

LOS ANGELES EQUITY FUND: A COMMUNITY REINVESTMENT INITIATIVE



The **LA Equity Fund** is a City of Los Angeles Citizens' Ballot Measure creating an annual \$100 million community reinvestment fund in the largest cannabis market in the world.

- ✓ **Establishes the largest Cannabis Community Reinvestment Fund in the nation**
- ✓ Creates a Community Oversight Commission to watchdog expenditures
- ✓ Provides programming and financing for social equity businesses
- ✓ Stops predatory investors from usurping social equity ownership
- ✓ **Eliminates the existing 5% medical cannabis retail tax**
- ✓ Dedicates funding for non-carceral illicit cannabis market reduction

✓ Reduces the existing 10% adult-use cannabis retail tax to:

FLAT TAX OF \$1,000	FOR BUSINESSES UNDER \$300,000

2%	FOR BUSINESSES UNDER \$3.5M

6%	FOR BUSINESSES OF \$3.5M +



The Los Angeles Equity Fund Oversight Commission is established to ensure the City of LA fulfills the purposes of the Fund

Diverse 21 member Commission with representatives from cannabis social equity, labor, reentry, youth development, immigrant rights, native community, climate, LGBTQ+, and philanthropy

Provides guidance, recommendations and oversight to the Mayor and Council on matters related to the Fund

Engages with impacted community members, business leaders, workers, service providers and many others

Provides education to create awareness and access to programs supported by the Fund





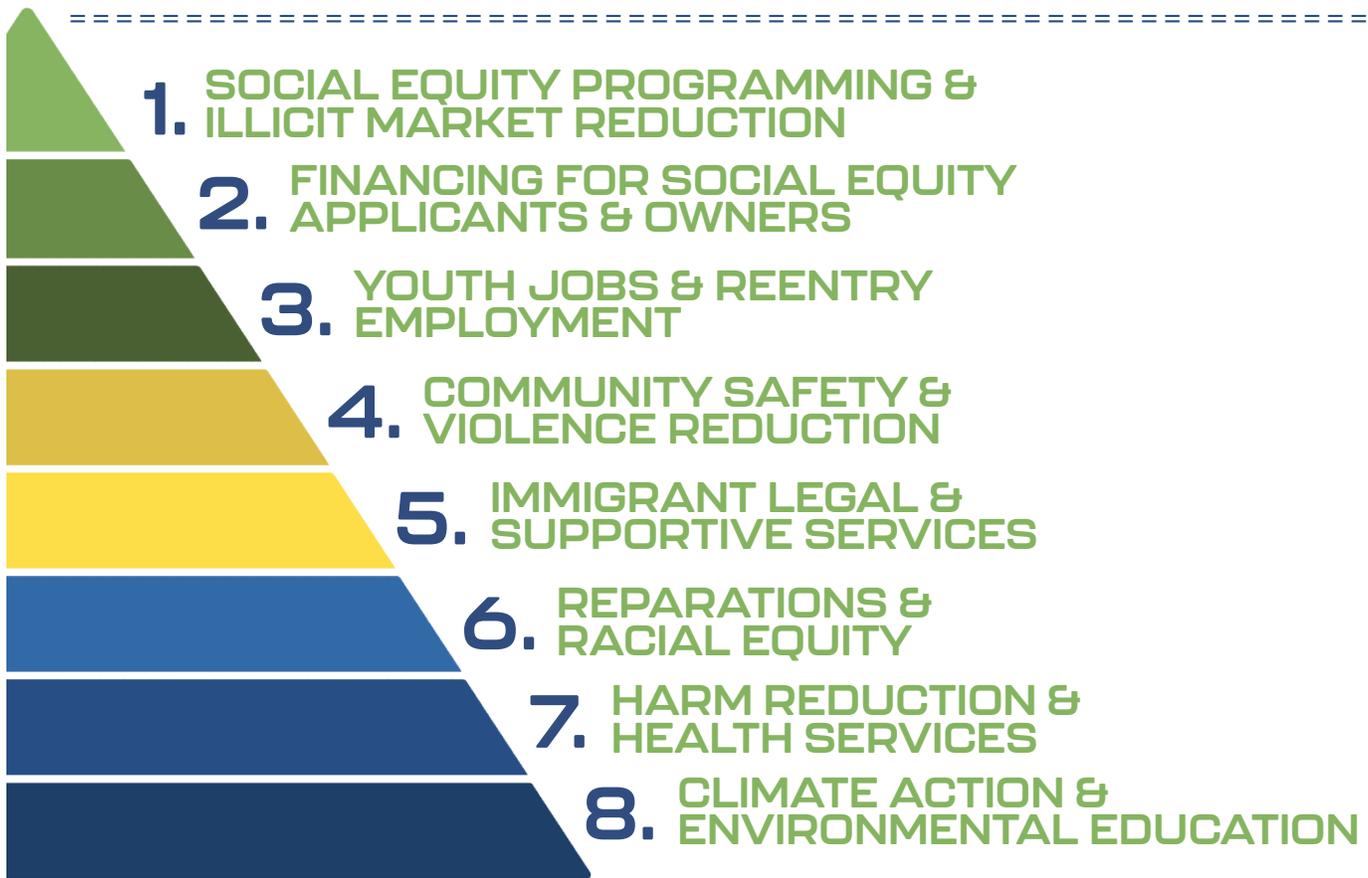
COMMUNITY REPAIR THROUGH COMMUNITY REINVESTMENT

