

Dialogue4Health Web Forum

Marijuana and Public Health: Opportunities for Equitable Policies and Approaches Thursday, December 14, 2017

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>> Laura Burr: Welcome to today's Dialogue4Health web forum: Marijuana and Public Health: Opportunities for Equitable Policies and Approaches, brought to you by our partner CA4Health. We thank the California endowment for funding today's event. My name is Laura Burr and I will be running today's web forum along with my colleague, Tonya Hammond.

I would like to introduce our moderator today, Kristania De Leon. Kristania is a project manager for CA4Health. She has worked and volunteered with a range of organizations addressing domestic and international women's rights, homelessness, education and promoting diversity. She joined the Public Health Institute in 2011 where her work focuses on public policy and advocacy, developing community-driven programming, capacity building, and bringing social justice issues to the forefront of public health efforts across California. She obtained her BA in international relations from the University of British Columbia and is currently an MA candidate in social innovation at the University of San Diego's Kroc Institute of Peace and Justice.

Welcome, Kristania.

>> Kristania De Leon: Thank you, Laura. And thank you, everyone, for joining us for this web forum today. I want to briefly share a little bit about CA4Health. And today's session as well as this topic for today's event. For those who may not know, CA4Health is a statewide community of practice comprised of individuals who are diverse and passionate and committed, as well as organizations to jointly advance obesity prevention and health equity across California. They provide platforms for intersectional thought, dialogue and actions and believe that increased collaboration and fostering nontraditional partnerships and tackling tough challenges together will create impactful lasting change in California.

So if you're in California, we invite you to become a member of our CA4Health community.

You can learn more about us and complete a free membership form at CA4Health.org.

In terms of today's session, since the passage of Proposition 64 that legalized recreational marijuana use for people over 21 in California, CA4Health has become increasingly aware of questions about marijuana amongst our stakeholders, many of which are very disparate and very different types of conversations. To ensure we have space to build capacity and understanding about marijuana and legalization, we developed this webinar series intended to look at three key issues: Our health, our communities, and how we facilitate equitable policymaking.

We hope that as a whole it will provide a solid foundation for expanding our basic understandings and offering pathways to view marijuana issues through an equity lens. Our first

session took place on November 14 and focused on the scientific findings around marijuana use. The second was on November 30 about the impacts of criminalization on our communities. So if you missed either of those sessions be sure to watch the recordings at the Dialogue4Health website, especially if you have questions about the topical areas that we may not be able to get to today.

So now it is my pleasure to introduce Mr. Derek Carr who will be moderating the majority of our sessions.

He is staff attorney with Change Lab Solutions. Derek works on issues related to air quality, healthy housing, control, healthy eating and active living. Prior to joining Change Lab Solutions, he was a Legal Fellow for the Network of Public Health Law in the Southeastern Region where he focused on drug overdose prevention. Derek also worked on Medicaid advocacy issues as a legal intern at the national law program in the North Carolina office. In law school, Derek spent multiple terms in the Legal Assistant Clinic providing direct legal services to low income individuals on housing and employment matters. Derek received both BA in public policy and political science and his law degree from the University of North Carolina. Thank you so much, Derek.

Welcome.

>> Derek Carr: Thank you for the interest deduction. I want to start by thanking Kristania De Leon, Susan Watson, Dialogue4Health and the Public Health Institute for inviting me to moderate today's forum.

Just to start out I have to give you the spiel why I'm a lawyer, I'm not your lawyer and at Change Lab Solutions we don't offer legal adviser enter into attorney-client relationships.

For those of you who haven't worked with us before, Change Lab Solutions creates innovative laws and policies to ensure every day health for everybody. Our solutions address all aspects of a just and thriving community like housing, childcare, transportation, public safety, and the environment.

I want to start by setting the stage for our discussion on opportunities for equitable approaches to cannabis policymaking, by framing some questions, summarizing where and how Proposition 64 addresses equity and highlighting some of the areas where Change Lab Solutions is thinking and working at the intersection of equity and cannabis policy.

When thinking about how to apply an equity lens to policymaking, whether cannabis policy or otherwise, I find it helpful to think about these three questions. First, who has been harmed? This harm can take a variety of forms and come from many different sources. The second forum in this series discussed the consequences and legacy of the criminalization of communities of color by the war on drugs. And this type of government inflicted harm, whether resulting from intentionally racist policies, systemic racism or implicit biases that undermine even well intentioned policies, is rightfully the first thing that comes to mind when thinking about the harm caused by the last century of drug policy. When placed in a broader context of policies that have had multigenerational effects from Jim Crow to the red-lining of black and brown communities, the need to prioritize equity and particularly racial equity in cannabis policymaking moving forward is clear. Given that need for an equity first policy approach, the second question asks who stands to benefit from policies and how. Our speakers today will discuss much more eloquently than I could the need to assure that the economic benefits of the legal cannabis market are received by the communities most harmed by past or even current policies. But I want to recognize that thoughtfully and deliberately answering and addressing these questions is fundamental to equitable cannabis policymaking. Finally, we must ask how do we prevent future

harm. As you'll hear throughout today's presentation this harm can come from government policies that continue to be enforced inequitably but also from unintended consequences from well-intentioned policies, or from deceptive industry practices like those we have seen in alcohol and tobacco industries. Just as important to ensure that those communities most harmed by past policies benefit from legalization, it is vital to ensure that those communities nor other communities experience further inequities as a result of a legalized cannabis industry. Keeping this in mind, let's look at how Proposition 64 and who will policymaking has or can answer some of these questions.

