

# Los Angeles County Cannabis Equity Program

Community Feedback Session



A blue-tinted photograph of a city skyline, likely New York City, viewed through a natural frame of trees. The skyline features several prominent skyscrapers, including the Empire State Building. The foreground is dominated by the dark, out-of-focus branches of trees, creating a sense of looking through a natural opening. The overall mood is serene and contemplative.

# Land Acknowledgement

# Session Purpose and Objective

- **Purpose:** We will share the newly released Equity Assessment, commissioned by the County, and gather feedback on certain preliminary program recommendations provided by its authors.
- **Objective:** You will have an opportunity today to provide input on the following key program considerations:
  - Eligibility Criteria
  - Equity Program Resources
  - Possible Community Reinvestment and Benefits

# Before We Begin...

- **Recommendations in the assessment expresses opinions of its authors and focus group participants and does not necessarily represent views of the Office of Cannabis Management (OCM).**
- OCM will continue its community driven collaborative process to shape the County's Equity Program.
  - Everyone will have the chance to share their suggestions and ideas.
  - Listen actively and with an ear to understanding others' views.

# Agenda

- Background on Los Angeles County Cannabis Equity Program
- Overview of Cannabis Equity Assessment
- Equity Assessment Key Takeaways
- Collaborative Feedback & Reflections
- Next Steps on the Road to Developing a Cannabis Equity Program

# Word Cloud

**Share some words that summarize what cannabis equity means to you.**

# How Could the County Define Equity?

## Recommended considerations from the Equity Assessment's Focus Group:

- **Social Equity:** "An attempt to repair the damage done by the war on drugs; reparations; money from cannabis staying in communities affected by the drug war."
- **Health Equity:** "Access to cannabis as medicine; healthy food options; healing; freedom from disease and health disparities; an overall focus on wellness."

## California Cannabis Equity Act (2018):

A local equity program means a program that focuses on **inclusion and support of individuals and communities** in California's cannabis industry who are linked to **populations or neighborhoods that were negatively or disproportionately impacted by cannabis criminalization** as evidenced by the local jurisdiction's equity assessment.

# Background

Los Angeles County  
Cannabis Equity Program



LOS ANGELES COUNTY OFFICE OF  
**CANNABIS**  
**MANAGEMENT**



# About Us

Since its inception in 2017, the Office of Cannabis Management has served LA County and its residents by leading an equitable transition of cannabis to a regulated market with policies that seek to promote the health, safety and well-being of our communities.



