In August 2022, the L.A. County Board of Supervisors approved a resolution placing a cannabis tax measure for approval by voters that went on to become Measure C on the November 8, 2022, ballot, which proposed the following initial tax rates on cannabis businesses operating in the unincorporated areas of the County:
 - Retail / Dispensary / Delivery Service: 4% of gross receipts
 - Manufacturing: 3% of gross receipts
 - Distribution: 3% of gross receipts
 - Testing: 1% of gross receipts
 - Indoor Cultivation: \$7.00 per square foot of canopy
 - Mixed-Light Cultivation: \$4.00 per square foot of canopy
 - Outdoor Cultivation: \$4.00 per square foot of canopy
 - Nursery: \$2.00 per square foot of canopy
 - Other Cannabis Businesses: 4% of gross receipts
- 4) On November 8, 2022, the voters of L.A. County passed Measure C.
- 5) In November 2022, L.A. County's Cannabis Equity Assessment, titled [Pathways and Practices for Cannabis Social and Health Equity in Los Angeles County](#), was published.
- 6) Over the course of March 2023, the L.A. County Office of Cannabis Management hosted a series of community feedback sessions to gather input on some of the Cannabis Equity Assessment findings and proposed recommendations with a public comment period ending April 15, 2023.

As articulated in its [Cannabis Equity Program Community Feedback Session Presentation](#), the L.A. County Office of Cannabis Management has proposed the following recommended policies relevant to this Policy Analysis for L.A. County's cannabis social equity program:

- The County will initially issue 90 permits regulating six cannabis business types, while permitting the combined of permits in cannabis microbusinesses:

- 25 retail / dispensary permits
- 25 delivery service permits
- 10 manufacturing permits
- 10 distribution permits
- 10 testing permits
- 10 cultivation permits
- The County will provide priority to social equity persons and businesses in the issuance of cannabis business permits.
- The County will define social equity individuals and businesses as follows:
 - An individual with a cannabis-related arrest or conviction OR be a parent / guardian or spouse / domestic partner of an individual with a prior cannabis-related arrest or conviction; and
 - An individual with (1) at least 5 years residency in an unincorporated area of the County census tract that is at least 60% housing-burdened AND earns 80% or below L.A. County's area median income; and
 - In the case of an entity cannabis business, at least 51% individual, pooled, or cooperative ownership by individuals meeting all of the above criteria.
- The County will allocate the limited permits based on a merit scorecard awarding points for meeting certain minimum criteria based on social responsibility commitments combined with a lottery if a large number of applicants reach a minimum point threshold based on review of simplified applications that do not require applicants to initially identify their proposed real estate / business location.
- The County will require all permitted cannabis businesses to hire at least 40% of their workforces from unincorporated L.A. County communities impacted by the War on Drugs and incentivize doubling to 80% and/or achieving specific goals for managerial positions as part of unincorporated L.A. County communities.
- The County will create a cannabis workforce pipeline and paid apprenticeships via strategic partnerships.
- The County will require cannabis businesses with 10 or more employees to enter labor peace agreements.
- The County will direct part of Measure C tax revenues to the Office of Cannabis Management's social and health equity programs, including grants and loans for social equity cannabis permit applicants.

- The County will develop mechanisms to allow cannabis businesses to invest in a community reinvestment funding stream as part of permit application and re-permitting process.
- The County will provide educational, technical, and financial resources to social equity individuals and businesses.

2. Analysis – Catalyst Cannabis Co.’s Experience in Social Equity Programs

With the above background established, the ultimate purpose of this Policy Analysis is finetune the L.A. County Office of Cannabis Management’s recommended policies for L.A. County’s cannabis social equity program based on the real-world experience and insights of Catalyst derived from its deep and committed participation in two cannabis social equity programs already implemented by incorporated municipalities within L.A. County—Long Beach and Los Angeles. To effectuate that purpose, this section of this Policy Analysis provides (1) background information on Catalyst and its commitment to social equity in the cannabis industry and (2) cannabis social equity case studies based on Catalyst’s experience observing and actively participating in the cannabis social equity programs in Long Beach and Los Angeles.

A. Catalyst Cannabis Co. and Its Commitment to Social Equity

Catalyst was founded in 2019 by Elliot Lewis, Anna Lewis, Damian Martin, and Timothy Lewis, when Catalyst’s CEO, Elliot Lewis, spun off his cannabis businesses (some open and operating since 2017) from Connected Cannabis Co. (“Connected”) and began to operate independently of Connected; at first under the Connected brand before establishing the Catalyst brand in mid-2020. Presently, Catalyst owns and/or operates 17 cannabis dispensaries in Long Beach, Santa Ana, Bellflower, Los Angeles, El Monte, Pomona, Marina, Riverside County, San Bernardino, and Patterson and a distribution facility in Bellflower. Rather than being fueled by corporate or institutional money, Catalyst has grown organically into one of the most successful cannabis businesses in California by embracing the State’s local control regime with one simple philosophy—by making great promises and successfully delivering on those commitments in the initial municipalities that permitted cannabis businesses, Catalyst will get an opportunity to showcase its operations in future municipalities that permit cannabis businesses.

On that note, Catalyst’s mantra / business model is “Weed for the People”. “Weed for the People” is an all-encompassing way of life that reflects how Catalyst treats its customers, its employees, and the local communities where it operates. For its customers, “Weed for the People” means that Catalyst offers the best selection of cannabis products at the best price in town. For its employees, “Weed for the People” means that Catalyst operates under a Global Collective Bargain Agreement (“CBA”) with the United Food & Commercial Workers International Union (“UFCW”) and offers the cannabis industry’s best wages, employee relations, benefits, and local hiring with employees actively engaged in local communities as firm believers in and ambassadors for the “Weed for the People” movement. For its local communities, “Weed for the People” means that Catalyst is fully engaged and integrated with its neighbors and neighboring businesses by creating true public-private partnerships within local government, public safety, schools, community organizations, and other local and regional stakeholders to provide educational services, conservational efforts, employment opportunities, community engagement / events, and financial donations directly to the community. Stated other ways, “Weed for the

People” means that Catalyst (1) and its mission are much bigger than simply being a business motivated by a drive for profit to its owners and investors and (2) strives to be a source of good for all people with the idea being that Catalyst considers the local communities where it operates to be partners in its cannabis businesses.

In line with its “Weed for the People” mantra / business model, Catalyst has the following strategic priorities and objectives when it comes to the development of public policy in the cannabis industry:

- Full Unionization of the Entire California Cannabis Industry
 - Catalyst has been on the forefront of developing local cannabis ordinances / regulations that incentivize or require CBAs in dispensary permitting processes with the belief that, as retail cannabis companies begin to appreciate the importance or near-necessity of collective bargaining, those retail cannabis companies will eventually force or encourage the production side of the cannabis supply chain to collectively bargain.
- Dignity to and Professionalism of the Cannabis Labor Force
 - Because of its illegal / illicit history (a history which is still present), substandard labor practices proliferate the California cannabis industry.
 - The cannabis industry should provide workforce development through investment in training and creation of job pipelines for career advancement.
- Reasonable Access to High-Quality and Tested Cannabis Products
- Respect and Preservation of Local Control and Local Priorities in Cannabis Policy
- Tax Revenue and Direct Community Benefits for Local Communities
- Making Amends for the Devastation of Communities Wrought by the War on Drugs
 - “Weed for the People” means being on the forefront of the cannabis social equity movement.
 - Catalyst and other prominent policymakers take the position that cannabis social equity is broader than just dispensary ownership and, in particular, also encompasses community benefits and tax revenues directed back to communities devastated by the War on Drugs and the creation of dignified, living wage local jobs with Labor Union representation within those communities.

