

# Potshots Over Los Angeles Pot Shops

## A year late, the City Council tries to uninvite its unvetted marijuana collectives

By: Daniel Heimpel

The broke - and, many say, broken — Los Angeles City Council, fresh from brutal budget negotiations last Friday in which city-employee labor unions prevailed, now faces one of its potentially most expensive legal battles ever, a war over medical pot that could draw in shady drug dealers, serious medical-marijuana activists, gubernatorial candidate Jerry Brown— and even U.S. Attorney general Eric Holder.

Unusual among big California cities, the Los Angeles City Council failed for four years to create rules to regulate medical-marijuana collectives allowed under state law. Unlike Oakland, San Francisco, Berkeley and other cities who quickly created local regulations, the Los Angeles City Council's Planning and Land Use Management Committee (PLUM), led by Eastside politicians Jose Huizar and Ed Reyes, spent years squabbling over how pot collectives should be run.

According to City Hall insiders, Huizar and Reyes, along with a group of private medical-marijuana advocates invited to participate in a special city working group, wanted looser pot regulations than City Attorney Rocky Delgadillo. The two camps endlessly feuded.

City Council President Eric Garcetti backed a City Council "moratorium" to prevent unvetted and unregulated pot shops from opening until the warring sides could agree on permanent rules. But Garcetti, Huizar, Reyes and the rest failed to grasp the fine print in their own moratorium language. While Delgadillo fought for much stricter permanent rules than those supported by key City Council members, including Reyes and Garcetti, the medical-marijuana industry utilized an obscure boilerplate paragraph written by the city attorney and approved by the 15-member council. This fine print allowed "hardship exemptions" during the purported moratorium, so hundreds of pot peddlers filled out a simple form claiming that the City Council's moratorium was causing a "hardship" as to their ability to sell pot.

Some see a replay of the digital billboard debacle last year, after the City Council and Villaraigosa Administration approved more than 800 ultrabright outdoor signs with virtually no rules governing their locations or zoning. In the case of medical pot, city bureaucrats let a crush of unvetted pot dispensaries open during the citywide "moratorium," and pot stores jumped from 186 to about 800, including hundreds near public schools.

Last Friday, the *Los Angeles Daily News* reported that the dispensaries, whose sources of pot are unknown, are attracting a wave of violent crime, with roughly 100 pot dispensaries in the Valley getting robbed an average of twice each. Police now say the chaotic pot-selling explosion is

attracting stickup crews intent on carting off pounds of high-grade marijuana. One dispensary employee was shot in the back in a quiet West Valley area in August, but lived.

Bedroom areas such as Carthay Circle, near Wilshire Boulevard, and Woodland Hills, near Ventura Boulevard, whose residents for years kept crime magnets like liquor stores to a minimum through loud activism, are watching as empty shops get rented out, then fortified with bulletproof glass, panic buttons, security cages — and armed guards who pat down customers.

The bickering City Council is expected to soon receive from PLUM a belated set of basic regulations. But now, sellers are threatening to launch a massive lawsuit if City Hall tries to stop them.

LAPD officials tell the *Weekly* that outgoing Police Chief Bill Bratton has no plan for dealing with illegal pot shops. Newly elected City Attorney Carmen Trutanich is refusing to comment on the controversy. And the Department of Building and Safety has assigned only a handful of inspectors out of 1,000 workers to determine which dealers are breaking existing building codes — as the department just lost General Manager Andrew Adelman, who is under investigation in a lurid sex-toy rape scandal.

Storefront pot dealers may have reasonable grounds on which to sue. Yet councilman Dennis Zine responds, almost cavalierly, “They can file a lawsuit. Lawsuits don’t scare us.”

Attorney General Jerry Brown may come under pressure to jump in. He has issued detailed legal guidelines for regulating collectives, stating that it is illegal for pot dispensaries to make a profit. Cities like Berkeley, San Francisco and Oakland all created tight rules, leaving San Francisco with 23 dispensaries, Berkeley with three and Oakland with four. Oakland will soon levy a 1.8 percent tax on its four dispensaries’ gross receipts — totaling a staggering \$19.7 million in the past year — in addition to a \$3,200 licensing fee.

But when U.S. Attorney General Eric Holder announced that he would not prosecute medical-marijuana cases, the city of Los Angeles, lacking any local rules, became an Amsterdam of opportunity. Tamar Galatzan, who ran for the City Council special election in District 2 on September 22, laments the fact that a package of proposed rules for governing L.A.’s medical-marijuana scene has languished on the desks of City Council members. “This is billboards all over again,” Galatzan says, referring to the council’s decadelong failure to regulate 11,000 billboards that also proliferated during a “ban.”

“I think what the whole billboard fiasco has taught us is that settlements from lawsuits make bad law,” Galatzan says.

Even leading marijuana proponents are appalled by the bumbling. Oakland attorney Robert Raiche campaigned for medical marijuana in 1996, served on Attorney General Bill Lockyer’s marijuana task force in 2003 and has brought two medical-marijuana cases to the Supreme Court. He scoffs at L.A. politicians’ claims that they did the best they could, saying, “The city didn’t get its act together in time to pass a permanent ordinance, so now [they] are in a position where no rules apply because existing rules have expired. This puts the city in a position to have to go to court.”

At City Hall, much of the same crowd that could not draw up simple rules for four years is still in charge. City Attorney Trutanich's spokesman Frank Mateljan says he was advised to reiterate that he is working closely "with council member Ed Reyes and the rest of the City Council." Numerous calls from the *Weekly* to Reyes were not returned.

Battered by negative media coverage, PLUM, chaired by Reyes, is now denying "hardship exemptions." The committee recently voted to stop about 42 pot shops from operating, prompting more than a dozen others to simply withdraw their hardship paperwork. At a hearing on September 1, the City Council backed PLUM, throwing out several hardship requests, including one from Craig X. Rubin, who ran an unsuccessful recent campaign against Villaraigosa for mayor. After the vote, Rubin was asked if he would abide by the City Council's vote. He smiled and said, "No, we are going to stay in business."