**Coordinate**



**Engage**



**Discuss**



**Assist**



**Advocate**

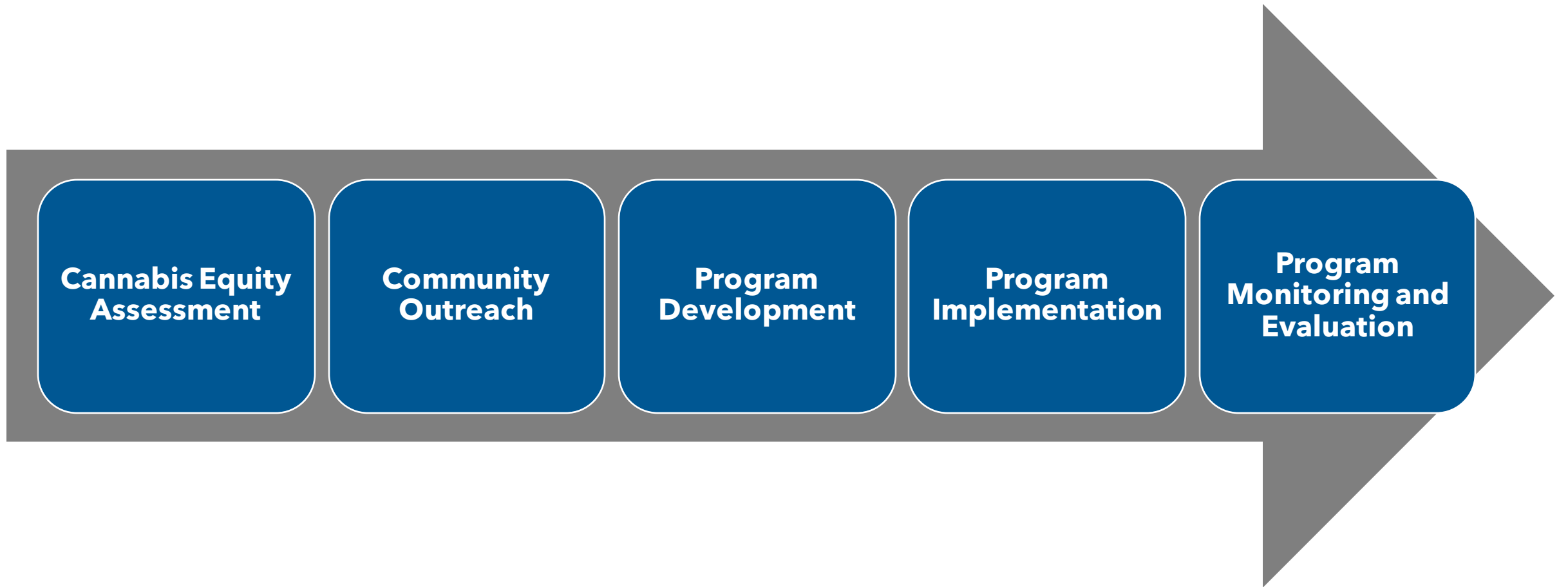
# Los Angeles County Milestones

- **2018** - OCM develops a proposed regulatory framework for commercial cannabis and submits it to the Board
- **2019** - L.A. County Department of Public Health releases Health Equity Implications of Retail Cannabis Regulation in Los Angeles County
- **July 13, 2021** - The Board directs OCM to revisit the 2018 regulatory framework and report back with a revised framework rooted in equity
- **December 20, 2021** - OCM submits an updated commercial cannabis regulatory framework centered around social equity
- **February 15, 2022** - The Board of Supervisors unanimously approves a motion to implement an equitable cannabis business license program
- **March 15, 2022** - OCM awarded GO-Biz State Grant to conduct social equity assessment and develop local equity program.
- **November 8, 2022** - Voters approve Measure C, the cannabis business tax measure

# Overview of Board Approved Motion

- Approved in February 2022 to implement cannabis regulatory framework centered around **social equity**.
- **Starting with 90 permits** regulating **six (6) unique business activities**:
  - 25 Retail permits
  - 25 Delivery permits
  - 10 Distribution, 10 Testing, 10 Manufacturing, 10 Cultivation permits
  - Microbusinesses will be allowed
- **Phased** implementation of permits
- Retail & Delivery to be allowed in certain **Commercial and Manufacturing Zones**
- **600 ft. buffer** from specific-uses, including schools (K-12), daycares, public parks, and public libraries
- Develop Cannabis Equity Program aimed at **addressing gaps in educational, technical, and financial resources**, and **administrative and infrastructure barriers** that create inequitable outcomes.