Before getting into specifics, I want to pull back for a moment to think about the broader policy landscape for California's legal cannabis industry. Now, Proposition 64 does a lot. The laws and regulations span more than 500 pages, which is what us lawyers refer to as job security. But to vastly over simplify things, Proposition 64 and related laws establish a comprehensive system to legalize and regulate both medical and nonmedical cannabis use, cultivation, sales, and nearly every other aspect related to the cannabis industry such as advertising and state and local licensing for cannabis businesses.

Under this system local governments maintain tremendous amount of discretion on whether to allow commercial cannabis businesses to operate in their community and, if so, the conditions and limitations placed on those businesses. The laws also impose several restrictions on where cannabis can be smoked or otherwise consumed.

And you'll notice that in all that will I didn't mention equity once. That wasn't an oversight. Prop. 64 does include some equity focused provisions. It allows for individuals convicted of some cannabis related offenses to have their convictions expunged or reclassified. It directs a small amount of tax revenue to support services for communities disproportionately affected by past state and federal drug policy. But otherwise Proposition 64 largely remains silent on equity issues such as who will receive the economic benefit of a legally regulated cannabis industry or how does it protect further harm to vulnerable communities.

But if you recall from my last slide, local governments have a lot of control over shaping what the legalized cannabis market will look like in their communities. As today's speakers will discuss, local government is where the most significant and exciting opportunities exist for equity policymaking and approaches to cannabis.

A lot of attention is focused on the potential economic benefits of legalization, and rightfully so, but as someone who approaches cannabis policy from both a equity and public health perspective, I also think it's important to not lose sight from any unintended consequences from our policy decisions. For example, thinking about how the legal industry will affect land use and property values in and around communities, how will cannabis policies be enforced, and will cannabis markets consolidate like the alcohol and tobacco industries did, resulting in an industry consolidated into a handful of entities with little or no connection to the communities in which their products are sold.

So let's look at some concrete examples. This map from the Denver post shows the location of cannabis businesses overlaid with median household income. Each dot represents one cannabis related business, and the shading represents the median income. The lighter the shade of purple, the lower the median income.

As you can see in the orange rectangles, all cannabis businesses are overwhelmingly concentrated in low income neighborhoods. In concentration is particularly pronounced for cultivation and manufacturing facilities that can have detrimental effects on the surrounding environment.

This clustering of cannabis businesses mirrors what we see in both the tobacco and alcohol context where retailers are concentrated in low income communities and communities of color. Research showings a strong correlation between a higher concentration of stores and higher consumption of the products they sell. So this means that individuals in these communities may be at a higher risk for the various health conditions associated with the use of alcohol, tobacco, and now cannabis.

Another area with a potential for unintended consequences involves restrictions on where cannabis can be legally smoked or otherwise consumed. Under Proposition 64, consuming cannabis is prohibited in all public places regardless of how it is ingested. Regardless of whether it's smoked, vaped, eaten or using something like a tincture. Additionally smoking or vaping cannabis is on prohibited in any location where tobacco smoking is prohibited by state or local law. And as many of you know, dozens of communities here in California have smoke free housing regulations that limit smoking tobacco or cannabis in multiunit housing like apartments or condos.

The practical result is that in these communities, those living in multiunit housing may not have anyplace where they can legally smoke cannabis.

And I want to be clear that this is not to say that smoke free housing laws shouldn't exist. To the contrary, studies consistently show that communities of color and low income communities are significantly more likely to be exposed to second hand smoke at home which increases their risk for cancer, heart attacks, stroke, asthma, and other chronic diseases. Reducing health disparities and advancing he health he will equity requires more, not less, access to smoke free environments.

At the same time, we need to ensure that these policies are enforced equitably and do not exacerbate existing inequities or harm. For example, after cannabis legalization in Colorado and Washington State, citations for white individuals decreased, but citations for black and Latino populations actually increased mostly as a result of citations for public consumption. Conscious efforts are needed to prevent such outcomes.

Likewise, everyone deserves the right to healthy housing, but we also need to ensure that the enforcement of policies designed for the protection of people's health don't result in eviction or other health harming consequences.

We must also consider the broader context in which enforcement occurs such as how individuals' immigration status or inability to pay fines could contribute to inequitable outcomes. Here are a few other equity questions that other speakers will address in greater detail during today's webinar. I hope that the examples as well as the three questions I posted earlier, who have been harmed? Who stands to benefit and how? And how do we prevent future harm? Have provided helpful context and framing for today's conversation. With that I want to thank you for listening and introduce our next speaker, Leslie Valencia. She holds a Bachelor of Arts in Architecture, Masters of City Planning, and the Interdisciplinary Graduate Certificate in Real Estate from the University of California Berkeley. As an independent consultant and researcher, Leslie completed one of the most comprehensive studies on equitable cannabis policy, taking an in-depth look at Oakland's Equity permit program within its local, state and national context. This research was completed under the University of California Berkeley and in partnership with The Greenlining Institute. She is currently working on an online academic hub and policy toolkit, titled Cannabis Equity Org, that will be launching in Spring of 2018. Leslie also holds expertise in affordable housing, community-based participatory research, sustainable design, and recycled water reuse.

I will turn things over to Leslie.

