

Exhibit L

Purpose: The City of Fresno is in the process of adopting cannabis ordinances for adult and medical use. The current framework will not be in favor of the everyday resident or local cannabis operators that reside within the City.

The whole concept of all cannabis programs is to license the existing cannabis operators to therefore reduce the impacts of blackmarket activity and add revenue to the City. Not make it impossible for operators to get a license. Fresno has over 200 cannabis businesses that have spent anywhere from 5 years to 40+ years in the blackmarket. The question now is how to include every single one of them into a fair regulatory system while maintaining within our Draft Environmental Impact Report.

The objectives of the Draft Environmental Impact Report are as followed:

- Regulate commercial cannabis cultivation, manufacturing, distribution, testing and retail sales of cannabis products within the City in a manner consistent with State law, and allow the orderly development and oversight of commercial cannabis cultivation and manufacturing businesses;
- Develop a program that encourages cannabis cultivators, manufacturers, distributors and retail sellers to operate legally and secure necessary permits and licenses to operate in full compliance with City regulations, maximizing the proportion of activities within the City and minimizing unlicensed activities;
- Provide efficiency and clarity in the commercial cannabis oil cultivation, manufacturing, distribution, testing and retail sales licensing/permit processes, regulations, and standards to facilitate participation and use by applicants;
- Prevent impacts of cannabis cultivation, manufacturing, distribution, and retail sales sites on children and sensitive populations;
- Encourage the commercial cultivation, manufacturing, distribution, testing and retail sales of high-quality local cannabis products that meet the demand for Fresno area cannabis and cannabis products, including the needs of medical patients and their caregivers, as well as adult personal use as authorized under Proposition 64;
- Develop a legal, local cannabis industry to improve the City's tax base in balance with other objectives;
- Ensure compatibility of cultivation, manufacturing, distribution, testing and retail sales sites with surrounding land uses, especially residential neighborhoods, educational facilities, and agriculture operations;
- Minimize adverse effects of commercial cultivation, manufacturing, distribution, testing and retail sales on the natural environment, natural resources and wildlife, as well as effects on water supply and water quality;
- Regulate sites and premises used for commercial cultivation, manufacturing, distribution, testing and retail sales to avoid the risks of criminal activity, degradation of the visual setting and neighborhood character, obnoxious odors, hazardous materials, and fire hazards;
- Ensure cannabis is cultivated, manufactured, distributed, tested and sold in a manner that supports public health and safety;
- Ensure adequate law enforcement and fire protection response to cultivation, manufacturing, distribution, testing and retail sales; and
- Promote energy and resource efficiency in cannabis cultivation, manufacturing, distribution, testing and retail sales of cannabis products.

Problems this Cannabis Ordinance Will Need to Address:

Problem I: The Illicit Market in Fresno is at risk of continuing to grow and hurt the few licensed cannabis businesses not just within City limits but to the entire State of California.

Problem II: Access to real estate is the hardest obstacle for most operators trying to get a license. By the time the City sent out the email about potential locations, prices went up on everything at least 15%.

Problem III: The City is only giving 16 licenses that will be a mix of cultivation, distribution, and manufacturing. So that means all the 150+ 'Mom & Pop' cannabis businesses that have been operating for years, will be forced to not only battle for licenses amongst themselves, but also now with more developed foreign businesses that are seeking licenses in the Central Valley.

So this means all of the independent cannabis businesses that have been operating for years, will be forced to battle for licenses against more developed foreign businesses that have been operating for years.

Problem IV: The City is only giving out 14 retail licenses. Of those 14 only a "maximum" of 4 will be a part of the Fresno equity program.

Problem V: The Environmental Draft Report also ignores the individual Type-9 Delivery-Only License that is allowed by the Bureau of Cannabis Control.

This is a HUGE flaw considering, in 2018 alone, Fresno had 150+ delivery services on Weedmaps, not to mention the various storefront dispensaries that existed.

Problem VI: With unfair equity language such as the words 'maximum,' it's very safe to expect that the biggest cannabis entities that are on nation-wide dispensary campaigns, are easily going to scoop up the licenses. And what is worse, is no more 5 years later, the few equity dispensaries that did exist, will be selling majority of their shares to OTHER big businesses because they will not be able to keep up.