# Process for Developing an Equity Program

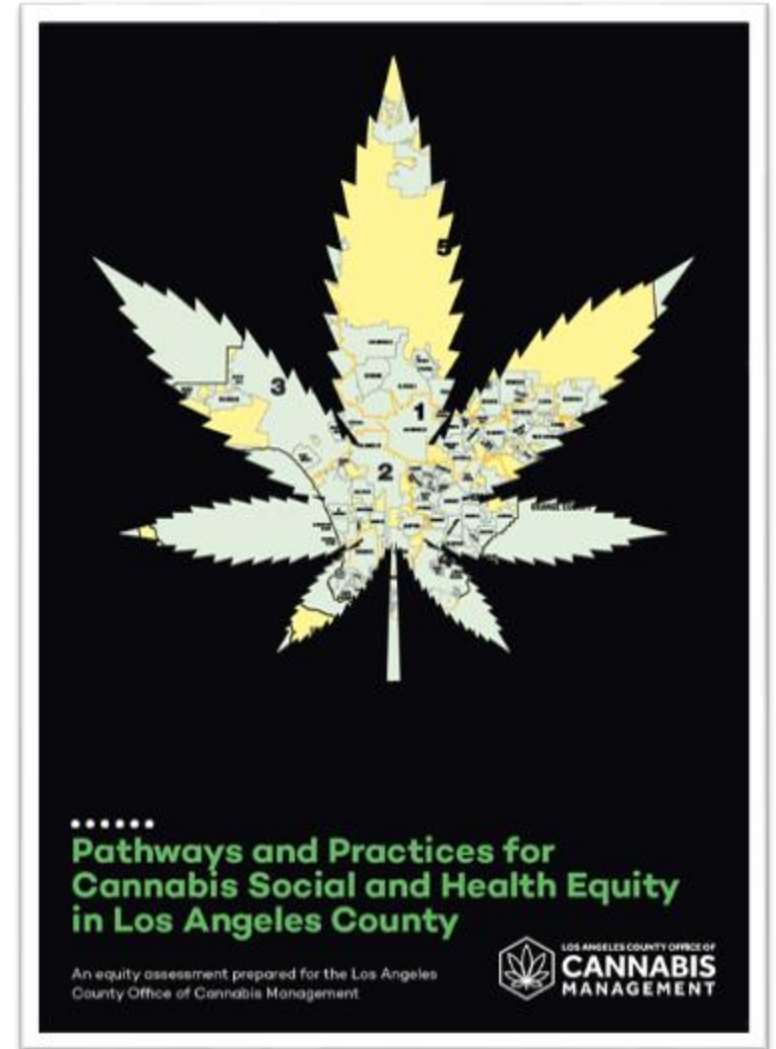


# Cannabis Equity Assessment

- Purpose: Inform the creation of the County's local equity program.
- Completed by academic researchers and community collaborators.
- Highlights insights from a variety of sources, including in-depth literature review, peer-reviewed and community engaged research sources, and an in-person focus group.
- Assesses current practices, identifying challenges facing Los Angeles County in its implementation of an equitable cannabis permitting program, and potential solutions based on best practices.
- Includes 19 total categories of preliminary recommendations to help guide the County to support an equitable cannabis industry, including some that require significant time, investment, and risk mitigation.
- **Note:**
  - **Recommendations and content in the report expresses opinions of its authors and focus group participants and does not necessarily represent views of OCM.**
  - OCM will continue its community driven collaborative process to shape the County's Equity Program, informed by additional data analysis, stakeholder feedback, and evaluation of policy and legal implications.

# Overview

## Cannabis Equity Assessment Findings



# Impact of Cannabis Criminalization

- **The impact of decades of criminalization** of cannabis can be traced (extending to 1900s) based on racialized imagery, with increasing intensity in the 1970s—on targeting Black, Latino/a/x and other communities of color with incarceration, violence.
- **Billions diverted from community needs** toward cannabis policing, increasing social and health disparities.
- **Arrest disparities persist even after Prop 64 (2016)**
  - Examples:
    - Between 2019 - 2020, 75% of LAPD's cannabis-related arrests identified as Black and Latino/a/x.
    - LAC Sheriffs Data (2005 - 2021) also show higher concentration of cannabis-related incidents in majority Latino/a/x and/or Black communities than in predominantly White communities.

# High Hopes but a Hard Road for Equity

- While numerous equity programs exist, many have been hamstrung by a **lack of resources, predatory investment** and **monopolistic practices**, and the **continued challenges** of federal (and local) criminalization and stigmatization.