>> Leslie Valencia: Thank you so much, Derek. It is an honor to be part of this webinar alongside the other featured panelists. So I completed this report, Equitable Cannabis Policies as part of my Master's in city planning program at UC Berkeley in partnership with the Greenlining Institute who played an invaluable role on advising on the racial framework throughout. Since I completed this research in May of 2017, a lot has changed at both the state and local level. Just a month after publishing it, actually, California Prop. 64 merged the medical and adult use regulations when it was discovered that distinction was important. And on November 16, emergency regulations were released threatening some of the equity components at the state level, such as the five-year ban on cultivation licenses. These regulations are being challenged and will be reimplemented as local efforts gain momentum and take shape. But first what exactly is Equitable Cannabis Policies? Well, it definitely was a field that did not exist yet in academia, which is why I am now developing Cannabis Equity Org, a toolkit for this topic. At the time, however, it was a movement that was merging in the field and lucky for me it was occurring right here in Oakland, California. There are, of course, large organizations that focus on drug policy reform and criminal justice advertise, but there weren't any that explicitly focused on cannabis policy and racial and economic justice. It was just as I began my research that these types of organizations began to emerge. And it was at the minority cannabis business association policy summit in November of 2016 where most of these organizations were able to participate in the first known 100 percent people of color funded and organized policy summit around equity and cannabis in Washington, D.C. The definitions I developed for Equitable Cannabis Policies was taken from the Greenlining Institute's definition of racial equity, resulting in giving people of color access to the economic benefits of the cannabis industry. Oakland's definition also includes the term "ownership" and employment opportunities as well as the importance of decreasing disparities as part of their definition.

The framework that we use was based on first identifying the main barriers that would prevent people of color from accessing the economic benefits of the cannabis industry, and then framing it as a solution, which resulted in pushing forward data driven definitions for data driven outcomes, implementing measures for preventing discrimination, creating incentives for ethical business models, ensuring an equitable distribution of the tax revenue, and assisting the identified population in transitioning into the regulated market.

A large inspiration to our initial framework was based on the concept of restorative justice, which focuses on repairing the harm caused by criminal behavior through a cooperative process. We quickly learned, however, that this criminal behavior was a direct result of the criminalization of cannabis and people of color. This then brought us to explore the concept of transitional justice in our framework. Large scale past abuses date back to the early 1900s when the term marijuana was used as anti-Mexican propaganda influencing some of the country's first anti-immigrant policies.

A study by the ACLU also found that cannabis arrests were central to the war on drugs. Around 2010, more than half of all drug arrests in the country were for cannabis possession only. And despite consuming cannabis at the same rate as whites, blacks were about four times more likely to be arrested for it. These racial disparities have translated into our prison system. Most of these drug offenses shown on this chart are really just people of color who were imprisoned for cannabis possession.

Fortunately, medical and adult use cannabis is being regulated in many states. However, racial disparities in cannabis arrests have remained even after legalization.

At the local level, there are even more drastic and the regulated industry has remained racially homogeneous as a result.

So what are the economic benefits that we should ensure are also accessible to those who have been most impacted by the war on drugs? Well, California is expected to become the largest cannabis market in the world and is expected to collect \$1 billion in tax revenue each year. The market is also expected to grow at an incredibly rapid rate as measured by the compound annual growth rate, which I am more than happy to go into in the Q&A.

This slide, cannabis crash course, I show the visualization of the supply chain, to show case where local and state taxes can be potentially implemented. This potential tax revenue is definitely what is motivating other states to regulate cannabis.

Equitable Cannabis Policy has been implemented really through government programs. These initiatives aim to address some of the harm caused by the criminalization of cannabis and people of color who have been disproportionately targeted, arrested and convicted for it. Oakland is definitely the pioneer of in permit program and has since influenced other jurisdictions and states to adopt one as well.

These programs all generally consist of qualifying criteria, discrimination efforts, decriminalization efforts, sorry, and access to certain benefits that address the highest barriers of entry.

So Oakland, Los Angeles, and San Francisco are the cities that have all successfully pass the equity applicant criteria and benefits. Before the state deadline of January 21, than 2018. It is my understanding that Oakland proposed a regulation as well, but I'm not sure it has been implemented.

Los Angeles expanded the will et.

After advocacy work, San Francisco did as well. An Los Angeles also developed a tier system which is unique. And San Francisco decided to include other criteria that included family members and UCSD attendance as part of their criteria as well. All three programs have income re-instructions and offering priority processing by maintaining a one to one ratio between equity applicants and general applicants.

Technical assistance waived fees are common and ownership is defined in all three ordinances in order to protect equity applicants of their financial interests.

There are also criteria for general applicants who have tangible resources to offer. Through this program called an equity incubator where they are encouraged to partner with equity applicants by providing a specific square footage of free real estate to them, in return for priority permitting processing.

Incubators are also required to hire locally and responsibly, usually by hiring people that are also fit the equity applicant criteria. In San Francisco we are still pushing to get clarification of the exact format of the incubator program. I'm a happy to go more into that or any of these in the Q&A as well.

So this is a policy assessment that I developed in order to evaluate existing and emerging cannabis equity policies and programs that I hope will be useful to community members and policymakers.

And this is a graph the counties in California with the largest disparities in cannabis possession arrest rates to hopefully encourage local community members, organizations, and officials in embarking on equitable cannabis policy.

Again, thank you for having me. I'm happy to answer any questions in the Q&A. And feel free to also contact me directly with anything that has to do with Equitable Cannabis Policies. Thank you.

>> Derek Carr: Thank you, Leslie.

I would like to introduce Gregory Minor. Greg is an Assistant to the City Administrator for the City of Oakland where he has overseen the permitting of cannabis businesses since 2014. Earlier this year, Greg co-authored a race and equity report that analyzed the impacts of proposed cannabis regulations on historically marginalized populations in the City of Oakland and made recommendations for a more equitable cannabis industry. Greg is now in the process of implementing these recommendations.

Prior to working in the City Administrator's Office, Greg worked in the Oakland City Attorney's Office as a Neighborhood Law Corps Attorney. Greg has a joint city planning and law degree from the University of California, Berkeley.

Thank you for joining us today, Greg.

>> Gregory Minor: Thank you so much for having me. And I feel very fortunate to be part of this discussion today.