So in less than 5 years, all 30 licenses are all controlled by large entities that have no care, love, or respect for Fresno. Do you think these large entities are going to buy their beach vacation homes in Fresno? Do we expect their kids to go through our school systems? Or Expect them to spend money at our local grocery stores?

Problem VII: The current equity language used proves to be unfair, and demonstrates that residents of Fresno were left out when writing this ordinance.

Problem VIII: There is a very long history of cannabis activity within City limits. These people however have had to operate in the shadows— avoiding law enforcement, credit history, banks etc. Some of which lack simple educational resources such as creating a successful business plan for the City's RFP process to even receive a license to operate. The legality of Cannabis in the City of Fresno has had a tumultuous history that has led many residents of Fresno to seek business paths there that were often operated in the shadows. Many have had to avoid law enforcement, credit history, banks, etc. just to create a business in a field that they had passion in, but in the past may have been seen as criminal behavior just like prohibition in the 1920s. Because these businesses often had to operate in the shadows many business owners who show promise, also lack the educational resources to create a successful business plan that the City of Fresno application process requires in order to receive a license to operate.

Problem VIII: Since even before 1996, there's been thousands of arrests of residents that stem from cannabis charges. However some of those people at the time, again operated in shadows. That means even though in most cases the cannabis charges are not charged, it stems with cannabis and leads to additional charges that will haunt these veteran operators from receiving a license.

Problem X : The City of Fresno literally has its own talent pool of home grown operators that have the capacity to become a big business at some point. But the City would rather limit the amount of equity cannabis operators, limit the amount of homegrown business owners, and promote large foreign groups to apply. That's the most degrading thing any citizen can probably endure from their own local government next to demoting a business owner to now an employee of someone else.. Here you have easily over 250+ operators combined that work, live, pay their bills within City limits. More importantly thousands of incoming cannabis operators, and there is not a fair framework to assist with this growth.

Problem XI: It is estimated that less than 1 percent of the cannabis industry is owned or operated by people of color; Meanwhile 80% of Fresno's cannabis businesses are minority groups and people of color.

Proposal 1: Cannabis Innovation Hub 2.0

Problem I: The Illicit Market in Fresno is at risk of continuing to grow, and hurt the few licensed cannabis businesses not just within City limits but to the entire State of California.

Problem II: Access to real estate is the hardest obstacle for most operators trying to get a license. By the time the City sent out the email about potential locations, prices went up on everything at least 15%.

Solution: Expand on the Cannabis Innovation Hub concept and oversee the cultivation, manufacturing and distribution licenses by placing all licenses on the same parcel of land. These buildings would be surrounded by an appropriate gate, and share resources such as security, product, and much more.

The purchaser of the land and the buildings should be the City of Fresno, with the money from the Equity Program. With that building, the City can charge the applicants fair rent at the same time maintain oversight over the entire program. That would also divert the legal product from entering into the illicit market which is another problem that we are seeing.

The revenue from the building, should in turn go back into appropriate cannabis funding for equity businesses.

Each applicant will be capped to a maximum of 50,000 sq ft per license. The space will be subdivided by the applicants usage at the time of the licensing.

Benefits:

- Fair access to real estate for all operators big and small which will ensure proper engagement of blackmarket operators transitioning to the legal market. This will also allow a much clearer line in terms of who is “legal and not legal”. Meaning, right now the mindset is, “we are in the black market because we can’t get a license”. It then changes with proper legalization to “I know I can get a license, but I want to break the law anyway”. That is the motivation of criminals that the police need to spend its efforts on.
- Provides an additional source of revenue for the City to use and reinvest into its operators.
- Allows complete control over track and trace of products being made, packaged, and sold within City limits.
- Shared resources between cannabis operators brings the overhead expenses down, and promotes overall efficiency.
- Placing all licenses under 1 roof, with the appropriate resources such as security, will result in less police responses. This will allow Police to focus on other matters.
- This will give the City complete oversight over the licenses that occupy within these Hubs. That would ensure that all compliance standards are met between operators and the City.
- With proper selection of land and buildings, we can ensure that all project objectives are not only to be met, but in most cases lead to very beneficial outcomes.

Disadvantages or Rebuttals:

- “The initial cost of the building may seem like an unnecessary expense. “
However, “Per the current ordinance, an Equity Assistance Program shall be established by the City Manager once funding becomes available. The program shall be contingent upon Council approval, and shall include, but not be limited to, the following elements:

1. *Assistance in paying state regulatory and licensing fees;*

2. Assistance securing business locations prior to or during the application process;
3. Assistance securing capital investments (excluding loans and grants from the City)
4. Assistance in recruiting, training, and retention of a qualified/diverse workforce;
5. Business loans and/or grants to equity applicants.”