***“I met with an investor and social equity applicant, and I was appalled by the way the investor treated the social equity applicant. It was basically, ‘I own you, you don’t even get to speak. I have the money, you have this social equity applicant,’ and I couldn’t even believe it...”***

- 51-year-old Black female cannabis worker/prospective operator/advocate



# Barriers to Entry into the Regulated Market



**Limited Access to Capital**



**Lack of Compliant and Affordable Real Estate**



**High Taxes and Fees**



**Complicated Regulatory Processes and Requirements**



**Administrative Logjams**



**Caps on Number of Licenses**

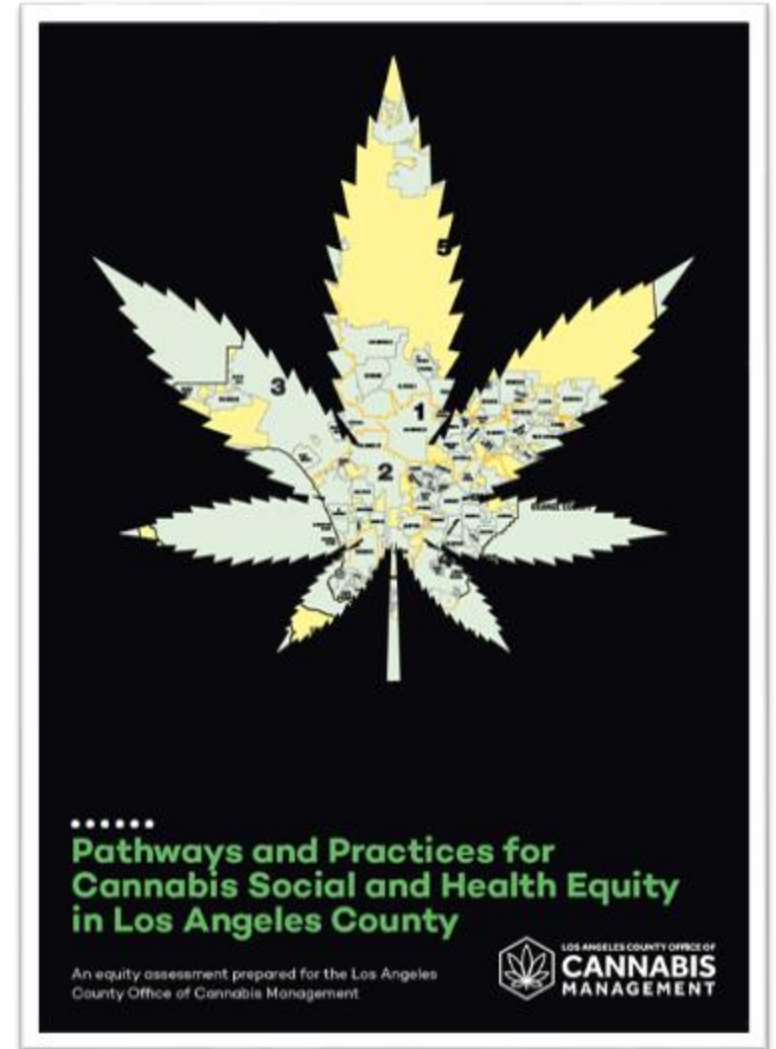
# Working Towards Equity

Equity Assessment identifies 3 elements to define a vision of equity:

- 1** **Equitable ownership and job opportunities**, including direct support for local businesses owned, operated, and those impacted by the war on drugs
- 2** A link between cannabis businesses and **reinvestment in community health and overall social good**
- 3** Achieving **broader social and health equity** beyond licensing (e.g., workforce development pipeline, worker protections, community reinvestment of revenues)

# Key Takeaways

## Cannabis Equity Assessment Proposed Recommendations



# Takeaways At a Glance

## Administrative Process Support

- Prioritizing equity in permitting
- Simplified application process and materials
- Requirements until latter stage of permitting
- Increasing permit availability over 5 years to avoid inflated market