So I was going to provide a little bit more background on how the City of Oakland has approached regulating cannabis over time. And maybe offer a little bit more, build a little bit more on our last speaker.

So before I get into that, though, I wanted to share a quick story from a couple years ago when I visited the City of San Francisco and I visited my counterpart, who regulated cannabis dispensaries there.

We were trying to learn a bit more about how they approached on site consumption. But what actually stood out to me more was the appearance of two dispensaries, two licensed dispensaries that were just a couple blocks from each other. The first one here I think it's called ReLeaf Herbal Center. There's bars on the windows and bars on the gates. That actually was because at the time it was permitted this was one of the, I guess, original, one of the first dispensaries in the City of San Francisco. The city actually required that they had bars on their windows and bars on their gates because at that point in time the city thought they needed that in order to be safe. A couple years later they realized that actually makes the dispensary look rather dangerous. Looks like they have something valuable inside and it should be broken into. So then by the time the next dispensary opened up a couple blocks later, at that point in time city policy mandated that they could not have bars on their windows. It has this beautiful appearance. This dispensary is called Sparc, another cannabis pun in its name. This one is referred to as the Apple store of dispensaries. It is very beautiful and won architectural awards. I use this example. I think our first speaker touched on it, but simply how government policies can get things completely wrong. Even well intentioned government policies can get things wrong. But I also think it's an example of how governments can learn and evolve over time. So sort of with that introduction, I would segue into the City of Oakland and how we've approved cannabis policy over time.

So on this slide, the items highlighted in red refer to California state laws related to cannabis that passed. Then the items in black relate to developments in the City of Oakland.

So medical cannabis has actually been lawful in the State of California longer than anywhere in the country. Back in 1996 when proposition 215 passed. It was very short and very vague. It basically said that patients should have access to medical cannabis. Even when in 2004 the state legislature tried to clarify things a little bit with SB420 and created the whole ID card process and

recommendations, it basically was sort of complete mess and left cities and counties to come up with their own policies, all while this activity was illegal under federal law.

The City of Oakland was seen as rather progressive. Early on we had our first dispensary, even though they weren't called dispensary. OCBC, they opened up and the federal government shut them down. It went to the U.S. Supreme Court and they lost. The federal government one and OCBC lost.

After OCBC closed, a host of unpermitted dispensaries popped up. That's what I'll touch on later, that Oakland got the reputation for being sort of Oaksterdam and having all these dispensaries around.

In 2004 the city created licensing processes where they created four lawful dispensaries. At the same time the voters in Oakland passed measure Z which did a couple thing including making adult cannabis offenses the lowest law enforcement priority. Even though we had lawful retail establishments we didn't have any lawful facilities in which the plant was produced or manufactured. So in 2010 the city passed a law to license some large cultivation facilities. I think there's a lot of talk about potential revenue for the city at that time.

But before it could be implemented the federal government basically threatened to intervene. It was never implemented.

In 2011 we doubled the number of dispensaries, but really there has been no regulation of the supply side.

Finally in anticipation of Prop. 64 and recreational or adult use passing, in 2016 all these different interests across the state got together and passed what at that point was called, I think it was the medical marijuana regulation and safety act, MMRSA and later changed. That established a regulatory structure across the whole state for a supply chain.

Once that passed, the City of Oakland looked at mirroring that model and licensing the whole supply chain. Around 2015 we discussed legalizing the whole supply chain. We were basically on track to look a whole lot like Colorado or the State of Washington, and we would have licensed cultivation facilities and manufacturing facilities and all that. But then our elected officials wisely started to question, well, who benefits with legalization? Particularly council member Leslie Brooks. Who gets the permits and why is it everywhere that cannabis is legalized at the end of the day it tends to be white males who are the ones with the permits in hand.

And especially in contrast to the enforcement practices. Is it because people of color don't know how to grow a plant or sell a plant? Is there something else going on? Between 2015 and 2017, different proposals were thrown out, but what I think finally kind of got us over the hump is staff was asked to do a formal race and equity analysis of the issue and find out how to make, to come up with, analyze both where we have been and how can we create a more equitable cannabis industry in the City of Oakland.

And I benefited greatly from my colleague Darlene Flynn who is the director of our Department of race and equity which was just created last year. At the time she was a one-person department, but she provided a really helpful framework that is outlined on this slide. It can't be probably over stated that it is essential that you actually agree upon a goal. Before you start jumping to solutions. Ours was essentially creating a more equitable, wealth building opportunities for people of color and overcoming the disparities created about I the war on drugs. Let's jump to looking at what is happening before we jump to solutions. Once we identify the barriers to equity, what are some strategies that can overcome that.

This slide shows a summary of cannabis arrests in the City of Oakland for, I think it's between 1995 and 2015. Then also a rough breakdown of the City of Oakland's population. And

obviously, these stats are terrible, but they are actually not that uncommon across the country. Or across California. African Americans and Latinos have been arrested disproportionately during this period of the war on drugs. That is pretty much been the case across the board. What makes the City of Oakland unique and some other, quote, progressive localities is that at the same time where we have this disparate enforcement practice against people of color, we have this effective non-enforcement policy towards basically the white side of the industry. So our friendly policies, our Measure Z, lowest law enforcement policies, basically benefited one side of the industry with our hands off policy, and I noticed sort of in reporting on our program people tend to emphasize the law enforcement statistics because they are statistics and it is easier to measure. What is not so easy to quantify is this non-enforcement. But for better or for worse, in Oakland it was so obvious. We have examples like Oaksterdam where the federal government, I think it was around 2012 shut them down and they knew the city supported this industry so greatly, the federal government didn't even inform the City of Oakland of the raid ahead of time. That's one tangible piece of evidence, but I think we all -- there's lots of things, lots of anecdotes why people are getting stopped with a car full of weed but never getting arrested and things like that that over time exacerbated disparities.