If the final cost of the project is deemed “too high”, money is always the easiest and the last thing that should be sought for. Private capital and capital from cannabis operators is also very possible. Finances should not be the reason why this proposal should be rejected. It should instead at the very least be kept an open conversation for all operators to send their comment until the proper leadership form that takes the word of majority cannabis operators in Fresno such as a cannabis committee or equity group. Fresno is one of the last counties to launch an ordinance; but that means the City has the option right now to either set the standard for how other Equity programs operate in the State, or go down the path of Calaveras County with numerous lawsuits for how unfair the program was conducted.

The other problem with letting the free market and operators choose where to work, is very quickly we see real estate investors snatch up all desired areas. Then the rent that was originally \$1.50 a sq ft, shot up to \$3 a sq ft, and steadily increasing every year without any care for the cannabis program or the operators. Another alternative to the City not owning the building, is to have an RFP process the same way for land developers to ensure that all interests will be taken into account and the correct party will be in charge.

- “An applicant shouldn’t be limited to a sq footage space, the City wants to welcome big business.”

When the Environmental Impact Report issues information such as the City only can give out the 700,000 sq ft combined for the manufacturing, distribution, and cultivation license; and then you have big operators in the State currently creating warehouses over 100,000 sq ft just for their operations. It puts the mindset in all cannabis operators that have been working here their whole life that the City has officially turned its back. So in short we just want to take care of our local talent first. Lets just make sure that we have a path for these guys so that at least big business can operate and not to have to worry so much about the Black Market.

If we decide that in the future we want to license out more space, great!. It's always easier to start small and go big. Once the little guys are taken care, the City can take steps to grant applicants more square footage for their operations. We're not against big business, we are against the City ignoring its own talent pool even after years of arrests and neglect. So in fact, we want big businesses to enter, but only through Fresno residents and to ensure that wealth, licensing, and real estate is spread fairly.

Taking it the Next Step:

At some point we will realize that 700,000 sq ft is pretty small. Once we have one fully completed, replication is easy. At the same time, hopefully, we have the same operators that are looking to expand. Great! We have cultivators that only had 10,000 sq ft, and now they want their own 40,000 sq ft. Those are good problems to have.

The City has the option to either grow with the applicants, or just serve as a home base. Provide a secure starting point for all operators of all all ages coming to the legal market regardless of color, income, or background.

These Cannabis Hubs would set the standard for cannabis programs in the State and would serve to be extremely beneficial to residents, operators, and City interests alike.

Proposal 2: Uncapping Licenses, Capping Square Footage

Problem III: The City is only giving 16 licenses that will be a mix of cultivation, distribution, and manufacturing. So that means all of the 150+ 'Mom & Pop' cannabis businesses that have been operating for years, will be forced to not only battle for licenses amongst themselves, but also now with more developed foreign businesses that are seeking licenses in the Central Valley.

Solution: Instead of capping the amount of licenses for each type, we should cap the amount of square footage for cannabis activities as a whole. This in combination of a fairer equity program and license issuance, will allow a much higher engagement of cannabis operators transitioning to the legal market.

The absolute main goal of the cannabis program is to divert blackmarket activities and create a tax revenue for the City. By allowing an uncapped licenses, but based on square footage, the city will financially be receiving more income just through applications and number of businesses.

Benefit:

- In Combination of Proposal 1: Cannabis Hub 2.0, the City will easily be able to oversee the square footage as well as make dynamic changes as per applicant.
- Even with 700,000 sq ft; the city could issue 5x the amount of licenses it currently wishes to issue. With the additional licenses comes more application fees and tax dollars.
- This proposal allows for small business owners that do not need large amounts of space to still compete and operate.
- With more businesses, we can also expect a slight increase in jobs from the original projection.
- One thing to take into account is that if we were to survey the average Fresno cultivator, it's on average 50 lights. Which in reality only equates to 2500 sq ft of canopy space; not the average 43,750 sq ft building space that is used as the calculation base inside the Draft EIR. So in short, you have more small batch high-quality cannabis operators versus massive commercial operators. That's important because Fresno has this talent pool that hasn't maximized their potential yet. Worst of all is the only option the City leaves for their own entrepreneurs is to either become an employee to a big business or stick to the black market and eventually get arrested for something that is legal. By utilizing this proposal, the City will ensure that operators of all business sizes will be able to compete in this new market and in turn make Fresno proud.