## Financial/Capital Assistance

- Reduced or waived fees for qualified equity applicants
- Grants or repayable low-interest rate loans of a significant value

## Business Support

- One-stop-shop for cannabis technical assistance that includes legal support, financial guidance, and business development trainings
- Protection from predatory investments through additional trainings and templated/sample materials

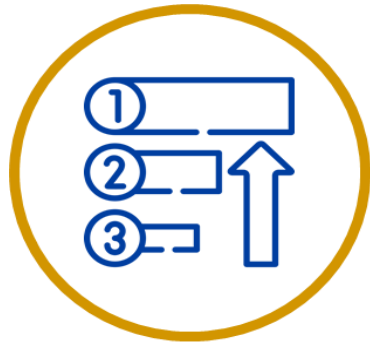
## Workforce Development Support

- Equity hiring goal requirements
- Creation of workforce pipelines with strategic partnerships
- Development of trainings
- Labor peace agreement requirements

## Other Notable Takeaways

- "Education First" pathway to support transition from unregulated to regulated market
- Community reinvestment of cannabis business tax revenues
- Shared cultivation, manufacturing, and business spaces
- Public outreach and education programs and campaign

# OCM Priority Recommendations



Priority  
Permitting



Business  
Development,  
Technical &  
Legal  
Assistance



Job Training &  
Workforce  
Development



Financial  
Assistance &  
Access to  
Capital

# Key Proposed Recommendations

## Recommendation #3: Identify and Prioritize Equity Applicants

- **Baseline requirements:**
  - ***Individuals and communities impacted by War on Drugs*** - directly impacted by the war on drugs with cannabis conviction(s) and/or parent/guardian or spouse/domestic partner of an individual with a prior cannabis-related conviction.
  - ***Residency and Income*** - At least 5 years in an unincorporated LAC census tract with 60% or more of population housing-burdened and earns 80% of LAC median household income.
  - ***Ownership*** - At least 51% individual, pooled, or cooperative ownership.
- **Merit Scorecard:**
  - Award points for meeting certain criteria based on social responsibility commitments.
  - Combine with lottery if large number of applicants reach a point threshold.

# Example Equity Program Eligibility Criteria in other Jurisdictions

	Conviction History	Residency	Low-Income Status	Minimum Ownership
City of Los Angeles	Cannabis related arrest or conviction in California <b>prior to November 8, 2016</b>	<b>10 years cumulative residency</b> in a Disproportionately Impacted Area (DIA) in Los Angeles or other demonstrated DIA	Meets low-income threshold for LA County AMI	<ol style="list-style-type: none"> <li>Tier 1: 51%</li> <li>Tier 2: 33%</li> </ol>
Oakland	<ol style="list-style-type: none"> <li>Lived for at least <b>10 of the last 20 years in a police beat</b> with disproportionately high rate of cannabis related arrests;</li> </ol> <p style="text-align: center;"><b>OR</b></p> <ol style="list-style-type: none"> <li>Cannabis related arrest or conviction in Oakland <b>after November 5, 1996</b></li> </ol>	Current Oakland resident	<b>80% or below</b> Oakland AMI	51%
San Francisco	<ol style="list-style-type: none"> <li>Cannabis related arrest or conviction <b>between 1971 and 2016;</b></li> </ol> <p style="text-align: center;"><b>OR</b></p> <ol style="list-style-type: none"> <li>Cannabis related arrest or conviction of <b>parent, sibling, or child</b> between the same period</li> </ol>	Lived in San Francisco census tracts for <b>a total of 5 years from 1971 to 2016</b> where <b>at least 17%</b> of the households had <b>incomes at or below the federal poverty level</b>	<b>80% or below</b> San Francisco AMI	<ol style="list-style-type: none"> <li>40% &amp; CEO; <b>or</b></li> <li>51%</li> </ol>