With the latter priority fully in mind, Catalyst actively and successfully participates in the cannabis social equity programs in Long Beach and Los Angeles and would like to share its experience and lessons learned from those two programs so that L.A. County’s cannabis social equity program can improve on the social equity policies already in place elsewhere in the County.

B. Case Study – Long Beach’s Cannabis Social Equity Program

Catalyst, including its forerunner Connected branded dispensaries owned and/or operated by Elliot Lewis, got its start in Long Beach. As such, Catalyst’s perspective on Long Beach cannabis regulation begins with the lead up to and passage of Measure MA and Measure MM in November 2016. Measure MM, the City’s initial medical cannabis dispensary regulatory and permitting law, does not contain any cannabis social equity provisions. However, in 2018, the Long Beach City Council enacted Ordinance No. 18-0015, the City’s initial adult-use cannabis dispensary regulatory and permitting law, which did set forth a cannabis social equity program that provided direct grants, fee waivers, expedited application review, tax deferrals, technical assistance, and employment assistance for social equity individuals.

Long Beach’s initial cannabis social equity program produced very little to reduce the impact of the War on Drugs. In particular and to Catalyst’s knowledge, no social equity individual owned cannabis dispensaries or delivery services were established in the City by 2020. Being committed to the cannabis social equity movement and frustrated with the lack of outcomes reducing the impact of the War on Drugs, Catalyst took it upon itself to take action.

First, in 2021, Catalyst donated money, resources, space in Catalyst - Eastside, and operational expertise to assist a social equity individual, Carlos Zepeda, in establishing the first and only social equity owned and operated cannabis delivery business in Long Beach, [Pusherman Delivery](#). As of April 2023, Catalyst’s “investment” to help establish and maintain Pusherman Delivery has been over \$400,000.

Second, Catalyst, through its CEO, Elliot Lewis, aggressively lobbied against its own economic interest of not having the Long Beach cannabis market diluted, for the City to allow additional adult-use cannabis permits specifically allocated to cannabis businesses owned by social equity individuals. As a result, in May 2022, the Long Beach City Council enacted Ordinance No. 22-0015, which established a framework reflecting Catalyst’s social equity goals. Then, in September 2022, Long Beach received applications from social equity applicants. Unfortunately though, as of this Policy Analysis, no applications have been approved, and to Catalyst’s knowledge, no social equity individual owned cannabis dispensaries or delivery services have established themselves in Long Beach—other than Pusherman Delivery.

C. Case Study – Los Angeles’s Cannabis Social Equity Program

Los Angeles’s post-1996 history of cannabis regulation and licensing is deep and complex, and an exhaustive analysis of which is beyond the scope of this Policy Analysis (and certainly worthy of numerous policy analyses on its own). For the purpose of this Policy Analysis, a study of Catalyst’s experience with what is referred to as “Phase 3 Retail Round 1 Application Processing” should prove sufficient.

Phase 3 Retail Round 1 Application Processing was the first round of dispensary permitting in Los Angeles focused solely on social equity applicants, with a social equity applicant being defined at that time as:

- Tier 1:
 - An individual with a cannabis-related arrest or conviction AND an income 80% or below Los Angeles’s area median income; or
 - An individual with a minimum of five years’ cumulative residency in a “Disproportionately Impacted Area” AND an income 80% or below Los Angeles’s area median income; and
 - In the case of an entity cannabis business, at least 51% ownership by an individual meeting one of the two above criteria.

- Tier 2:
 - An individual with a minimum of five years’ cumulative residency in a “Disproportionately Impacted Area” AND an income 80% or below Los Angeles’s area median income; or
 - An individual with a minimum of ten years’ cumulative residency in a “Disproportionately Impacted Area”; and
 - In the case of an entity cannabis business, at least 33 1/3% ownership by an individual meeting one of the two above criteria.

From Catalyst’s perspective, the process for participating in Phase 3 Retail Round 1 Application Processing went as follows in approximately the order provided: (1) connect with individuals meeting the above criteria; (2) have the social equity individual submit their qualification paperwork to the Los Angeles Department of Cannabis Regulation or do so on their behalf; (3) secure real estate to apply (Phase 3 Retail Round 1 Application Processing required real estate and related legal documents to be included as part of the applications); (4) form business entities; (5) enter no-strings attached LLC agreements meeting the above ownership requirements; (6) assemble applications; and (7) submit applications.

The truly noteworthy aspect Phase 3 Retail Round 1 Application Processing is how the approvals / permits were actually allocated. Rather than individual owners of Catalyst and their social equity partners being evaluated on merit and criteria like business track record, commitment to providing good jobs, community engagement and benefits, Phase 3 Retail Round 1 Application Processing was a typing contest (yes, I said that correctly . . . a typing contest). On Tuesday, September 3, 2019, at 10 a.m. PDT, Los Angeles provided access to a website where qualified social equity applicants could submit their applications. Initially, the first 100 applicants that successfully submitted an application were deemed “eligible for further processing”. Other than approvals trickling in over the next month or so, the whole exercise lasted less than five minutes. Shortly thereafter, as a result of a lawsuit brought by a disgruntled applicant, Los Angeles deemed the next 100 applicants that successfully submitted an application as “eligible for further processing”— for a total of 200 dispensary approvals in Phase 3 Retail Round 1 Application Processing.

Ultimately, individual owners of Catalyst and their social equity partners submitted seven applications in Phase 3 Retail Round 1 Application Processing; four were deemed “eligible for

further processing” as part of the first 100 approvals and proved to be viable candidates for open and operating dispensaries; one was “eligible for further processing” as part of the first 100 approvals but a partnership dispute with the social equity individual led to the individual owner of Catalyst fully surrendering the approval to that individual; one was rejected due to non-compliant zoning; and one was deemed “eligible for further processing” as part of the next 100 approvals and proved to be a viable candidate for an open and operating dispensary. As of the date of this Policy Analysis, three of these five initial viable approvals have blossomed into open and operating Catalyst-branded dispensaries owned by social equity individuals and individual owners of Catalyst, with the fourth scheduled to open in mid-June, and the fifth currently in the City’s relocation process:

- 1) 316 Florence Holdings LLC, d.b.a. Catalyst - Florence, 316 W. Florence Avenue, Los Angeles, CA 90003 (open since August 2021)
- 2) 1539 Manchester Holdings LLC, d.b.a. Catalyst - Normandie, 8300 S. Normandie Avenue, Los Angeles, CA 90044 (open since October 2022)
- 3) 4158 Pico Holdings LLC, d.b.a. Catalyst - Mid City, 3318 Venice Boulevard, Los Angeles, CA 90019 (open since March 2023)
- 4) 11500 Vermont Holdings LLC, d.b.a. Catalyst - South Figueroa, 10020 S. Figueroa Street, Los Angeles, CA 90003 (scheduled to open in mid-June 2023)
- 5) 8301 Western Holdings LLC (presently in the City’s relocation process)

However, there is an additional Catalyst-branded dispensary open and operating in Los Angeles, which fell outside of the seven initial applications discussed above: Puradora LLC, d.b.a. Catalyst - Silver Lake, at 2334 Fletcher Drive, Los Angeles, CA 90039 (open since March 2023). Because Phase 3 Retail Round 1 Application Processing was simply a typing contest that did not evaluate the actual merit such as operational acumen, financing wherewithal, etc., anyone that could secure a compliant property, form a partnership with a social equity individual, and type fast enough could be approved. As a result, many of the Phase 3 Retail Round 1 Application Processing approvals ended up in the hands of social equity individuals partnered with brokers, speculators, carpetbaggers, etc. (pick any term to simply describe a pure profiteer rather than an actually operational cannabis business or affiliated owner) and a robust secondary market for Phase 3 Retail Round 1 Application Processing approvals has developed, in which brokers and speculators market and transact in such approvals with actually operational cannabis businesses (or affiliated owners). Catalyst was presented with such an opportunity that was attractive enough and operates Catalyst - Silver Lake through a management agreement approved by the Los Angeles Department of Cannabis Regulation. In fact and for the sake of emphasis, all agreements and arrangements for Catalyst-branded dispensaries with social equity individuals in Los Angeles are completely open and transparent and have been approved by the Los Angeles Department of Cannabis Regulation.