And basically allowed folks who had a head start to get even further ahead.

So when we broke it down between sort of our barriers and strategies in terms of promoting more equitable industry, probably the two largest barriers we identified were access to capital and access to real estate in order to establish a lawful business.

So our main strategy is to address that in terms of access to capital. We are going to use tax revenue from the cannabis industry itself to provide no-interest business start-up loans to equity applicants to help them start their business. The City of Oakland is relatively under resourced and we don't actually have that money yet. Rather than just continuing the status quo until we collect that money and letting the status quo, the disparities get wider and wider, we are restricting the issuance of permitting until that revenue comes in. So that half of all the permits we issue have to go to equity applicants. That creates, prioritizes them in the permitting process. Then to address the barrier of access to real estate, we created this incubator program. Whereas a non-equity applicant that we refer to as a general applicant, who typically has more resources, if they provide free space to an equity applicant to operate their business for three years, then the general applicant gets their permitting prioritized as well. Hopefully that is a win-win opportunity that allows the equity applicant free space in a experimented zone to operate their business. Then the general applicant gets the certainty of moving forward were their own business. And because of this unique moment in time with the legalization of adult use around the corner, we have some very motivated people that are more motivated to do these, to provide for space than they would be a couple years from now. So we are trying to basically channel their self-interest towards our broader equitable goals.

One of the last major barriers is just how complex this industry is. Anybody who kind of works on this is familiar and probably confused themselves. Laws change all the time. There's lots of different technical aspects to just creating products and starting a business and you layer on top of that all kinds of complex local and state rules, it makes it very challenging for people who haven't had the benefit of participating in the lawful industry for the last two decades. So we are using again some of our tax revenue to hire consultants, a team to provide technical assistance to equity applicants.

So free business plan workshops, consulting free consultations, actually helping them match up with general applicants, providing networking opportunities. So that's been in motion for the last few months. We'll continue to evolve over time.

This slide here highlights a whole bunch of ongoing issues, some of which are maybe broader than the topic today. I would just sort of emphasize maybe the last aspects since we are focusing on our equity program. My colleague, Darlene Flynn, the director of race and equity, has said a couple times that it's rare to create something brand new and get it perfectly right right out of the gate.

We are mindful of the fact that we've created a new program and there's localities of things we tried to think about but we didn't anticipate or we haven't thought about. So one example is the need for a partner matching website. We actually had to create a whole new website to help connect the general and equity applicants who are basically bridging socioeconomic classes that never would have been in touch with each other. They needed a sort of neutral platform to kind of meet.

Then just getting information out about our program is a big challenge. Then just in general transitioning this industry that has been unregulated or in the dark in the under ground economy into the regulated market and trying to be mindful of all these little barriers. The delivery service that has been operating out of someone's home. Now that we are pushing them into a commercial zone or imposing insurance requirements, how do we make sure that the little guys will be able to qualify.

So yeah, I'm happy to touch on any other topics. And I'm remembering some of the other aspects of the program. Like we have equity applicants are eligible for fee waivers. They don't have to pay city fees when they apply. There's lots of details that I probably omitted from the presentation that I'm happy to answer later on today or after the presentation if folks want to shoot me an email. Thanks again. Happy to answer any questions.

>> Derek Carr: Thank you, Greg. I want to move now to our next presenter, Jim Keddy. Jim Keddy is the Executive Director of Youth Forward and a consultant to social change organizations. For thirty years Jim has served as a leader in social change efforts in California. He is the former director of PICO California, a statewide association of community organizing efforts, and served as a vice president at The California Endowment, one of the state's largest charitable foundations. While at The Endowment, he played a primary role in developing the foundation's youth organizing strategy.

He began his work in promoting racial and social justice as a high school and college activist and entered the community organizing field in his early 20's. He has been a member of several non-profit boards including the boards of The California Endowment, Public Health Advocates and the California Budget and Policy Center.

He currently serves on the board of Families Now, a child welfare advocacy organization. He is married to Gina Martinez-Keddy and is the proud father of 2 adult children. He is a worm rancher and a guitar player.

With that I'll turn things over to you, Jim.

>> Jim Keddy: Great, thank you, Derek. I want to thank and recognize the amazing work that is going on in Oakland and the terrific work of Greg, Leslie and Change Lab Solutions.

And you'll see in my presentation, I'm going to touch upon many of the same perspectives that the prior speakers have mentioned. However, what I'm hoping to do is to bring more of a community point of view to this conversation. I have been part of a coalition organizing here in

the City of Sacramento for the last several months. And this coalition has been organizing on a range of equity issues related to the marijuana industry.

I also have been assisting grassroots groups in other parts of the state and learning about these issues and helping to develop strategies at the local level to inform how cities and counties develop marijuana policy. I'm hoping to add some local context.

As with the other speakers, the primary question that we're looking to address here: In what ways will the legalization of marijuana and the development of a legal industry contribute to a more equitable society?

And in what ways might these changes exacerbate inequities?

As we have heard from the other speakers, the devastating impact of the era of criminalization, particularly on African American and Latino families. You know, the community where I live, marijuana arrests send people to prison, separated families, separated children from parents and significantly increased poverty.

The legacy of the war on drugs, we are talking about multiple impacts, reduced access to affordable housing, vacant and blighted properties in the neighborhoods that were most focused on by law enforcement, struggling entrepreneurs of color. Of course, life long joblessness for people with felony convictions.