Disadvantages:

- "There will be too many cannabis operators in the City"

Specifically one of the Project objectives says to, "Encourage the commercial cultivation, manufacturing, distribution, testing and retail sales of high-quality local cannabis products that meet the demand for Fresno area cannabis and cannabis products, including the needs of medical patients and their caregivers, as well as adult personal use as authorized under Proposition 64;". At the same time we want to "Develop a program that encourages cannabis cultivators, manufacturers, distributors and retail sellers to operate legally and secure necessary permits and licenses to operate in full compliance with City regulations, maximizing the proportion of activities within the City and minimizing unlicensed activities;"

It's also important to note:

, 1) Large commercial cannabis operators are actually not known for high quality. In fact, you would see higher sales of small batch, high quality products. This could come directly from the City's very own operators.

2) We're actually not adding more cannabis activity or business that wouldn't already be there. What we are doing is adding more business owners to that pool and allowing more people to make decisions for themselves.

3) If we go down this current route of only the 16 licenses; do we expect the current blackmarket activity to just cease and desist? People that have paid their bills through cannabis for 10+ years, do we expect them to get a job at Costco or become now an employee of a cannabis business and make only 1/3 of what they were making prior?

So in fact by ignoring these operators we can expect them to continue to operate in the blackmarket, which will increase our use of City resources such as Fire, Police and other emergency services.

This is what was quoted from the Draft EIR, "Regarding fire protection services, it was noted that unpermitted indoor cultivation operations have resulted in fires, primarily as a result of faulty or substandard wiring and the high electrical loads associated with indoor growing equipment. With implementation of the Project, cannabis businesses would become licensed and be required to construct their operations in compliance with local and State building codes and regulations, thereby reducing the impacts to fire protection services. Similarly, it was noted that cultivation activities permitted by the Project would reduce the burden on police services, as currently unlicensed operations would obtain licenses and pathway for cultivation and allowing for more lawfully grown cannabis to enter the market, the Proposed Program may reduce incentives or opportunities for criminals to engage in unlicensed cannabis cultivation. Therefore, it is anticipated that there would be a reduction in the demand for police protection services."

Taking it the Next Step:

Even without the use of Proposal 1, this proposal still serves the interests of all business owners, City Officials, and residents alike. It allows more people to enter the market which in turn will drastically reduce the amount of blackmarket activity that takes place within City limits.

But in conjunction with Proposal 1, the city would not only be able to bring tremendous revenue, but the City would also have complete oversight of all operators to ensure that all compliance standards are met.

Proposal 3: Activate a Delivery Only License

Problem IV: The City is only giving out 14 retail licenses. Of those 14 only a “**maximum**” of 4 will be Fresno equity.

Problem V: The Environmental Draft Report also chose to ignore the individual Type-9 Delivery-Only License that is allowed by the Bureau of Cannabis Control.

That’s a HUGE flaw considering, in 2018 alone, Fresno had 150+ delivery services on Weedmaps, not to mention the various storefront dispensaries that existed.

Problem VI: With unfair equity language such as the words “**maximum**”, it’s very safe to expect that the biggest cannabis entities that are on nation-wide dispensary campaigns, are easily going to scoop up the licenses. And what is worse, is no more 5 years later, the few equity dispensaries that did exist, will be selling majority of their shares to OTHER big businesses because they will not be able to keep up.

So in less than 5 years, all 30 licenses are all controlled by large entities that have no care, love, or respect for Fresno. Do you think these large entities are going to buy their beach houses in Fresno? Do we expect their kids to go through our school systems? Or Expect them to spend money at our local grocery stores?

Solution: Activate a Delivery-Only license type that will live inside the Cannabis Innovation Hubs, and provide deliveries to Fresno residents.