Unsurprisingly, given (1) the approval process lacking real merit-based evaluation, (2) the ability of brokers and speculators to exploit the process, (3) shotgun marriage partnerships, (4) City bureaucracy, and (5) the decline of the California cannabis industry in general, the success of Los Angeles’s Phase 3 Retail Round 1 Application Processing has been mixed at best. Based on the Los Angeles Department of Cannabis Regulation’s [2022 End-of-year News Bulletin](#), only

81 out of the 200 possible Phase 3 Retail Round 1 Application Processing dispensaries were open and operating as of December 2022—over three years after Los Angeles initially accepted applications. Catalyst treats open and operating dispensaries as a key measure of success in a cannabis social equity program because an open and operating dispensary is generating at least some revenue, and actual revenue is the lifeblood for the outcomes that any well-functioning cannabis social equity program should hope to achieve: money “in the pockets” of social equity individuals; dignified, living wage local jobs; and tax revenue and community benefits being provided to communities devastated by the War on Drugs.

Further, operating conditions for Los Angeles-based cannabis dispensaries are extremely difficult and onerous, even with Catalyst’s operational experience and cannabis product purchasing power and low prices. Illegal / unlicensed dispensaries that do not face the same tax and regulatory financial burdens as licensed dispensaries proliferate Los Angeles (just take a drive along Western Avenue), and the City does not presently take enforcement action against, which makes sense from a social equity perspective so as not to institute the War on Drugs 2.0; and not that such enforcement would matter much anyhow seeing as illegal / unlicensed dispensaries shut down at one location just quickly pop up in another location. Then to add insult to injury, licensed dispensaries in Los Angeles pay one of the highest local taxes for cannabis dispensaries in all of L.A. County at 10% of gross receipts (and that’s not to mention onerous State cannabis taxes). As a result, Catalyst-branded dispensaries in Los Angeles see limited (or no) profitability and, although local communities devastated by the War on Drugs at least see local economic development and job creation, there are no profits to actually go out to social equity individual owners.

As a result, many social equity individual owners in Los Angeles have seen negligible, if any at all, financial gain, which is only exacerbated by the fact that Los Angeles social equity individuals are not allowed to transfer their interests to credible purchasers. Although Los Angeles intended its policy to financially uplift social equity individual owners, the reality is that most social equity individual owners own an interest in a cannabis business that will not see a profit for years, if ever. Normally, the market would intervene and owners of such distressed assets would have an opportunity to sell to the highest bidder, but, in Los Angeles, only non-equity owners are allowed to transfer their interests in such a manner. In Catalyst’s experience, the social equity individual owners of Catalyst-branded dispensaries in Los Angeles have sought (or desire) to convert their interests in their one-off Los Angeles dispensaries into direct ownership in Catalyst—allowing the social equity individuals owner to “invest” in a diversified portfolio of dispensaries with greater potential for growth and having the greatly positive effect of broadening Catalyst’s ownership tent. Some social equity individual owners have even requested that Catalyst purchase their interests outright for monetary compensation. Either way, Los Angeles disallows both types of transactions because a social equity individual owner can only transfer its ownership interests to another social equity individual. As a result, these diversification and potentially transformative economic opportunities are not available in Los Angeles.

With the backdrop of Phase 3 Retail Round 1 Application Processing established, in 2022, Los Angeles conducted its Phase 3 Retail Round 2 Lottery. The Phase 3 Retail Round 2 Lottery is exactly what it claims to be—a lottery for the issuance of dispensary approvals to social equity applicants. But unlike Phase 3 Retail Round 1 Application Processing, Los Angeles’s Phase 3 Retail Round 2 Lottery was just for social equity individuals (*i.e.*, no cannabis business partners) with not even minimal application requirements (just social equity individual status verification and

registration in the lottery), no requirement to provide a proposed real estate / business location, and with more restrictive social equity individual criteria as follows:

- An individual with a cannabis-related arrest or conviction prior to November 8, 2016; and
- An individual with a minimum of ten years' cumulative residency in a "Disproportionately Impacted Area" OR an income 80% or below Los Angeles's area median income.

On December 8, 2022, Los Angeles held its Phase 3 Retail Round 2 Lottery, issuing 100 additional dispensary approvals. It remains to be seen the depth that brokers and speculators have infiltrated the Phase 3 Retail Round 2 Lottery, but without a merit-based application process to evaluate that applicants are partnered with actually operational cannabis businesses, the brokers and speculators are sure to be looking for opportunities to capitalize and profit on the continued marginalization of the communities most impacted by the War on Drugs. What is clear at this point, however, and speaking of the lack of a merit-based application process to evaluate social equity partnerships with actually operational cannabis businesses, Phase 3 Retail Round 2 Lottery winners are being left to fend for themselves in a very challenging cannabis market without real support, other than technical and limited financial assistance from the City.

3. Conclusion – An Opportunity to Improve Cannabis Social Equity Outcomes

The central conclusion of this Policy Analysis is that the shortcomings of Long Beach and Los Angeles's cannabis social equity programs (as manifested by the lack of or limited open and operating cannabis dispensaries owned by social equity individuals) result from treating social equity individuals' operational cannabis business partners as an afterthought or non-consideration. Rather than treating social equity individuals' operational cannabis business partners as an afterthought or non-consideration like Long Beach and Los Angeles, L.A. County should look at these operational cannabis business partners as a critical component of its cannabis social equity program to be leveraged to help attain the positive social outcomes the program seeks to achieve by ensuring that social equity individuals are partnered with operational cannabis business partners that are actually committed to and have a proven track record of accomplishing the objectives of L.A. County's cannabis social equity program. L.A. County can ensure that social equity individuals' operational cannabis business partners are committed to and have a proven track record of accomplishing the objectives of L.A. County's cannabis social equity program by subjecting applicants to and allocating permits through a high bar, purely merit-based application process with objective scoring criteria that evaluates the applicant's ability to actually achieve the social equity program's objectives, namely: (1) the ability and financial wherewithal to actually get a dispensary open and operating, (2) a proven track record of generating business and tax revenue, (3) a commitment to provide community benefits, (4) a proven track record and commitment to provide dignified employment and living wage local jobs, (5) actual engagement and integration with the local community where the dispensary is proposed to locate, and (6) the operational suitability and economic development potential of the applicant's proposed real estate / business location.

