

# **DAY OF HEARING SUBMISSIONS**



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## May 2 Public Hearing - Item #25

1 message

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**Kathy Guyton** <kguyton@ecwandc.org>  
To: cannabiscommission@lacity.org

Tue, Apr 30, 2024 at 8:09 PM

Good evening,

Empowerment Congress West Area NDC would like to present the attached community impact statement at Thursday's public hearing.

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**Kathy L. Guyton**

Secretary, Empowerment Congress West Area Neighborhood Development Council (ECWA)  
[www.ecwandc.org](http://www.ecwandc.org)

*"Be yourself. Everyone else is already taken." Oscar Wilde*

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 **CIS - CF 14-0366 Illegal Marijuana Dispensaries.pdf**  
124K



April 30, 2024

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

**RE: CF 14-0366 - Illegal Marijuana Dispensaries/Intent and Goals of Proposition D**

Empowerment Congress West Neighborhood Development Council (ECWA) recognizes and endorses the significant contributions of Gorilla Rx for their efforts as not only a commercial success, but as a vital social enterprise dedicated to the welfare and advancement of our community.

Being the first black-woman-owned dispensary in Los Angeles, Good Times Crenshaw, aka Gorilla Rx Wellness Co., is a pioneering establishment. A beacon of progress and empowerment, it embodies a community-first spirit that extends beyond commerce and into community education and support.

In the wake of California's Proposition 64 and the creation of Los Angeles' social equity program for cannabis businesses, Gorilla Rx seized the opportunity to foster equity for marginalized communities heavily impacted by historical drug policies. Through persistent advocacy and the development of grassroots organizations, Gorilla Rx represents a formidable voice for fair policy and equity within the cannabis industry at both local and governmental levels.

Expanding upon its foundational goals, Gorilla Rx recently inaugurated Gorilla University adjacent to its retail space. This Community Wellness and Workforce Development Training Center serves as a critical resource for the South Los Angeles community, which has long faced socio-economic challenges including high poverty, crime rates, and limited educational and job opportunities.

The commitment of Gorilla Rx to reinvest in and uplift the community promises not only to transform individual lives but to also inspire lasting positive change within the South-Central Los Angeles area.

In solidarity,

Empowerment Congress West Area Neighborhood Development Council (ECWA)



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**Your Community Impact Statement Submittal - Council File Number: LA-R-24-101737-ANN - City Planning Number: ENV-101737-ANN - Agenda Item Number: 17**

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**Jacob Wasserman** <jacobnwwnc@gmail.com>

Wed, May 1, 2024 at 10:16 PM

To: Jessica Fugate <jessica.fugate@lacity.org>, CannabisCommission@lacity.org, Cannabis@lacity.org

Cc: Josh Trifunovic <JoshNWNC@gmail.com>, Marcello Robinson <marcelloNCLA@gmail.com>

Cannabis Commission and staff,

Please find below and attached a Community Impact Statement in support of Westwood Farmacy's application for an annual license.

Please inform us when you can your decision on their application tomorrow. Thank you,

-----  
Jacob Wasserman  
Board member, Worker Seat and Secretary  
North Westwood Neighborhood Council  
<jacobnwwnc@gmail.com>  
Pronouns: he/him/his

[Quoted text hidden]



**Westwood Farmacy CIS.pdf**

135K



- COMMUNITY IMPACT STATEMENT -

Department of Cannabis Regulation Record Number: [LA-R-24-101737-ANN](#)

Position: For

CEQA Clearance Number: [ENV-101737-ANN](#)

Position: For

Summary:

At our meeting on May 1, 2024, the North Westwood Neighborhood Council voted unanimously to support Westwood Farmacy's application for an annual license for commercial cannabis activity (WFARM1045, at 1035 Gayley Avenue). The vote to support was approved with 12 votes in favor, no votes against, and no abstentions.

The Council thanks the applicant for the outreach to our community and Council stakeholders and Board Members. The applicant has a demonstrated record of being a respectful neighbor and abiding by regulations for years without community complaints.

Written by authority delegated under the Council bylaws and Community Impact Statement filer designation

## ITEM #18

Adults 21 and over with valid ID from any US state or valid and current passport may purchase up to 28.5 grams (one ounce) of dried flower and up to 8 grams of concentrated cannabis (edibles, vapes, extracts, etc.) per day.

It is illegal to consume cannabis on the street or in parked cars. It is illegal to drive under the influence of cannabis.

Never drive while intoxicated – use Lyft/Uber/Taxi. Please respect our community by consuming safely.



**BE SAFE**

**BE LEGAL**

**BE SAFE BE LEGAL**



## **Tips to Spot an Illegal Dispensary**

Dispensaries MUST charge state and local taxes – any dispensary not charging taxes are not operating lawfully.

Dispensaries may be open from 6am to 10pm.

All products sold must be pre-packed in child resistant, tamper evident packaging

compliant with state standards and must have California seal and testing verification.

State and local licenses must be prominently displayed at all times.

You can check a dispensary's legal status at these sites:

[www.cannabis.ca.gov](http://www.cannabis.ca.gov)

[www.cannabis.lacity.gov/personal-activity/find-licensed-retailers#Authorized](http://www.cannabis.lacity.gov/personal-activity/find-licensed-retailers#Authorized)



AGENDA #25  
Good Times Crenshaw  
aka  
GORILLA RX Wellness

Item #25

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In solidarity,

Empowerment Congress West Area Neighborhood Development Council (ECWA)

# URGENT NEED OF RELIEF FOR LOS ANGELES CANNABIS SOCIAL EQUITY RETAILERS

My name is Kika Keith, and I am the proud owner of **Good Times Crenshaw aka Gorilla Rx Wellness Co.**, the First Black woman-owned Social Equity dispensary in Los Angeles. As the co-founder of the Social Equity Owners and Workers Association, my story is representative of hundreds of Retail Equity founders across this state. It has been a long and challenging journey for us to get our doors open, and I'd like to share with you some of the extraordinary barriers social equity retailers face in our industry.



