



DATE: MAY 10, 2022

TO: CITY OF LONG BEACH MAYOR ROBERT GARCIA
CITY OF LONG BEACH CITY MANAGER'S OFFICE
CITY OF LONG BEACH CITY COUNCIL
CITY OF LONG BEACH OFFICE OF EQUITY
CITY OF LONG BEACH HEALTH DEPARTMENT
CITY OF LONG BEACH OFFICE OF CANNABIS OVERSIGHT
CITY OF LONG BEACH ATTORNEY'S OFFICE
STATE OF CALIFORNIA DEPARTMENT OF CANNABIS CONTROL

FROM: LONG BEACH SOCIAL EQUITY ENTREPRENEURS (LBSEE)

SUBJECT: Social Equity Cannabis Application & Licensing Recommendations

Dear Mayor Garcia, City Council Members and all other Department Heads and Officials in the City of Long Beach, California:

This letter is to notify the City of Long Beach and other Authorities responsible for the licensing and regulation of Social Equity cannabis businesses in the City that they are not in compliance with the previously written policies, or the Framework for Reconciliation. We seek accountability and amendments to recent policies enacted by the **Office of Cannabis Oversight** regarding cannabis technical assistance funding, the regulation regarding who is eligible to apply, and privacy protection for the intellectual property of each applicant in the form of an NDA signed agreement.

The U.S. and the City of Long Beach have a history of racist policies and practices that have hurt Black residents and other Communities of Color. The City of Long Beach is currently guilty of this ongoing practice. We are requesting a full independent investigation into the aforesaid and requesting additional amendments to your current policies and procedures that further exacerbate the progression of Black People. Systemic racism occurs when institutions and organizations such as Municipalities, and Government Agencies and their officials adopt and maintain policies that routinely produce inequitable outcomes for people of color and advantages for White people such as past redlining and the current policies and procedures that are in place by the **Office of Equity (INEQUITY)**. Matters such as current policies passed or not passed, funding invested or not invested directly affect the quality of life in Long Beach neighborhoods that have been and are still being grievously targeted and impacted by such policies, over-policing and racism. All one has to do is a data fact check on the arrests and convictions when it comes to neighborhoods of color, although cannabis is legal, it's almost as though being Black is not, according to citywide data and statistics.

On June 9, 2020, the Long Beach City Council engaged in an earnest conversation about racism and it unanimously declared "Racism as a Public Health Crisis", with the

need to restore public trust in City government, and how to reconcile a gap in the experiences of impacted and vulnerable people with current City policies, especially the Black community. The City Council called upon City staff to prepare a report that would put the City Council in a position to enact policies and make decisions to change the system. The palpable disrespect presented recently in City public meetings by city officials, especially those in the **Office of Cannabis Oversight** and its staff, is ethically and morally unacceptable and a mirrored image of racism, again we talk about the tale of two cities within one city. One only has to go to The Community Health Assessment which said:

From 2013-2015 Black adults that were hospitalized from hypertension, which leads to heart disease and stroke, was 11.9 per 10,000 residents. The citywide rate was 5.8. Also from 2013-2015 The life expectancy for Black residents was (7) years shorter than the city's other racial and ethnic groups. Again we talk about the tale of two cities within one city. (One of accrued prosperity & one of extreme poverty).

In 2018, the City of Long Beach committed to \$445,000.00 funding for awarded Social Equity operators. Then in 2022, the City reneged & reduced those same awarded SE Operators to a meager \$80,000.00 in funding. On March 17, 2022, another promise was made by The Department of Cannabis Oversight, more specifically Emily Armstrong, to 'grandfather' in pending Social Equity licensees by continuing to provide them with the previously promised \$445,000.00 Technical Assistance funding. One week later, overt systemic and institutional racism occurred when Emily rescinded her earlier promise and commitment, leaving many Social Equity Applicants/Blacks and People of Color in a highly vulnerable position with little chance to succeed.

The financial challenges Equity and Small Minority-Owned and operated cannabis businesses face daily due to extraordinary barriers of entry and its staggering costs to operate lawfully have been exacerbated by delays, double talk, broken commitments, and a continuum of citywide systemic, institutional racism and practices are not in congruence with the 14th Amendment of the Constitution of the United States or the City of Long Beach local government as outlined by the Framework for Reconciliation.

The majority of minority cannabis businesses are initially self-funded or funded by contributions i.e. life savings from friends and family. Prevailing wealth disparities that commonly hinder minority entrepreneurs are common in California. Social Equity Licensees must meet income and residential criteria intended to identify the individuals suffering the greatest economic impacts of cannabis prohibition and the broader War on Drugs. In addition, in California, the cost of market entry is so high (conservatively, at least \$400,000.00 to \$500,000.00) that often only those who are wealthy or can leverage venture capital can only fantasize about the idea of launching a cannabis business.

Until Equity and Small Minority-Owned and Operated Cannabis Businesses are provided what we were initially told we would receive by the City of Long Beach, to reinvest back into our businesses and an opportunity to provide increased living wage jobs in our Communities, truthfully address and redress the IMPACT THE WAR ON DRUGS still has on Black Communities in the City of Long Beach, we will continue to request full accountability and take further actions.

Our recommendations include:

- 1) Restore the previous commitment and amend all policies to provide technical assistance in the amount of \$445,000.00 to pending Social Equity applicants.

Restore the priority of Social Equity Applicants in the pipeline for licensing types, while giving 'grandfathering' status to those who submitted an application prior to April 1st.

- 2) Prioritize the twelve (12) existing and pending Social Equity Applicants with zoned locations, followed by the numbered waiting list of those who are Social Equity Verified (which started in 2018 to present) for Social Equity Dispensary Licensing. In addition, remove/reduce the buffer between the existing thirty-two (32) dispensaries and the upcoming eight (8) Social Equity dispensaries, allowing Equity Applicants a chance to secure zoned space within The City.
- 3) Currently, LA is limited to Social Equity Applicants only for licenses. We believe Long Beach should adopt the same policy and limit/modify non-social equity applicants from applying at this time to ensure equity and fairness to current social equity applicants and those in the pipeline.
- 4) Open Shared-use manufacturing license type for Social Equity Applicants in addition to Social Equity delivery licenses immediately.
- 5) Revise the Grant Application process to be less redundant and simplified for Equity Applicants as previously done to receive their funding without any delays, setbacks, and/or unnecessary repudiation, while ensuring Applicant's protection with necessary privacy policies and NDAs in place.

The City of Long Beach and its City Council and all other municipalities within its Jurisdictional Metropolis are supposed to be aligned under these *three* key goals according to the Framework for Reconciliation:

GOAL 1: End systemic racism in Long Beach, in all local Government and Partner Agencies, through internal transformation.

GOAL 2: Design and invest in community safety and violence prevention.

GOAL 3: Improve health and wellness in the City by eliminating social and economic disparities in the communities most impacted by racism.

The above goals and recommendations represent efforts that The LBSEE believes can be reasonably accomplished within the existing power and the governing authority of the City of Long Beach. Please make a motion to discuss, adopt and approve the above recommendations.

For any questions, call 562-274-3711 or email BEREAL@LAV8Cannabis.com.

Respectfully,

James Marks
Tamika Boyce
Miriël Bereal
Demetric Woodard
Jillian Xavier

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Founding Members

Long Beach Social Equity Entrepreneurs (LBSEE)