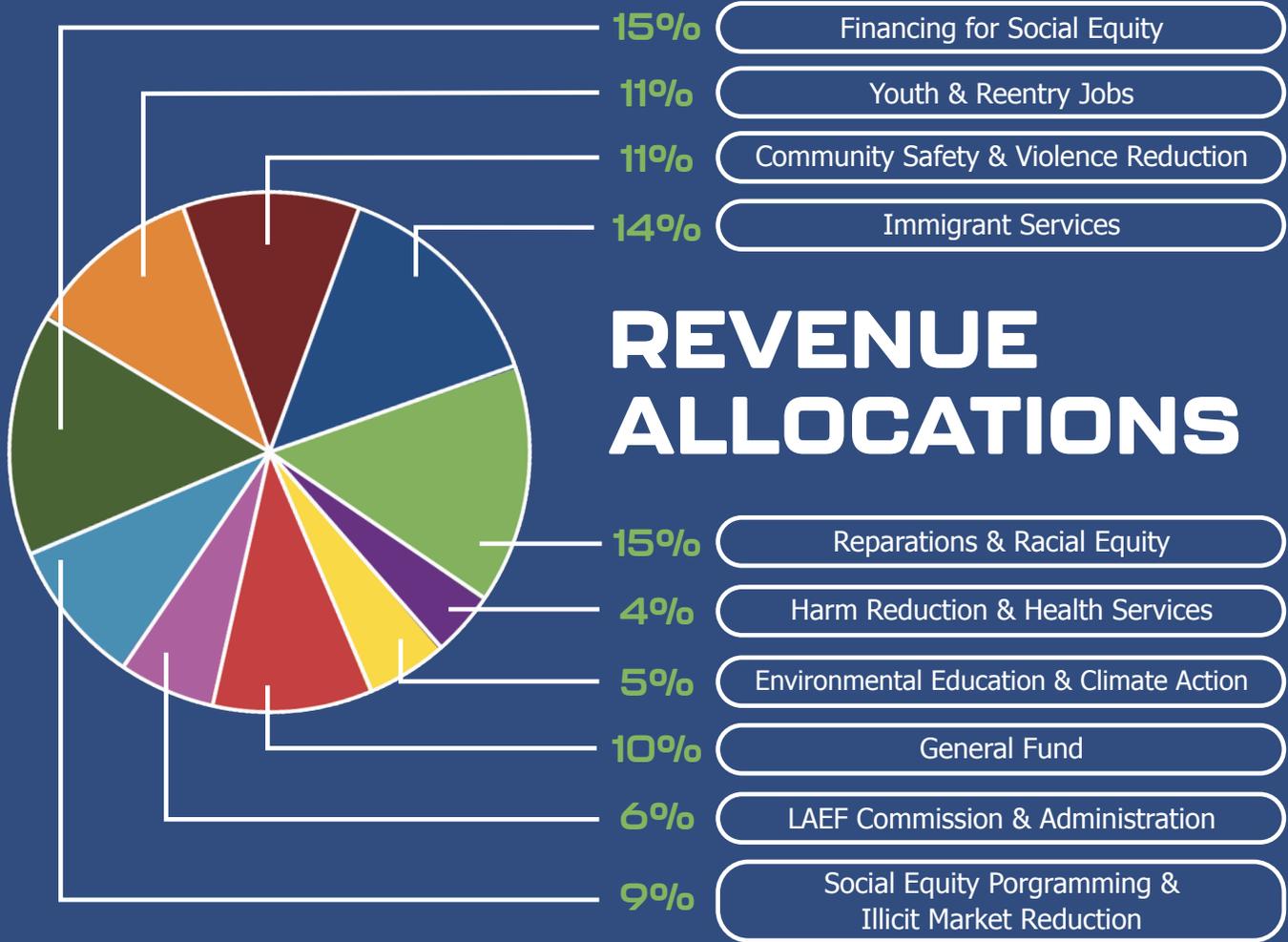
+ The City of LA refuses to fulfill the promise that cannabis legalization will invest tax revenues in communities most impacted by the war on drugs and marijuana prohibition; instead,