As Greg mentioned we are seeing in every city that has done a study the racial bias in marijuana arrests, particularly with a negative impact on African American communities. I also wanted to, I think it is important to note that on so many of these arrests for marijuana in the past were simply for possession. In Sacramento, just by way of a local story, we have a city that has been supportive of the marijuana industry for some time. We have 30 medical marijuana dispensaries here. And the city has been moving aggressively to provide permanents to businesses in the areas of manufacturing and cultivation and testing. And the city developed the whole policy strategy without really taking into consideration racial and health equity issues. We do not have city leadership early on that, unlike Oakland, that chose to lead on those issues. When we approached the city one of the first things we asked them to do was to do an analysis of marijuana arrests. We discovered that African Americans were disproportionately arrested. 43 percent, while only making up 15 percent of the population. And as we talked to grassroots groups in other parts of the state, we were encouraging them to approach their city or county and to urge the cities and counties to do a similar analysis.

It makes it very clear the racialization of marijuana policy in the past.

In the organizing work we are doing we are supporting a reparations approach, focusing on the harm done to black and Latino communities and look at how do we assure that the marijuana industry going forward doesn't create further harm and inequity.

What we are all witnessing and certainly what Oakland provided leadership in trying to reverse is a massive transfer of wealth from an under ground economy that has existed in California for decades to now a legal economy that is benefiting primarily white entrepreneurs and investors. And when we look at sort of the issue of equity, I want to talk about it in a number of different ways and look at kind of a series of policy areas in which equity, I believe, needs to be central to the conversation. So I'm going to start with just decriminalization. One of the earlier presentations, you can see much greater detail on this. But there certainly has been a huge advance in California through Prop. 64 in reducing and eliminating penalties for what were considered marijuana offenses and the ability for adults who have felonies on their records to petition for resentencing, for folks currently incarcerated to pursue having their crime reclassified. Then also just removing penalties for young people. So under Prop. 64, if you are

under 18, you can only be charged with an infraction. There's no fee. There are requirements for community service and education, but it really I think I, Prop. 64 is a huge step forward in reducing mass incarceration.

That said, there are a number of concerns about how, as all of this is Morphing and changing, we will continue to see new forms of criminalization and new forms of racial profiling.

One community that is particularly at risk are noncitizen immigrants, folks who are here who are undocumented or who are legal residents. Because marijuana continues to be than a illegal drug at the federal level, their involvement in using marijuana, working in the marijuana industry really puts them at risk with federal agents for deportation or other forms of enforcement. This is something that is not broadly known in the immigrant community. You can imagine if you are a young person and your friends are involved in the marijuana industry or using marijuana, that you would assume that works for you too. In fact, you are at risk.

We are also seeing the marijuana industry and law enforcement really pushing for a crack down on the under ground economy. Here in Sacramento where I live, our City Council has been pushing for a crack down on illegal grow houses in our community, which of course is another form of criminalization, a new form of -- more aggressive form that we are seeing.

We are seeing increases in law enforcement budgets at the local level as cities and counties put marijuana taxes in place, collect more revenues. There's the whole question of racial profiling for drugs and while under the influence or for public use as was referred to in Colorado by one of the earlier speakers.

In the area of the built environment, a number of equity issues, the concentration of marijuana businesses in low income areas and communities of color, that abut industrial and warehouse areas. Again, by way of example, here in Sacramento we have two primary areas that have identified for the location of new marijuana businesses. They are both next to low income communities, low income communities typically are next to industrial and warehouse areas. More after affluent areas are not. I do think over time as we see the growth in the industry, this will be a natural pattern that will take place. Unless there are folks raising it as an issue and bring attention to it.

Another really critical issue is the concentration of marijuana advertising. Where I live in a neighborhood that is predominantly low and middle income, racially mixed neighborhood, I drive by marijuana billboards every day. Certainly in the more affluent communities where I live here in Sacramento, no such billboards.

We are having more and more of a conversation about marijuana businesses driving up property values and contributing to the displacement of residents and existing businesses.

There are also built environment issues around illegal growing. This, of course, has been going on in California for many years, but it is now morphing into new forms as these issues evolve. There has been a lot of illegal growing on tribal lands and in rural areas. Most recently there have been a lot of conversations about Hmong immigrant growers in the rural counties north of Sacramento that are facing crack down from law enforcement. These are folks growing marijuana in counties that have a ban in place. They have no ability to transition to legal status unless they were to move their farms or their businesses to other counties or cities where it is legally permitted. There is a long history of issues of contamination of streams and soil. There are conflicts between established tobacco and marijuana laws as Derek mentioned earlier, around public housing and around pesticides and workers' rights.

A big focus we have had is on local tax revenues. In the cities and counties that have marijuana taxes in place, these taxes revenues flow to the general fund. The biggest recipient also of those

general fund dollars are law enforcement agencies. And in terms of organizing and advocacy, this continues the pattern of marijuana policy driving criminalization.

So this is just a simple way to show it in a very clear way, what the concern is.

We are also tracking state tax revenues and trying to bring a racial equity perspective to state tax revenues. We have a real opportunity to make investments in young people through Prop. 64.

We have a state tax fund focused on youth education prevention, early intervention and treatment. However, Prop. 64 did not include any equity language and how those new dollars or revenues would be allocated.

There is a smaller funding stream within 64 called the community reinvestment grants program that will flow to communities most impacted by past drug policy. We are in a conversation with the agency within state government that is responsible for implementing that program. But again, it is a much larger fund, \$500 million annually most likely in a few years. The youth fund does not have any equity language.

Finally, from an equity perspective, many issues around public health and kids, how marijuana use affects adolescents with brain development, how it affects pregnant women, the risks around lower birth weight babies.