A. Findings from Catalyst Cannabis Co.'s Experience

To amplify the above central conclusion, below is a more detailed list of Catalyst's findings from its committed and ongoing participation in Long Beach and Los Angeles's cannabis social equity programs:

- 1) Short of a government agency directly intervening at great expense of money and time to actually establish dispensaries and educate social equity individuals on dispensary operations, social equity individuals' operational cannabis business partners are critical to the actual success of a cannabis social equity program.
 - As indicated above, there are now four Catalyst-branded dispensaries open and operating in Los Angeles; the average capital required to open these dispensaries was approximately \$1.5M per dispensary and the cost of Catalyst to help establish Pusherman Delivery in Long Beach was approximately \$400,000. Unless another party, *i.e.*, an operational cannabis business partner, provides or accesses this necessary capital, *L.A. County would need to spend at least \$47.5M to establish 25 dispensaries and 25 delivery services.*
- 2) Even if a dispensary owned by a social equity individual actually gets open and operating, the dispensary will still be in a position to struggle without a proven operational cannabis business partner, especially in challenging operating environments.
 - Even with a proven track record of successful dispensary operations, deep technical expertise, and cannabis product purchasing power and low prices, Catalyst-branded dispensaries in Los Angeles struggle to achieve profitability due to intense competition from illegal / unlicensed dispensaries and excessively high cannabis dispensary tax rates. Catalyst is able to absorb the limited profitability in the Los Angeles market due to its diverse portfolio of dispensaries based in multiple markets, including markets less challenging than Los Angeles.
- 3) Excessively high cannabis dispensary tax rates penalize dispensaries owned by social equity individuals and hinder social equity programs.
- 4) Lotteries, typing contests, and other permit allocation methods not based on at least the merit of the operational cannabis business partner, result in the selection of applicants that are incapable of successfully opening and operating dispensaries.
- 5) Identification of a proposed real estate / business location and securing said proposed real estate / business location is one of the ultimate tests of an applicant's merit, the financial wherewithal to actually establish and open a dispensary, and commitment and ability to integrate within and provide economic development to a particular community.
- 6) Prohibiting social equity individuals from transferring their interests in a dispensary permit under even fair and just circumstances severely limits the economic value of the right they have been granted.
 - The right to transfer a property right is a key component of a property right's value because a market for transfer is what establishes the property's economic value.
- 7) Impact from the War on Drugs—the *raison d'être* for any cannabis social equity program—is much broader than being arrested or convicted for a cannabis offense.

- For example, individuals that live or grew up in communities devastated by the War on Drugs are subjected to over-policing and lack of economic opportunity regardless if they were ever arrested or convicted for a cannabis offense.
- 8) Cannabis permit application processes with residency restrictions, for example the L.A. County Office of Cannabis Management’s recommended policy of social equity status being limited to individuals residing in an unincorporated area of the County, are readily subject to legal challenge.
- 9) Cannabis dispensary tax revenue is not actually directed to communities impacted by the War on Drugs, but is rather carved up by special interests with influence over political processes, in particular the allocation of general fund tax revenue.

B. Social Equity Policy Recommendations for L.A. County

The central policy recommendation of this Policy Analysis is to ensure that social equity individuals’ operational cannabis business partners are committed to and have a proven track record of accomplishing the objectives of L.A. County’s cannabis social equity program by subjecting applicants to and allocating permits through a high bar, purely merit-based application process with objective scoring criteria that evaluates the applicant’s ability to actually achieve the social equity program’s objectives. From Catalyst’s perspective, the most well-developed merit-based application process in the cannabis industry is in the L.A. County incorporated City of Cudahy as part of [The Cannabis Business Accountability Measure](#), which passed in November 2022 as Measure BA. The Cannabis Business Accountability Measure’s merit-based application process codified in Section 5.30.070 of the Cudahy Municipal Code does the following:

- Requires an applicant to identify its proposed real estate / business location and provide evidence that it has actually secured said proposed real estate / business location in some manner;
- Requires an applicant to provide a proof of funds / capital to demonstrate that it has the financial wherewithal to actually establish its proposed dispensary;
- Incentivizes / provides application points for applicants that have a proven track record of generating business and tax revenue through established dispensary operations;
- Incentivizes / provides application points for applicants that identify proposed real estate / business locations that provide economic development opportunities and community integration;
- Incentivizes / provides application points for applicants that commit to provide direct financial community benefits and that develop comprehensive community engagement plans;
- Incentivizes / provides application points for applicants with a proven track record of collective bargaining with Labor Unions at already established dispensaries; and
- Incentivizes / provides application points for applicants that commit to paying living wages and at least 50% local staffing of positions.

To develop a merit-based application process for its cannabis social equity program, Catalyst's recommends that L.A. County use The Cannabis Business Accountability Measure as a start point / baseline and then add a social equity individual ownership requirement and adjust The Cannabis Business Accountability Measure's objective scoring criteria to reflect L.A. County's policy priorities and desired social equity program objectives.

Beyond the high bar, purely merit-based application process with objective scoring criteria that evaluates the applicant's ability to actually achieve the social equity program's objectives central to this Policy Analysis, Catalyst also makes the following policy recommendations for L.A. County's cannabis social equity program based on the above findings from Catalyst's ongoing participation in Long Beach and Los Angeles's social equity programs:

- Qualifying for L.A. County's social equity program should not be limited to just those individuals with a cannabis arrest or conviction, but, rather, should be broadened to all persons with cumulative residency in communities devastated by the War on Drugs and low-income status.
- To avoid litigation that could derail its entire social equity program, L.A. County should not limit social equity status to individuals residing in an unincorporated area of the County; rather, commitment to a particular community, which would obviously be stronger with a local resident that lives in and understands the community, should be achieved through a community benefits commitment, community engagement, and proposed real estate / business location identification.
- L.A. County's social equity individuals should be allowed to transfer their dispensary permits subject to County Staff review and approval that the transaction is fair, just, and will continue to achieve the objectives of L.A. County's cannabis social equity program.
- L.A. County should maintain or lower the current dispensary tax rates Measure C rather than increasing those tax rates when permitted to do so by Measure C in 2026.
- L.A. County should commit to allocating all or the majority of Measure C tax revenue to communities devastated by the War on Drugs.

Ultimately, by leveraging the real-world experience and insights of Catalyst and incorporating the above policy recommendations into its cannabis social equity program, L.A. County and its Office of Cannabis Management can improve on the shortcomings from other social equity programs already implemented in L.A. County, better achieve the policy ideals of cannabis social equity programs, and make significant progress towards making amends for the devastation on L.A. County communities wrought by the War on Drugs.

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Mark Ramos
President



Deliana Speights
Secretary-Treasurer

L.A. County Office of Cannabis Management
320 W. Temple Street, Room G-10
Los Angeles, CA 90012
Email: cannabis@lacounty.gov

RE: Letter of Support for Catalyst Cannabis Co.'s ("Catalyst") Policy Analysis, "Improving Cannabis Social Equity Program Outcomes in L.A. County by Leveraging Established and Proven Cannabis Companies Committed to Social Equity in the Cannabis Industry" ("Catalyst's Policy Analysis & Recommendations")

Dear L.A. County Office of Cannabis Management:

On behalf of more the nearly 4,300 members of the United Food and Commercial Workers ("UFCW") Local 1428, we wish to express our strong support for Catalyst's Policy Analysis & Recommendations. UFCW 1428 has had a long-standing relationship with Catalyst and has seen their commitment to livable wages, health benefits, safety, being voice in the workplace for their employees through a Collective Bargaining Agreement, and the cannabis social equity movement, and, currently, UFCW represents over 400 workers at Catalyst dispensaries throughout California. Ultimately, UFCW 1428 can attest to the experiences shared in Catalyst's Policy Analysis & Recommendations.