My pathway to licensure in Los Angeles, took over 1730 days and cost over \$350,000 in rent before I ever opened doors, while waiting on regulators and bureaucratic delays. This excessive waiting period and financial burden are some of the most significant barriers faced by social equity and small minority-owned operators. Unlike well-funded, large cannabis companies, social equity/minority operators lack the financial resources to withstand these prolonged delays and expenses.



In addition to the challenges in obtaining licensure, social equity/minority operators face considerable financial barriers once we open our doors.

## True Impact: High Taxes Plus Ongoing Costs of Regulatory Compliance

Here is an actual snapshot of my first six months of operations. Gorilla Rx had a tax bill of over a **HALF A MILLION DOLLARS!** Not to mention the \$206,000 that my customers were charged for sales tax. The excessive state and local taxes have unfairly hurt my equity business and other social equity operators significantly, including the communities we serve.

We are unable to thrive in California's broken system, many of us are now facing the imminent loss of our businesses and ability to provide for our families. This egregious overtaxation is unreasonable and is the direct antithesis to social equity and cannabis justice.

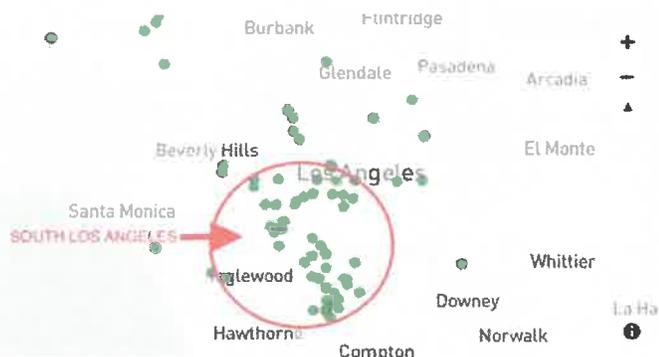
Gross Receipts (GR)	\$2,030,325.39
Taxes	\$531,331.61
COGS (Cost of Goods Sold)	\$1,314,299
Rent	\$126,600
Utilities	\$20,098
Payroll	\$180,459
Security	\$185,612
Liability Insurance	\$14,100.08
Workers Compensation	\$36,405.88
Point-of-Sale System	\$8,250
<b>Total OPEX</b>	<b>\$1,885,824</b>
<b>Total OPEX + Tax</b>	<b>\$2,417,155</b>

## Why are Social Equity businesses detrimentally impacted by the current tax structure?

The goal of Prop 64 was to undercut the illicit market prices and encourage legal sales, but high taxes are driving consumers back to the illegal market, which is the antithesis of the intent of the law.

The city is charging defendants connected with 105 business sites throughout Los Angeles.

● Illegal marijuana businesses



Note: Two cases involving one defendant each had no geographic information provided and aren't displayed on the map.

Source: Los Angeles City Attorney's office

Gorilla Rx, is located on Crenshaw Blvd in the heart of South Central Los Angeles, there is still a proliferation of illegal dispensaries- take a look at the map for yourself to see the disparities of the concentration of illegal retailers in black and brown communities.

Additionally, social equity retailers like myself, face unique operational challenges. Since opening, Gorilla Rx has created over 30 jobs. 90% of my team members are from my community and are social equity workers, which means we need to invest time and resources in training and development, as many of these individuals come from communities disproportionately affected by the war on drugs and lack prior experience in the industry.

However, the high taxes and financial barriers limit our ability to offer competitive wages and benefits to our employees, thus making it challenging to attract and retain talent.

Senators, the first step must be to eliminate the double taxation that is driving my customers back to the streets.

### CUSTOMER PAID \$115 IN TAXES

	Original Price:	\$300.00	
	Total Discounts:	\$0.00	
	Subtotal:	\$300.00	<b>Actual Tax Rate</b>
<b>15%</b>	CA Excise Tax:	\$45.00	<b>15%</b>
<b>10%</b>	City Cannabis Tax:	\$34.50	<b>11.5%</b>
<b>9.5%</b>	Sales Tax:	\$36.05	<b>12.2%</b>
	<b>Total:</b>	<b>\$415.55</b>	

**TOTAL TAXED 38.7%**

On a \$300 transaction, my neighborhood customer paid \$115 in taxes... that's 38.7%!

#### Why would my customer come back?

We are in urgent need of your support on SB512, my community is facing a **PUBLIC HEALTH CRISIS**, my people cannot afford to consume tested cannabis. It is the State of California's responsibility to ensure legal cannabis is affordable and accessible to consumers who want to do the right thing. **This will help to undercut the illicit market and increase revenue for the state in the long run. It's a win-win for everyone involved.**

The impact of your vote has even far greater implications in strengthening our communities economically. By reducing taxes, we can create new jobs, increase living wages, and provide health benefits. This means increased payroll taxes, income taxes and more money recycling through our small businesses! Recognizing and addressing these unique challenges will help to level the playing field for social equity operators and foster a more inclusive and equitable industry. Thank you for your time and consideration.

Blessings,  
 Kika Keith  
 CEO, Gorilla Rx Wellness | Co-Founder Social Equity Owners & Workers Assoc.  
 Kika@lifedevelopmentgroup.org | 323.439.6760