How do we protect kids? Some aspects of the marijuana industry we are concerned about. One, the industry relies heavily on the frequent user and frequent marijuana use is generally what leads to the most difficult health impacts. The earlier someone starts using marijuana, the greater the chance of problem use and addiction. And that marijuana use is concentrated in lower income communities. The question is, I think, worth raising and considering: Will we see the industry over time as it becomes more corporatized take a predatory approach to low income neighborhoods and communities of color similar to that of tobacco and alcohol. I know those of you with a public health background are aware of the history of tobacco and alcohol products and advertisements have been used in a predatory way in communities of color.

I'll skip this slide. You heard good examples of how to become policy advocates from prior speakers. Tax policy advocacy, we suggest rather than investing marijuana revenues in law enforcement, we should be looking at reentry programs for people who were formerly incarcerated, looking at supporting youth development, most impacted by criminalization, using revenues to support other forms of economic development and looking at prevention and substance abuse services.

And then in the realm of public health advocacy, local communities can advocate for a fair distribution of marijuana businesses, restrictions on advertising, stronger health protections. One thing that is unique about Prop. 64, it does allow local governments to put in stronger policies when it comes to public health such as a stronger warning label than the one that is in Prop. 64. There can be signage inside stores regarding adverse health impacts and threats to noncitizen immigrants and community-based prevention efforts to decriminalize marijuana use with respect to pregnant women. This is my contact info. We will have a conference on January 23 regarding these topics. If you would like to know more, click on that link there.

I am aware that there are people from other states on the webinar. In California, because we have had medical marijuana for over 20 years, I believe I and others take the access to and availability of marijuana, medical marijuana for granted. Medical marijuana does have some positive and health benefits for particular conditions. And I just don't want to recognize that. If you are in a state or in a community that has, where there's no access to medical marijuana, that is a health equity issue as well. Because we are in a place where we have had it for so many years and now we are seeing the emergence of the legal industry, we tend to be more focused on

the negative health impacts of marijuana use, the growth in use particularly for young people and pregnant women. For other states, I understand there is another perspective on that issue. So thank you very much.

>> Derek Carr: Thank you, Jim. And to all of our presenters, Leslie and Greg as well, we are going to move now into the Q&A session. We've received some of the questions in the chat box. You should feel free to continue submitting them as we go along and we will answer as many as possible.

I know throughout the course of today's presentation the speakers have encouraged you to reach out to them directly if you have any questions as well. If we don't get to your question here today, feel free to reach out to them or to me as well.

With that I will start off our Q&A session. I am going to throw this out to first to Leslie and also ask Jim for you to provide some input as well. And the question is on how do we balance the health equity issues around the impact of clustering of licensees and cannabis businesses in low income neighborhoods and the economic equity policies recommended by others such as the priority for applicants in these areas.

So I will hand that off to you first, Leslie, and then have Jim weigh in afterwards.

>> Leslie Valencia: Yes, this is an issue that requires a lot more attention in that it will hopefully be explored more. There is a lot of issues in regard to zoning and land use. And where these, where cannabis is being permitted, for example in Oakland and East Oakland, that's considered the green zone. And due to previous industries, a lot of those areas are already contaminated. Some people trying for permits realized there is a lot of lead in those areas. And that goes as well for a lot of the industrial zones in other cities such as Richmond, San Francisco, a lot of the industrial zones are disinvested areas that do have a lot of health concerns in regards to the industries that existed prior. So that is one issue.

The issue of clustering is also an issue. I think that's a case-by-case basis. For example, like L.A. has very different zoning issues than would Oakland or San Francisco.

But I think it is more of a concern in San Francisco where there is very limited real estate. There already owe 08 is already very difficult to find commercial real estate in San Francisco. It is already very expensive. And we also have seen real estate jump up in pricing. We know that commercial real estate directly affects residential real estate. There are also not just concerns of clustering, like happened in Colorado where the pattern of liquor stores was repeated, where liquor stores are usually prominent in low income areas. And the effects that that might have. But also the opposite concern of what happens if the real estate just jumps up and is unaffordable. And what would be the effect of that?

So there is a lot of overlaying concerns. The public health issue because of the owe preexisting industries and the clustering and the potential for real estate to become too unaffordable.

>> JIM KEDDY: Derek, what I would add, I think the question lifts up a dynamic that I think many of us are experiencing, which is I would say sort of like competing positive values. So on one hand we want to see policy that enables communities of color to participate as owners and as workers and in the industry, and have all of this new wealth that is being generated definitely benefit communities that were impoverished during the war on drugs.

At the same time we want to address public health concerns and over time denormalize marijuana use, again particularly among young people and pregnant women. We want to protect communities from future practices that may evolve as the industry becomes more corporatized.

So there is a bit of like, you can look at this issue from multiple points of view. You often experience what I think of as like positive competing values.

>> Leslie Valencia: Yes, I think clustering and economics can be seen as something that is positive. With liquor stores and tobacco an alcohol is something that has been negative, but there is potential for it to turn into an economic development strategy of clustering. Where, you know, maybe local tax revenue can go back to that same neighborhood for improvements such as even fixing streets, some cities that don't have funds, some certain communities have more potholes than others. That's something that can be easily solved. There is also the concern of tourist areas benefiting from that disproportionately. Yes, so there's a lot of over lane concerns and we'll see how it plays out in California over time, I think.

>> Derek Carr: Thank you both Leslie and Jim for that. I'll add one additional thought. I don't necessarily think that these two things are mutually exclusive. I think you can probably craft land use policies that prevent excessive land use developments in certain neighborhoods while making sure that the businesses that do exist benefit the communities harmed the most, even if those business is aren't necessarily located in or adjacent to those communities.