With the above in mind, UFCW and Local 1428 have been on the forefront of transforming the cannabis industry from prohibition and underregulated chaos to an industry that actually elevates people and communities, particularly those devastated by the War on Drugs. Catalyst's Policy Analysis & Recommendations continue that transformation.

As we have all now experienced first-hand in other municipalities in L.A. County, lotteries, typing contests, and other permit allocation methods not based on merit result in the selection of applicants that are incapable of fulfilling the ideals of cannabis social equity programs. L.A. County should learn from these previous policy experiences and leverage social equity individuals' operational cannabis business partners for the achievement of social equity program objectives, rather than treating those business partners as an afterthought or non-consideration. This can be accomplished through a high bar, purely merit-based application process with objective scoring criteria that evaluates the applicant's ability to actually achieve the social equity program's objectives. To that end and beginning with this Letter of Support, UFCW 1428 hopes to be a resource for the County in the development of its cannabis social equity program, and, if you are interested in exploring this approach further, UFCW 1428 is willing to share what it believes are objective scoring criteria tied to the objectives of L.A. County's cannabis social equity program learned for our deep experience working within and transforming the cannabis industry.

Thank you for your time and consideration.

Regards,

A handwritten signature in black ink that reads 'Mark Ramos'.

Mark Ramos
President



L.A. County Office of Cannabis Management
320 W. Temple Street, Room G-10
Los Angeles, CA 90012
Email: cannabis@lacounty.gov

RE: Letter of Support for Catalyst Cannabis Co.'s ("Catalyst") Policy Analysis, "Improving Cannabis Social Equity Program Outcomes in L.A. County by Leveraging Established and Proven Cannabis Companies Committed to Social Equity in the Cannabis Industry" ("Catalyst's Policy Analysis & Recommendations")

Dear L.A. County Office of Cannabis Management:

On behalf of more than 21,000 members of the United Food and Commercial Workers ("UFCW") Local 324, we wish to express our strong support for Catalyst's Policy Analysis & Recommendations. UFCW 324 has had a long-standing relationship with Catalyst and has seen their commitment to livable wages, health benefits, safety, being a voice in the workplace for their employees through a Collective Bargaining Agreement, and the cannabis social equity movement. Currently, UFCW represents over 400 workers at Catalyst dispensaries throughout California. Therefore, UFCW 324 can attest to the experiences shared in Catalyst's Policy Analysis & Recommendations.

With the above in mind, UFCW and Local 324 have been on the forefront of transforming the cannabis industry from prohibition and underregulated chaos to an industry that elevates people and communities, particularly those devastated by the War on Drugs. Catalyst's Policy Analysis & Recommendations continue that transformation.

As we have all now experienced first-hand in other municipalities in L.A. County, lotteries, typing contests, and other permit allocation methods not based on merit result in the selection of applicants that are incapable of fulfilling the ideals of cannabis social equity programs. L.A. County should learn from these previous policy experiences and leverage social equity individuals' operational cannabis business partners for the achievement of social equity program objectives, rather than treating those business partners as an afterthought or non-consideration. This can be accomplished through a high bar, purely merit-based application process with objective scoring criteria that evaluates the applicant's ability to achieve the social equity program's objectives. To that end and beginning with this Letter of Support, UFCW 324 hopes to be a resource for the County in the development of its cannabis social equity program. If you are interested in exploring this approach further, UFCW 324 is willing to share what it believes are objective scoring criteria tied to the objectives of L.A. County's cannabis social equity program and learned from our deep experience working within and transforming the cannabis industry.

Thank you for your time and consideration.

Regards,



Matt Bell
Secretary Treasurer, UFCW Local 324

770



April 28, 2023

Via email & USPS
cannabis@lacounty.gov

UFCW LOCAL 770

P.O. BOX 770
Hollywood, CA 90078
(213) 487-7070 or/o
(800) UFCW 770
8:00 a.m. – 5:00 p.m.
Monday – Friday

L.A. County Office of Cannabis Management
320 W. Temple Street, Room G-10
Los Angeles, CA 90012

RE: UFCW Local 770 Support for Catalyst Cannabis Co.'s Policy Analysis Recommendations

LOS ANGELES

MAIN OFFICE

630 Shatto Place
Los Angeles, CA
90005

To Whom It May Concern:

On behalf of the nearly 30,000 members of the United Food and Commercial Workers (UFCW) Local 770, we write today to express our union's support for the recommendations outlined in Catalyst Cannabis Co.'s recently submitted policy analysis.

BRANCH OFFICES

Arroyo Grande
Bakersfield
Camarillo
Huntington Park
Santa Barbara
Santa Clarita

UFCW Local 770 represents workers throughout Southern California's cannabis industry, including those employed across the region by Catalyst Cannabis. Our union is committed to ensuring that cannabis workers can access safe, quality jobs that provide family-sustaining pay and benefits and a real voice at work. In addition, Local 770 advocates for local ordinances that seek to reverse the damaging effects on our communities of the failed War on Drugs. Too many people from marginalized communities have faced significant legal and societal roadblocks because of an overzealous criminal justice system. Local 770 believes that it is imperative that municipalities prioritize business licensing and regulatory requirements that will effectively benefit those communities most impacted by these failed policies.

Catalyst's Policy Analysis & Recommendations point to some of the significant challenges encountered thus far as various cities in LA County have worked to implement cannabis business licensing protocols for social equity applicants. As a high road employer with a proven track record as an effective social equity business partner, we believe operators like Catalyst Cannabis can play an important role in helping to ensure the success of LA County's future social equity program. We agree with the company's recommendations for a high-bar, merit-based application process with objective scoring criteria that considers applicants' proven ability to achieve a municipality's social equity objectives.

UFCW Local 770 remains at the ready to provide input and assistance as the County continues to develop its cannabis licensing and social equity programs and we thank you for your time and consideration.

Sincerely,

UFCW Local 770



Kathy A. Finn, President



Danny Garcia, Secretary-Treasurer

KAF:ss

cc: Matt O'Malley, UFCW Local 770, Director of Research & Collective Bargaining



United Food & Commercial Workers Union

Amber Baur, Executive Director · Mark Ramos, President · Kirk Vogt, Secretary-Treasurer · Andrea Zinder, Recorder

8530 Stanton Avenue, P.O. Box 5158 · Buena Park, California 90620 (714) 670-5580

912 11th Street, Suite 600 · Sacramento, California 95814

www.ufcwest.org

May 3, 2023

L.A. County Office of Cannabis Management

320 W. Temple Street, Room G-10

Los Angeles, CA 90012

Email: cannabis@lacounty.gov

RE: UFCW Western States Council Support for Catalyst Cannabis Co.'s Policy Analysis Recommendations

Dear L.A. County Office of Cannabis Management:

On behalf of over 6,000 cannabis industry professionals covered by a UFCW collective bargaining agreement, the UFCW Western States Council writes in support of the recommendations outlined in Catalyst Cannabis Co.'s recently submitted policy analysis.

UFCW Western States Council's High Road workforce development program, UFCW WorkForward has committed significant effort and resources to grow equity efforts in the cannabis industry. Catalyst is an employer-partner across several UFCW WorkForward High Road Training Partnership projects. They have demonstrated a commitment to building equity in their business while utilizing our worker training programs to improve the lives and ensure the safety of their employees.