Benefits from this Proposal:

- Balance out the cannabis ecosystem by allowing a path for the current 150+ unlicensed retailers and only 14 planned retail storefront licenses.
- Acts as a follow up plan for people who do not get a storefront retail license, which will still act to divert blackmarket activity.
- More cannabis businesses equals more tax and application dollars. The City of Oakland currently almost 200 licensed delivery services on top of their
- The delivery license has the lowest barriers to entry, which is important in a City where the average salary is \$19,226.
- The City can completely control this program by monitoring the amount of product each driver has, number of sales, camera footage, GPS etc. There are very specific Delivery-Only procedures that the Bureau of Cannabis Control holds all operators accountable to ensure public safety.
- With delivery to the private residence of the customer, it will decrease the likelihood that cannabis users will consume cannabis while operating a motor vehicle, in local parks, and public places. This will in turn help lower the DUI rate which is the highest in the State, along with making the public safer.
- The more delivery orders, will result in less traffic congestion around the storefront dispensaries..
- Deliveries provide the highest priority customer, medical users who depend on this product, a much more private and safe interaction. Especially with the impact of COVID, deliveries have soared specifically for this reason.
- By adding more cannabis licenses to local entrepreneurs, it will likely increase the chances that these people will buy houses in their communities and continue to raise families here.

Disadvantage:

- “More driver’s would add to emissions and lower air quality. “
If properly managed by responsible operators, especially those that do alot of sales, it's in their best interest to use a high efficiency vehicle. In fact, the Bureau of Cannabis Control requires operators to send in vehicle information, so at least the vehicle types are being tracked along with mileage and usage. What is not being tracked, is the type of vehicle customers drive to their dispensary. This could be old cars and trucks and that haven't passed their recent smog tests.
- “If not properly zoned, it will be a security issue.”
This type of business is in between an armored truck service and a pizza delivery. Security should be the highest priority regardless of the amount of sales or product. These operators will only need between 250-1000 sq ft of space to call home for their business. Instead of putting them in random stand alone locations within a green zone, it's critical to place them inside locations like “Cannabis Hubs 2.0”. Where there are multiple businesses that share resources such as security which is extremely critical for delivery operators. This issue could be insignificant with proper mitigation.
- “Too many delivery businesses will result in robberies and crimes within the city.”
The Bureau of Cannabis Control has very specific regulations for cannabis delivery drivers for things such as the amount of product assigned to a single driver, and even how long they can stay idle in the streets without an order. If for whatever reason the City deems that the \$3,000 of claimed product + \$2,000 of unclaimed product is too much or at least serves as risk for security, the county can choose to lower that amount as deemed necessary. This issue could be insignificant with proper mitigation.

Next Step:

In conjunction with Proposal 1: Cannabis Innovation Hubs 2.0, the city would be able to maintain oversight of delivery operators along with remaining licensees, which includes maintaining overall number of operators within the City.

In conjunction with Proposal 2: Uncapping licenses but Capping Square Footage, The City would be able issue more than 5x the amount of original licenses which will add a stronger path for blackmarket operators to transition into the legal market.

Whatever path the City decides to take, the only thing that should remain constant is that the delivery only licenses should be placed in locations that share other likely cannabis businesses. That is what is needed to prevent unmitigated issues.

Proposal 4: New Equity Program

Problem VII: The current equity language actually does not show to be fair, well thought out, or be beneficial to the majority of Fresno residents.

Problem VIII: There is a very long history of cannabis activity within City limits. These people however have had to operate in the shadows— avoiding law enforcement, credit history, banks etc. Some of which lack simple educational resources such as creating a successful business plan for the City's RFP process to even receive a license to operate.

Problem VIII: Since even before 1996, there's been thousands of arrests of residents that stem from cannabis charges. However some of those people at the time, again operated in shadows. That means even though in most cases the cannabis charges are not charged, it stems with cannabis and leads to additional charges that will haunt these veteran operators from receiving a license.

Problem X : The City of Fresno literally has its own talent pool of home grown operators that have the capacity to become a big business at some point. But the City would rather limit the amount of equity cannabis operators, limit the amount of homegrown business owners, and promote large foreign groups to apply. That's the most degrading thing any citizen can probably endure from their own local government next to demoting a business owner to now an employee of someone else. Here the City has easily over 250+ operators combined that work, live, pay their bills within City limits. More importantly thousands of incoming cannabis operators, and there is not a fair framework to assist with this growth.

Problem XI: It is estimated that less than 1 percent of the cannabis industry is owned or operated by people of color; Meanwhile 70% of Fresno's demographics are minority groups and people of color.

Solution: 1:1 Ratio of General to Equity Cannabis Businesses should get their license. Should a general business decide to incubate another equity business for X amount of years (amount deemed fair); both businesses will receive their license.