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<b>Equity Assessment Recommendations</b>	<ol style="list-style-type: none"> <li>Cannabis related arrest or conviction;</li> </ol> <p style="text-align: center;"><b>OR</b></p> <ol style="list-style-type: none"> <li>Be a parent/guardian or spouse/ domestic partner of an individual with a prior cannabis-related conviction or arrest</li> </ol>	<b>At least 5 years</b> in an <b>unincorporated</b> census tract that is at least <b>60% housing-burdened</b> and earns 80% or below LA County AMI	<b>80% or below</b> LA County AMI	51% individual, pooled, or cooperative ownership by equity applicants

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# Key Proposed Recommendations

## Recommendations #13 & #14: Support Workforce Development

- **Recruit Workers Equitably**
  - Require all applicants to hire at least 40% of workforce from unincorporated LAC communities impacted by war on drugs; incentivize doubling to 80% and/or achieve specific goals for managerial positions as part of commitments.
  - Tie compliance with equity hiring goals with annual re-permitting process.
  - Create targeted outreach program linking employers through meet-and-greets, job fairs, and other events.
- **Train Workers with Equity**
  - Create a cannabis workforce pipeline and paid apprenticeships via strategic partnerships.
  - Include labor peace agreement requirement for 10 or more employees (ex., City of LA).

# Key Proposed Recommendations

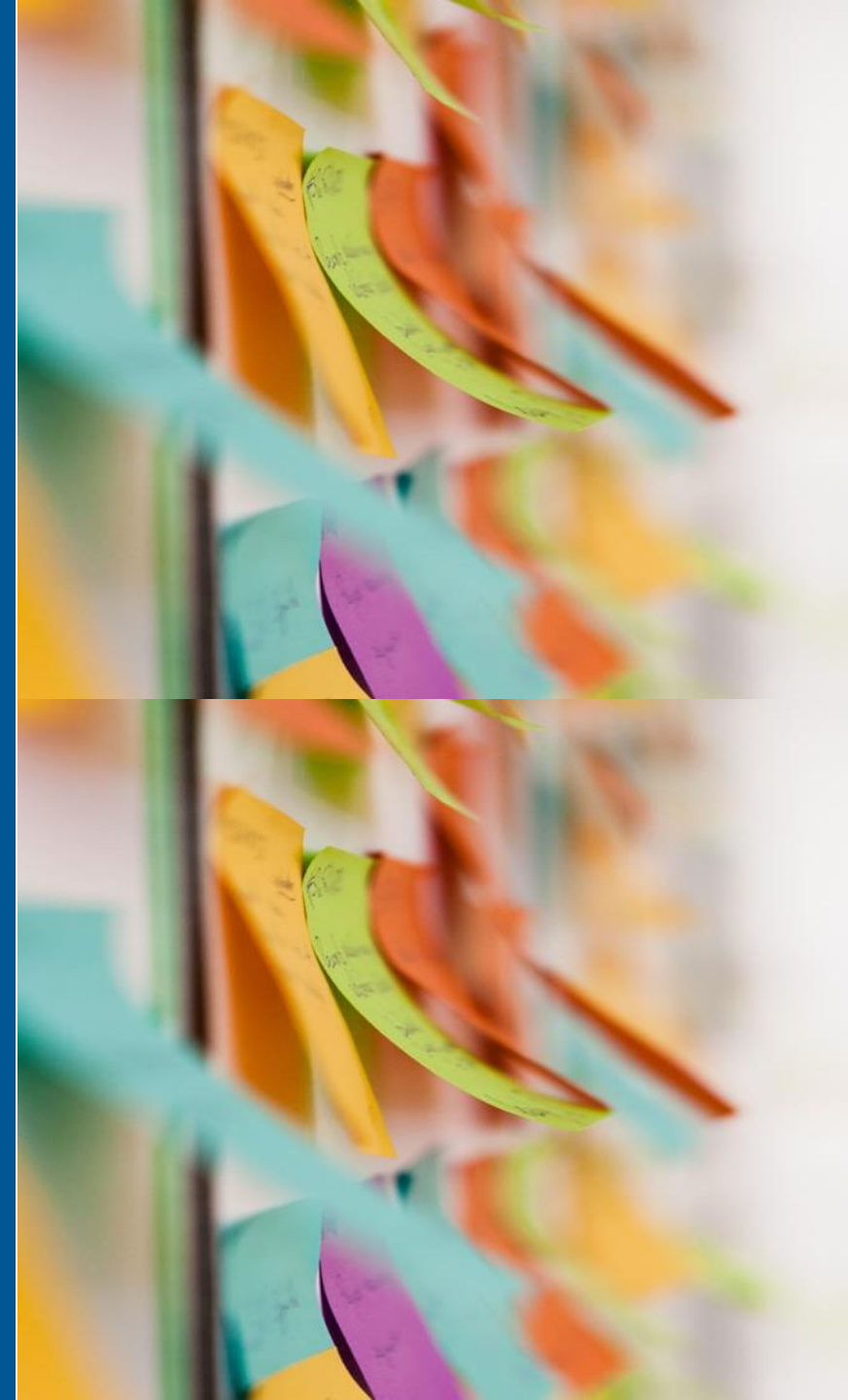
## Recommendation #19: Reinvest for Equity