UFCW WorkForward has been recognized as a High Road Training Partnership by the California Workforce Development Board (CWDB) since 2021 and supported worker training initiatives in the retail food, retail pharmacy, and cannabis industries. To date, UFCW WorkForward has delivered trainings to cannabis workers for CalOSHA 30, Workplace Violence Prevention, and Worker Health and Safety Committee development. We are in the process of finalizing Apprenticeship Standards with the California Division of Apprenticeship Standards for the cannabis retail sales occupation and plan to expand to other cannabis occupations over the next several years.

Catalyst was an early partner in the development of the UFCW International Union-driven Joint Apprenticeship Training Committee, sought UFCW WorkForward Workplace Violence Prevention training to support cannabis delivery drivers, and have agreed to partner with the Inland Empire Labor Council's expansion of UFCW cannabis apprenticeship with UFCW Local 1167.

UFCW Western States Council appreciates the ongoing partnership with Catalyst Cannabis Co. and agrees with the company's recommendations for a high-bar, merit-based application process with objective scoring criteria that considers applicants' proven ability to achieve a municipality's social equity objectives.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink that reads "Amber Baur". The signature is written in a cursive style with a large, stylized initial 'A'.

Amber Baur

Executive Director, UFCW Western States Council



CARLOS ZEPEDA
FOUNDER & OWNER OF PUSHERMAN DELIVERY
2115 E. 10th Street, Long Beach, CA 90804
Phone: (424) 232-4466 | Email: czepeda228@gmail.com

April 15, 2023

L.A. County Office of Cannabis Management
320 W. Temple Street, Room G-10
Los Angeles, CA 90012
Email: cannabis@lacounty.gov

RE: Letter of Support for Catalyst Cannabis Co.'s Policy Analysis, "Improving Cannabis Social Equity Program Outcomes in L.A. County by Leveraging Established and Proven Cannabis Companies Committed to Social Equity in the Cannabis Industry" ("Catalyst's Policy Analysis & Recommendations")

Dear L.A. County Office of Cannabis Management:

I am Carlos Zepeda, Founder & Owner of Pusherman Delivery. I am writing this letter to you as a public comment in response to your Community Feedback Sessions on L.A. County's Cannabis Equity Program to provide my wholehearted support for Catalyst's Policy Analysis & Recommendations regarding the Program.

Catalyst Cannabis Co. ("Catalyst"), led by Elliot Lewis and Damian Martin, has been a highly valued social equity ally not only to Pusherman Delivery but also to countless of other social equity applicants. Catalyst has gone to the extent of creating their own incubation program in which they not only have provided financial support, but also technical and facility support to establish Pusherman Delivery—Long Beach's first, and I believe only, social equity cannabis delivery service. Furthermore, Catalyst has focused on the dignity of social equity programs and applicants as they have gone against their own financial interest to help and propel local policy in Long Beach to benefit social equity applicants and beyond. For the last the two years, Catalyst has been a highly valuable social equity partner. Their dedication to working together with the Pusherman Delivery Team and the Long Beach City Council demonstrates their love of the communities where they operate and ensuring those communities' best interests are served. Catalyst has always demonstrated top-notch professionalism and courtesy. We are both excited and hopeful for the future of Catalyst's activism in their attempt to implement policies that will lead to self-sufficient and sustainable social equity businesses throughout L.A. County.

Respectfully,

DocuSigned by:

Carlos Zepeda

Founder & Owner of Pusherman Delivery

FROM THE DESK OF OSCAR AMEZQUITA
51% OWNER OF CATALYST - MID CITY
3318 Venice Boulevard, Los Angeles, CA 90019

April 15, 2023

L.A. County Office of Cannabis Management
320 W. Temple Street, Room G-10
Los Angeles, CA 90012
Email: cannabis@lacounty.gov

RE: Letter of Support for Catalyst Cannabis Co.'s Policy Analysis, "Improving Cannabis Social Equity Program Outcomes in L.A. County by Leveraging Established and Proven Cannabis Companies Committed to Social Equity in the Cannabis Industry" ("Catalyst's Policy Analysis & Recommendations")

Dear L.A. County Office of Cannabis Management:

I am Oscar Amezquita, 51% Owner of 4158 Pico Holdings LLC, d.b.a. Catalyst - Mid City. I am writing this letter to you as a public comment in response to your Community Feedback Sessions on L.A. County's Cannabis Equity Program to provide my wholehearted support for Catalyst's Policy Analysis & Recommendations regarding the Program.

When the City of Los Angeles started implementing its Phase 3 Retail Round 1 Application Processing in 2019, I was very interested applying but felt I needed an actually operational cannabis business as a partner to help me succeed in the endeavor, and I was connected to Catalyst Cannabis Co. ("Catalyst") through a Family member. I was particularly drawn to Catalyst because its Attorney & Co-Founder, Damian Martin, actually lived in the same neighborhood as me in South Los Angeles. So, I partnered with Catalyst's CEO, Elliot Lewis, and he and his Team ensured that I not only successfully qualified as a social equity individual, but that our application was actually approved. Unfortunately, in 2020, I got sick with COVID, was hospitalized, and have since been afflicted by long COVID so severe that I continue to be in and out of the hospital. During this extremely difficult time for me and my Family during which I have been literally fighting for my life, Catalyst has always had my back. Not only have they loaned me money to help with life and health expenses, they actually got Catalyst - Mid City open and operating. I know that the cannabis market in the City of Los Angeles is challenging, and it may be years before I see any actual profits from Catalyst - Mid City. However, if nothing else, I am least certain that Catalyst - Mid City is a valuable asset that one day has the ability to create transformational wealth for me and my Family for generations to come that wouldn't exist if it wasn't for the support of Catalyst; which is even more meaningful with the unpredictability that I currently have with my health.

Respectfully,

DocuSigned by:



C724C32127EC47C...
Oscar Amezquita

51% Owner of Catalyst - Mid City

FROM THE DESK OF MARITZA ESTRADA
51% OWNER OF 8301 WESTERN HOLDINGS LLC
401 Pine Avenue, Long Beach, CA 90802

April 15, 2023

L.A. County Office of Cannabis Management
320 W. Temple Street, Room G-10
Los Angeles, CA 90012
Email: cannabis@lacounty.gov

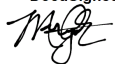
RE: Letter of Support for Catalyst Cannabis Co.'s Policy Analysis, "Improving Cannabis Social Equity Program Outcomes in L.A. County by Leveraging Established and Proven Cannabis Companies Committed to Social Equity in the Cannabis Industry" ("Catalyst's Policy Analysis & Recommendations")

Dear L.A. County Office of Cannabis Management:

I am Maritza Estrada, 51% Owner of 8301 Western Holdings LLC. I am writing this letter to you as a public comment in response to your Community Feedback Sessions on L.A. County's Cannabis Equity Program to provide my wholehearted support for Catalyst's Policy Analysis & Recommendations regarding the Program.

Being a second-generation immigrant of parents that immigrated to the U.S. from Mexico and having grown up in poverty in South Los Angeles, I have experienced first-hand the devastation that the War on Drugs caused my community. Growing up, I saw and experienced drug-related violence, over-policing, and limited economic opportunities. Notwithstanding these obstacles, I am the first member of my Family to graduate from college, having graduated from Cal State Long Beach in 2019. However, and to be totally upfront, I do not consume cannabis as it's greatly frowned upon in my Family, and, on that note, I certainly have never been arrested or convicted of a cannabis offense. As a result, I was initially unfamiliar with the concept of cannabis social equity and the City of Los Angeles's Phase 3 Retail Round 1 Application Processing. Nevertheless, I was introduced to the program by one of my best friends, Ana Garcia, whose Husband is Catalyst Cannabis Co's ("Catalyst") Co-Founder & Attorney, Damian Martin. Ana explained to me that the program wasn't really about cannabis but making amends for how the War on Drugs devastated our community and giving people like us economic opportunities that the War on Drugs eliminated, so I partnered (albeit reluctantly at first) with Damian. Now that I am more familiar with cannabis social equity and the City of Los Angeles's Phase 3 Retail Round 1 Application Processing and have also participated in a similar program in the City of Fresno with one of Damian's former cannabis business clients, I truly appreciate that 8301 Western Holdings LLC is a valuable asset that one day has the ability to create transformational wealth for me and my Family for generations to come that wouldn't exist if it wasn't for the support of Catalyst.