A general applicant that does not want to incubate, will have to wait until an equity business is independently licensed, following the 1:1 ratio.

The goal is to allow big businesses in, but only through the usage of supporting another local business, or being owned by a majority equity party.

Allowing Big Businesses is not a bad thing. Allowing big business to monopolize and kick out local operators is a bad thing. Not allowing a path for future generations of cannabis operators is a bad thing. The only outcomes that lead to is more money for the elite, and more people of color inside jails.

Benefits:

-By launching an effective equity program, it could be consistent revenue for the City for as long as there are cannabis operators working.

-A strong equity program should empower local operators and give them all necessary resources to be successful; not limited to real estate, educational skills, financial skills, and access to capital since most operators do not have access to banks.

-Local businesses that succeed will eventually reinvest in their local communities which includes but not limited to home ownership, better schools, and better communities.

-The 1:1 ratio of general to equity applicants is there to ensure that most large “general” entities will be forced to incubate a smaller business. This will force both sides to cooperate and find strategic partnerships. The general applicants that choose to not incubate, will be forced to continue to wait until the 1:1 ratio is either deemed complete by the City Council, or an equity key performance indicator has been met such as all equity businesses have dispersed the equity money or something to that extent.

Disadvantages:

“It will take too long to get cannabis businesses licensed”

So the first thing to do in order to secure a license in most cases is securing a piece of real estate. That is already a huge issue in the eyes of day to day people. Most people do not have the financial resources, or the educational resources to properly submit an application and business plan to the City. This revenue by law is supposed to undo unproportional harm affected to the people of color during the War on Drugs. That means their businesses should be not only receiving financial support, but also educational support to take our local entrepreneurs to the next level.

According the City of Fresno, the equity program is going to include but not limited to:

- 1. Assistance in paying state regulatory and licensing fees;*
- 2. Assistance securing business locations prior to or during the application process;*
- 3. Assistance securing capital investments (excluding loans and grants from the City)*
- 4. Assistance in recruiting, training, and retention of a qualified/diverse workforce;*
- 5. Business loans and/or grants to equity applicants.*

Additional Information: These model ordinances were pulled from the [Minority Cannabis Business Association Model Municipal Social Equity Ordinances](#) on how local counties should enact fair equity ordinances. The very first thing we need to do prior to creating an equity program is take accountability.

“Whereas the communities that have been most harmed by cannabis prohibition are benefiting the least from the legal marijuana marketplace;

Whereas a legacy of racial and ethnic injustices, compounded by the disproportionate collateral consequences of 80 years of cannabis prohibition enforcement, now limits participation in the industry;

Whereas 33 States and the District of Columbia have adopted laws allowing legal access to medicinal cannabis, and 11 States and the District of Columbia have adopted laws legalizing cannabis for adult use;

Whereas legal cannabis sales totaled \$12.2 billion in 2018 and are projected to surpass \$50 billion by 2026;

Whereas it is estimated that less than 1 percent of the cannabis industry is owned or operated by people of color;

Whereas applicants for cannabis licenses are limited by numerous laws, regulations, and exorbitant permit applications and licensing fees in these States, which can total more than \$700,000;

Whereas historically disproportionate arrest and conviction rates make it particularly difficult for people of color to enter the legal cannabis marketplace, as most States bar these individuals from participating;

Whereas Federal law severely limits access to loans and capital for cannabis businesses, disproportionately impacting minority small business owners; and

Whereas some States and municipalities have taken proactive steps to mitigate inequalities in the legal cannabis marketplace and ensure equal participation in the industry.