the City has been directing over \$100 million a year in cannabis revenues to the General Fund and LAPD.

+ **The LA Equity Fund reallocates over \$100 million in annual cannabis tax revenues** to a Special Fund that redistributes the revenue to designated city departments and programs to support the community and redress past harms.

THE LA EQUITY FUND INVESTS IN 8 PROGRAM AREAS:





REVENUE ALLOCATIONS

WHY A TAX CUT?

- + The City of LA's 10% cannabis retail tax is too high and crippling the emerging market:
 - + 2x higher than all other types of LA business taxes
 - + 2,808 times higher than the rate for payday lenders
 - + Creates a devastating tax burden on cannabis businesses already saddled with 25% in state taxes
 - + San Francisco recently suspended all cannabis taxes for two years to give the struggling sector an opportunity to succeed

- + The high tax rate allows the illicit market to flourish:

+ In LA, there are **over 1,000 unlicensed retail businesses**



to just 208 licensed shops



- + Lost opportunity to collect millions in additional tax revenue from adult cannabis purchases
- + Floods the market with dangerous and untested products
- + Diminishes opportunities for social equity businesses to thrive



WHAT'S NEXT?

Collect 92,000 signatures by April 27th to get on the November 8th, 2022 ballot



Raise \$1.5 million by 4/20/22



TAKE ACTION:

- + [Endorse](#) the Campaign
- + [Donate](#)

- + [Volunteer](#)
- + [Pass it On](#) (to the left)

WHO IS BEHIND THE LAEF?

The LA Equity Fund was founded and is chaired by three of the leaders from the 2016 Proposition 64 campaign which legalized cannabis in the state of California, Lynne Lyman, Arturo Carmona, and Shalomyah Bowers. Other notable clients include the Black Lives Matter Global Network Foundation, Immigrants are LA, and Reform LA Jails.

LAEF is a multi-sector initiative, bringing together the "coalition of the future," including cannabis social equity leaders, cannabis brands, reentry, immigrant and native rights, youth development, labor, and philanthropy sectors.

ENDORSEMENTS:

- Jorge Nuño, Proponent, Social Equity Applicant, **The Big House**
- Bonita Money, **National Diversity and Inclusion Cannabis Alliance (NDICA)**
- Lateesha Pinkney, Proponent, Social Equity Applicant
- Whitney Beatty, Social Equity Owner, **Josephine and Billies**
- David Bronner, **Dr. Bronner's Soap**
- Troy Vaughn, **Los Angeles Regional Reentry Partnership**
- Baba Akili, **BLMLA***, **Fannie Lou Hamer Institute***
- Bamby Salcedo, **Translatin@ Coalition**
- Joey Williams, **California Native Vote Project**
- Alexander Tron, **USC Cannabis Law Society**
- Benny Torres, **CD Tech**
- Francisco Moreno, **COFEM**
- Apolonio Morales, **The Coalition for Humane Immigrant Rights (CHIRLA)**
- Hirsch Jain, **CA Cannabis Chamber of Commerce**
- Ngiste Abebe, **Columbia Care**
- Bryant Mitchell, Social Equity Operator, **Blaq Star**
- Jackie Subeck, **Hey Jackpot**
- Anna Mendoza, **Cookies Retail**
- Rashad Johnson, **EAZE**
- Daude Sherrills, **Daude L. Sherrills LLC**

for identification purposes only

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Contributions or gifts to Committee to Support the Los Angeles Equity Fund Initiative are not tax deductible.

Paid for by Committee to Support the Los Angeles Equity Fund Initiative, 312 Clay Street, Suite 300, Oakland. Additional information is available at ethics.lacity.org.