Respectfully,

DocuSigned by:


BT10BDDUASFOU4C9
Maritza Estrada

51% Owner of 8301 Western Holdings

FROM THE DESK OF DOMENICA SOTO
51% OWNER OF CATALYST - FLORENCE
316 W. Florence Avenue, Los Angeles, CA 90003

April 15, 2023

L.A. County Office of Cannabis Management
320 W. Temple Street, Room G-10
Los Angeles, CA 90012
Email: cannabis@lacounty.gov

RE: Letter of Support for Catalyst Cannabis Co.'s Policy Analysis, "Improving Cannabis Social Equity Program Outcomes in L.A. County by Leveraging Established and Proven Cannabis Companies Committed to Social Equity in the Cannabis Industry" ("Catalyst's Policy Analysis & Recommendations")

Dear L.A. County Office of Cannabis Management:

I am Domenica Soto, 51% Owner of 316 Florence Holdings LLC, d.b.a. Catalyst - Florence. I am writing this letter to you as a public comment in response to your Community Feedback Sessions on L.A. County's Cannabis Equity Program to provide my wholehearted support for Catalyst's Policy Analysis & Recommendations regarding the Program.

When the City of Los Angeles started implementing its Phase 3 Retail Round 1 Application Processing in 2019, a Family member suggested that I apply but felt that I needed an actually operational cannabis business as a partner to help me succeed in the endeavor. I was connected to Catalyst Cannabis Co. ("Catalyst") through the same Family member and was particularly drawn to Catalyst because its Attorney & Co-Founder, Damian Martin, actually lived in the same neighborhood as me in South Los Angeles. So, I partnered with one of Catalyst's Owners, Timothy Lewis, and he and his Team ensured that I not only successfully qualified as a social equity individual, but that our application was actually approved. Catalyst - Florence has been open since August 2021, but after almost two years of operations, profitability has proved elusive even with Catalyst's support due challenges in the City of Los Angeles and wider California cannabis market. Notwithstanding these challenges, I have still greatly benefited from Catalyst - Florence serving as a social equity incubator. In addition to being the 51% Owner of Catalyst - Florence, I am also its Facilities Manager, a position where I get to learn the cannabis industry, get paid greater than a Living Wage, and am eligible to receive health and retirement benefits due to Catalyst's extremely generous pro-worker Union contract. Also, I am confident that Catalyst - Florence is a valuable asset that one day has the ability to create transformational wealth for me and my Family for generations to come that wouldn't exist if it wasn't for the support of Catalyst.

Respectfully,

DocuSigned by:



Domenica Soto

51% Owner of Catalyst - Florence

FROM THE DESK OF JAMES GREEN
51% OWNER OF CATALYST - NORMANDIE
8300 S. Normandie Avenue, Los Angeles, CA 90044

April 15, 2023

L.A. County Office of Cannabis Management
320 W. Temple Street, Room G-10
Los Angeles, CA 90012
Email: cannabis@lacounty.gov

RE: Letter of Support for Catalyst Cannabis Co.'s Policy Analysis, "Improving Cannabis Social Equity Program Outcomes in L.A. County by Leveraging Established and Proven Cannabis Companies Committed to Social Equity in the Cannabis Industry" ("Catalyst's Policy Analysis & Recommendations")

Dear L.A. County Office of Cannabis Management:

I am James Green, 51% Owner of 1539 Manchester Holdings LLC, d.b.a. Catalyst - Normandie. I am writing this letter to you as a public comment in response to your Community Feedback Sessions on L.A. County's Cannabis Equity Program to provide my wholehearted support for Catalyst's Policy Analysis & Recommendations regarding the Program.

From the beginning, I have been deeply involved and following the City of Los Angeles's development of a cannabis social equity program, so much so that when the City implementing its Phase 3 Retail Round 1 Application Processing in 2019, I was more than capable of independently getting myself qualified as a social equity individual. However, when it came to actually apply, I felt that I needed an actually operational cannabis business as a partner to help me succeed in the endeavor. I got connected to Catalyst Cannabis Co. ("Catalyst") and was drawn to what I felt was their sincere commitment to social equity. So, I partnered with one of Catalyst's Owners, Timothy Lewis, and he and his Team ensured that our application was actually approved. Most importantly and with Catalyst's support, we actually got Catalyst - Normandie open and operating in October 2022. Being deeply involved with the City of Los Angeles's cannabis social equity program and connected to other social equity individuals, I truly appreciate first-hand how uncommon dispensaries owned by social equity individuals getting open and operating actually is. As a result, I feel truly blessed to be working with Catalyst. Not only am I deeply involved in the operation of Catalyst - Normandie with a truly open and transparent partner, Catalyst - Normandie serves as an incubator / marketing platform for my independent cannabis-related business, Mr. Mr. Paint and Puff, and is a valuable asset that one day has the ability to create transformational wealth for me and my Family for generations to come.

Respectfully,

DocuSigned by:



D170290E13B5469...
James Green

51% Owner of Catalyst - Normandie

FROM THE DESK OF ANA GARCIA
33 1/3% OWNER OF CATALYST - SOUTH FIGUEROA
10020 S. Figueroa Street, Los Angeles, CA 90003

April 15, 2023

L.A. County Office of Cannabis Management
320 W. Temple Street, Room G-10
Los Angeles, CA 90012
Email: cannabis@lacounty.gov

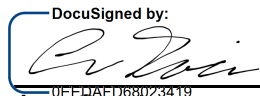
RE: Letter of Support for Catalyst Cannabis Co.'s Policy Analysis, "Improving Cannabis Social Equity Program Outcomes in L.A. County by Leveraging Established and Proven Cannabis Companies Committed to Social Equity in the Cannabis Industry" ("Catalyst's Policy Analysis & Recommendations")

Dear L.A. County Office of Cannabis Management:

I am Ana Garcia, 33 1/3% Owner of 11500 Vermont Holdings LLC, d.b.a. Catalyst - South Figueroa. I am writing this letter to you as a public comment in response to your Community Feedback Sessions on L.A. County's Cannabis Equity Program to provide my wholehearted support for Catalyst's Policy Analysis & Recommendations regarding the Program.

Much more importantly than being the 33 1/3% Owner of Catalyst - South Figueroa, I am a second-generation immigrant of parents that immigrated to the U.S. from Mexico and grew up in poverty in Skid Row and South Los Angeles and, accordingly, experienced first-hand the devastation that the War on Drugs caused these neighborhoods from over-policing to limited economic opportunities. I am also the Wife of Catalyst Cannabis Co's ("Catalyst") Co-Founder & Attorney, Damian Martin. When I met Damian in 2017, he was fledgling attorney working in cannabis that had pulled himself up from his own difficult background and had a dream of transforming the cannabis industry from an underregulated and unaccountable mess to an industry that truly gives back to and benefits working class people and communities. On that note, during the initial years of our relationship we lived together, at first, in a studio apartment on top of a liquor store and then a single-family home in South Los Angeles, such that Damian too has personally experienced the devastation wrought by the War on Drugs in L.A. County. Having watched and supported my Husband as he's poured his heart and soul into what became Catalyst these last six-plus years, I feel truly blessed having a Partner that is not only a capable and intelligent professional (as reflected by the quality and thoughtfulness of Catalyst's Policy Analysis & Recommendations), but that cares from the bottom of his heart about creating a cannabis industry that gives back to and benefits people like me and the communities where I grew up.