Model Ordinance: Cannabis Social Equity Licensing Program

- This ordinance defines Equity Program eligibility based on several demographic factors. “Low Income” means below 80% AMI. “Member of an Impacted Family” means arrested or convicted for a cannabis charge. “Resident of a Disproportionately Impacted Area” means someone who lived in an area with disproportionately high cannabis arrests.
- The diversely-representative Cannabis Social Equity Commission will provide ongoing advice to the local government about implementation of the Municipal Social Equity Ordinance and administration of the Cannabis Social Equity Fund.
- The Cannabis Social Equity Fund will financially support Social Equity Program participants through workforce development, start-up costs, consulting services and technical assistance.
- The Social Equity Study will identify “Disproportionately Impacted Areas”, areas with high cannabis arrest rates used for the ordinance’s equity eligibility criteria.
- Individuals may qualify for one of three tiers of the Social Equity Program. Tier 1 and 2 participants must own a percentage of a cannabis business and demonstrate financial need to participate. They receive waived licensing fees, access to loans/grants, technical assistance, etc. Tier 3 participants must incubate or fund Tier 1 or 2 participants. All participants receive priority review and processing of their local licensing applications.
- Tier 1 and 2 participants will also have access to low-interest (or no-interest) loans for operating capital, Social Equity Fund grants, incubation opportunities from Tier 3 participants, and fee waivers.
- Tier 1, Tier 2, and Tier 3 participants will have their applications reviewed in order of their tier, with General Applicants (non-Equity Program) last. The local government will review applicants’ business documents on an ongoing basis to confirm their continuing eligibility.

Model Ordinance: Reinvestment of Local Cannabis Fees and Taxes into Communities

- This ordinance would dedicate a percentage of local cannabis tax and non-licensing fee revenue to support a Community Reinvestment Fund to, at a minimum, provide reentry services, job training, and criminal record-change assistance to residents of Disproportionately Impacted Areas.

Model Ordinance: Reducing Barriers to Entry into the Cannabis Industry

- This ordinance bars local governments from discriminating against licensing applicants on the basis of their substance use treatment history, or convictions unrelated to honesty (e.g., fraud, deceit, embezzlement), and background checks can only be used to check for these convictions.

Model Ordinance: Permitting Cannabis Consumption Lounges

● This ordinance creates a basic framework for permitting cannabis consumption lounges, while leaving specific zoning requirements to local governments. Local governments are authorized to regulate consumption lounges where cannabis may be used on-site, but no more restrictive than state law regulates them.

Model Ordinance: Resentencing and Record Expungement for Cannabis Offenses

● This ordinance authorizes local government to facilitate resentencing and expungement to restore the civil rights of prior cannabis arrestees, and to fund these efforts through cannabis business taxes. This can include automation, fee waivers, and funding legal fairs and lawyers to publicize and execute these changes.

Model Ordinance: Making Cannabis Offenses the Lowest Law Enforcement Priority

This ordinance instructs and authorizes local law enforcement to de-prioritize cannabis investigations (except as conducted in conjunction with licensing authorities) and arrests. The possession or smell of cannabis will no longer constitute probable cause for investigation or arrest.

Model Ordinance: Eliminating Suspicionless Drug Testing

● This ordinance prohibits employers from drug-testing workers who are not in safety-sensitive jobs, without reasonable documented cause; random drug-testing is prohibited.

Last Words

In short, this equity program is the City of Fresno's to write. But know that history is being made everyday that passes by, and we decide where we want to be in the history books. Did we write a program to benefit the masses, or only the few? This will be something that stays on the minds of not only you, the elected official, but also the business owners whose fate lies in your hands. Emotions will be high when we realize the only way to pursue a license is to uproot families and move elsewhere.

We have the resources and most importantly the experience from other counties to not only write an equity program that benefits the operators and the City, but to set the standard for how all cannabis programs are to be managed.

Fresno operators have the potential to make the City extremely proud and give places such as Humboldt County competition with the amount of high-quality products that enter the market.

Resources

Draft Environmental Impact Report- April 2020

<https://www.fresno.gov/darm/wp-content/uploads/sites/10/2020/04/DraftEnvironmentalImpactReportVol.1Cannabis.pdf>

Status of Equity Funding- July 2020

https://bcc.ca.gov/about_us/documents/equity_grant_funding_report.pdf

Minority Cannabis Business Association Ten Model Municipal Social Equity Ordinances - July 2019

<https://cannabis.ca.gov/wp-content/uploads/sites/13/2019/07/MCBAs-Ten-Model-Municipal-Social-Equity-Ordinances.pdf>

Large dispensaries with congested traffic becoming problematic -August 2020

<https://www.wehoville.com/2020/08/13/melrose-area-residents-are-finding-cookies-distasteful/>

Cannabis Retailer (non-storefront) Fact Sheet- February 2019

https://bcc.ca.gov/about_us/documents/19-079_retail_nonstorefront.pdf

Jay -Z's Cannabis company Caliva receives millions in PPE protection while the majority of cannabis businesses were immediately disqualified.

<https://www.law360.com/articles/1291114/jay-z-backed-pot-business-got-millions-in-ppp-money>