- **Community Reinvestment**

- With passage of Measure C (2022), ensure all cannabis tax revenues go to:
  - 1) administrative operations of OCM and related LAC programs supporting cannabis social and health equity; and
  - 2) a comprehensive health and social equity community reinvestment program
- Direct part of cannabis tax revenues to OCM social and health equity programs, including grants and loans for cannabis license applicants.
- Develop mechanism to allow cannabis businesses to invest in a community reinvestment funding stream as part of permit application and re-permitting process (ex. Community Reinvestment Act for financial institutions).

# Reflections and Collaborative Feedback

Help us shape the Los Angeles County's Cannabis Equity Program.



# Reflections and Feedback

## **Supporting a Collaborative Process:**

- Guiding questions to help with focused discussion
- Everyone will have the chance to share their suggestions and ideas.
- Listen actively and with an ear to understanding others' views.
- Additional opportunities to provide written comments to the wall beneath the appropriate question

## **Guiding Questions:**

- 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 they are located in?**

# Next Steps

**On the Road to Developing a Cannabis  
Equity Program**

# Developing an Equity Program

**Equity Assessment** *(Completed)*

**Quantitative Data Collection and Analysis - defining, mapping of impacted communities** *(In Progress)*

**Community Feedback Sessions -in-person, online** *(In Progress)*

**Identify Partnerships to Implement Equity Program Components** *(In Progress)*

**Provide Policy Recommendations for Equity Program Adoption**  
*(Anticipated by Summer 2023)*

# Schedule of Community Feedback Sessions

Date	Time	Location
March 13, 2023	5:30pm-7:00pm	East Los Angeles Library 4837 E. 3 <sup>rd</sup> Street Los Angeles, CA 90022
March 16, 2023	5:30pm-7:00pm	South Whittier Library 11543 Colima Road Whittier, CA 90604
March 18, 2023	12:30pm-2:00pm	Quartz Hills Library 5040 West Avenue M-2 Quartz Hill, CA 93536
March 21, 2023	5:30pm-7:00pm	A C Billbrew Library 150 E. El Segundo Blvd. Los Angeles, CA 90061
March 23, 2023	12:00pm-1:00pm	Virtual Session

Online survey also available:



[dcba.lacounty.gov/cannabis/equityassessment](https://dcba.lacounty.gov/cannabis/equityassessment)

# Stay Connected



[cannabis.lacounty.gov](https://cannabis.lacounty.gov)



[cannabis@lacounty.gov](mailto:cannabis@lacounty.gov)

**Thank  
You!**

*Follow us on Twitter, Facebook, and Instagram for updates and announcements on the County's Cannabis Equity Program*