Respectfully,

DocuSigned by:

0EE1AFD68023419...
Ana Garcia

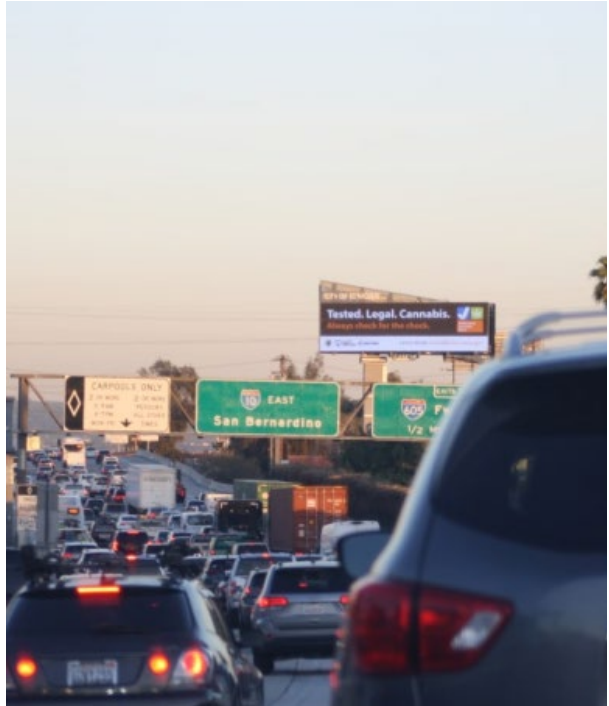
33 1/3% Owner of Catalyst - South Figueroa

ATTACHMENT C

Emblem Program: Billboards in Los Angeles County



Firestone Blvd. & Santa Fe



10 Freeway 1/2 mile east of Peck Road, El Monte, CA



York Blvd. W of Verdugo Rd., Los Angeles, CA



Main St. & Spring St. @ 9th St., DTLA



ATTACHMENT D
“STAY INFORMED” Flyer



STAY INFORMED

CANNABIS

1
CHECK FOR
THE CHECK

Look for the sign at retailers that indicates all appropriate licenses, permits, or authorizations are granted from State and local governments. Learn more at: <https://dcba.lacounty.gov/cannabisembleprogram/>



2
BE SAFE &
CONSIDERATE

Avoid smoking in public places, including around pregnant or breastfeeding women. Securely store any cannabis products, including paraphernalia, out of reach of children and pets.

3
DON'T DRIVE
AND USE

Consumption of any cannabis products can impair judgment and ability to safely operate a car or other motor vehicle. Driving while high can put you and others at risk of accident, serious injury, or death.

4
GO LOW
& SLOW

Cannabis affects everyone's body and brain differently. If choosing to consume cannabis, start with the lowest possible dosage and monitor how your body responds. The set (mindset and intention) and setting (physical, social environment) can greatly affect your experience—both positively and negatively.

5
KNOW YOUR
LIMITS

Avoid mixing cannabis with other substances including alcohol, prescription medications, or illicit substances. The effects can increase risk for unwanted, adverse physical and/or mental effects, injury, and death.

Consumption Method	Onset after consumption	Duration can last up to	Some residual effects up to 24 hours after use	Be cautious of adverse physical and mental effects such as:
Inhalation	10 to 30 mins	6 hours	Absorbed directly into the bloodstream and its effects are quickly felt by the brain and body.	Increased blood pressure Increased heart rate Delusions Extreme Confusion Increased Anxiety Severe nausea Vomiting Headache
Ingestion	30 mins to 2 hours	12 hours	It can take up to 4 hours to feel the full effects, and consuming more within this time period can increase the risk of adverse effects.	

Disclaimer: This information should not be considered legal or medical advice.

If you or someone you know has symptoms that might suggest they overconsumed, call the Poison Control Hotline at **1-800-222-1222**.

If the symptoms are severe, call 9-1-1 or seek immediate medical care.

If you are struggling with cannabis or substance addiction, call the Substance Abuse Services Helpline **1-844-804-7500**. (available 24 hours a day, 7 days a week)





INFÓRMATE

CANABIS



1
VERIFIQUE LA MARCA DE VERIFICACIÓN

Busque el letrero en las tiendas que indica que el negocio ha obtenido todas las licencias, permisos o autorizaciones requerido p por parte de los gobiernos estatales y locales. Obtenga más información en:

<https://dcba.lacounty.gov/cannabisembleprogram/>

2
SEA SEGURO Y CONSIDERADO

Evite fumar en lugares públicos, incluso cerca de mujeres embarazadas o lactantes. Guarda cualquier producto de cannabis, incluida la parafernalia de forma segura, fuera del alcance de los niños y las mascotas.

3
NO CONDUZCA SI USAS

El consumo de cualquier producto de cannabis puede afectar el juicio y la capacidad para operar un automóvil u otro vehículo motorizado de manera segura. Conducir bajo los efectos del cannabis puede ponerte a ti y a otras personas en riesgo de accidente, lesiones graves o la muerte.

4
IR BAJO Y LENTO

El cannabis afecta el cuerpo y el cerebro de cada persona de manera diferente. Si decides consumir cannabis, comience con la dosis más baja posible y observa cómo responde su cuerpo. La mentalidad, intención, y el ambiente pueden afectar su experiencia, tanto positiva como negativamente.

5
CONOCE TUS LÍMITES

Evite mezclar cannabis con otras sustancias, incluyendo alcohol, medicamentos recetados o sustancias ilícitas. Los efectos pueden aumentar el riesgo de efectos físicos y/o mentales adversos, lesiones y muerte.

Método de consumo	Inicio después del consumo	La duración puede durar hasta	Algunos efectos residuales hasta 24 horas después del uso	Tenga cuidado con los efectos físicos y mentales adversos, como
la inhalación	10 a 30 minutos	6 horas	Absorbido directamente en el torrente sanguíneo y sus efectos se sienten rápidamente por el cerebro y el cuerpo.	Aumento de la presión arterial Aumento de la frecuencia cardíaca Delirios
la ingesta	30 minutos a 2 horas	12 horas	Puede tomar hasta 4 horas para sentir los efectos completos, y consumir más dentro de este período de tiempo puede aumentar el riesgo de efectos adversos.	Confusión extrema Aumento de la ansiedad Náuseas intensas Vómitos Dolor de cabeza

Descargo de Responsabilidad: Esta información no debe considerarse un consejo legal o médico.

Si usted o alguien que conoce tiene síntomas que podrían sugerir que se consumió en exceso,

llame a la línea directa de control de intoxicaciones al **1-800-222-1222**.

Si los síntomas son graves, llame al 9-1-1 o busque atención médica de inmediato. Si usted está luchando con el cannabis o la adicción a sustancias, llame a la línea de ayuda de los Servicios de Abuso de Sustancias: **1-844-804-7500**.

(disponible las 24 horas del día, los 7 días de la semana)