So moving on to the next question, I am going to give this one to Greg. And the question is about the real estate market here in Oakland. And the question is asking about, we are going to have these equitable applicants now. What happens when they have a space for say three years and the space gets bought up by the owner and the owner doesn't want the cannabis business being located in that location any longer. I think that broader picture question here is how do we make sure that the equity focused policies we are putting in place not only have an equity impact at the start but also that that equity impact is sustainable moving down the road.

>> GREGORY MINOR: Good question. So with respect to the three-year period and if something were to happen at the property where the equity applicant was authorized to conduct their business, our program basically puts the burden on the general applicant who gets priority licensing via incubation to ensure that they provide three years of free real estate in a zone for that equity business to conduct their business. The burden would be on the general applicant who is incubating to fix the problem, provide an alternative space.

I don't think that particular scenario would take place just because of the trends we are seeing. Property owners stand to benefit substantially. There's not a lot of fear of federal intervention as in the past because of things like this Pharaoh backer Congressional amendment that make it so that federal funds can't be used to prosecute people or operations that are compliant with state law. That's why the markets in Colorado, California, and Washington are expected to move forward even though federal law still makes this a Schedule One controlled substance.

The more brought question about how do you ensure these are sustainable and successful strategies beyond this three-year window is a really good one. That's where we have a no interest loan program to help them p fund their business. We have a technical assistance consultants for free to help them, guide them, prepare them. How will you be able to transition? We thought three years is what was needed to help people start to catch up and make sure that this market that already has these huge disparities doesn't just accelerate during this window that we expect will really, things will really take off with the legalization of adult use.

Then real quick follow-up to the last question. One practical approach might be buffers between licensed facilities. Rather than like an abstract number on the cap on the number of facilities, there has to be so many thousands of feel between each other to avoid overly concentrating them in any one area. You can layer on top of that whatever equity program to make sure that those are permitted meet your equity criteria. That might be one practical approach.

>> Derek Carr: Thank you. That's absolutely right. That's a proven practice from the tobacco and alcohol world of, including buffer zones from sensitive areas or from other retailers. That is certainly a strong approach.

That's a little bit of a different subject and I'm going to ask everyone to weigh in here in that I don't know that it is a question that anyone has come up with a particularly great answer to yet. The question is around consumption and public consumption and housing, and how we balance the need to protect from involuntary exposure to cannabis smoke with thousing smoke free laws that we have and with public consumption bans, and the consideration that some jurisdictions are providing for on site consumption. Kind of this broader question of how you balance the competing equity conversation considerations and making sure there is some space, but that space is not harming others.

So I'll start that off with Jim. We can go to Leslie and Greg as well.

>> Jim Keddy: Just so I understand the question, Derek, this is in relation to the prohibition of smoking in public housing? And the challenge created for people living in that housing to consume marijuana?

>> Derek Carr: The question of prohibition and the prohibition in public and multi-unit housing. And the exposure that we know about from second hand smoke and exposure and not re-criminalizing marijuana on that.

>> Jim Keddy: Yeah, this again is one of those competing values questions. I think that I am certainly very sympathetic to the need to restrict smoking and the impact of second hand smoke like on children, when it comes to asthma, people who have breathing issues, bronchitis, and so forth. I think -- bronchitis and so forth.

As we see more and more use of marijuana, these kind of issues are going to be popping up all the time. I almost wonder if there is some way there could be designated outdoor smoking areas that are adjacent to such properties. I don't have a good answer to this very difficult question. But there's got to be some sort of compromise in it, I think.

>> Derek Carr: Absolutely. Leslie, do you have any thoughts?

>> Leslie Valencia: Yes, I definitely believe this is a consumption allowance issue. And I do hope that regulators start building language for consumption lounges. This is something that Massachusetts who just implemented statewide equity permit, who just proposed a statewide equity permit program is also proposing. Then I believe Colorado is just visiting this topic. It's a shame because San Francisco actually has consumption lounges already that are managed very responsibly. There are spaces that are very sleek, very nice, very organized. You can go, give your ID, you can rent equipment out. Some equipment that is proven to be healthier ways to be consuming cannabis, that are for free, that are very expensive. You can come in and just consume cannabis privately without bothering anyone. A lot of them have air purification systems. They are very private and away from the public. They have certain time limbs. They are completely free.

Unfortunately, there are only like eight in confidence. And San Francisco is not, has not yet created any language. This is something that is part of the San Francisco Cannabis Equity Working Group that I am a part of, is hoping to push later. Or sooner than later. But I think that it definitely solves a lot of the issues and concerns that certain opponents usually have in regards to their concerns of second hand smoking which I am not sure is a real thing. Or children possibly being able to have access to cannabis. These are spaces within dispensaries where there is security outside and even another layer of security to get into the consumption lounge.

And I think that these would be really great spaces to regulate and become more common in the future. There's a lot of patients with chronic pain that actually, if they work from home, they do their work there. It is unfortunate that there's like 30 minutes to two hour limit time frames. They can be special places for community building as well. I'm definitely a proponent of consumption lounges and hope that there's a language around that that emerges.

>> Jim Keddy: Leslie, is that vaping?

>> Leslie Valencia: San Francisco is mostly I am restricted to Vaping. It is easier to find spaces. The green room, they do allow smoke because they are on the second floor and they do have the correct equipment and fire safety.

The practice is to be able to allow that.

So yeah, it is sometimes also smoking the flower itself and not just Vaping.

>> Derek Carr: Thank you. Greg, do you have any thoughts on either generally or how Oakland is approaching these questions?

>> Gregory Minor: Sure. I mean, just kind of echoing some of the last thoughts. In general we need to create more legal means for people to consume. If we don't -- I mean, in the City of Oakland, for example, it wasn't until very recently we created a pathway for our permitted dispensaries to create a place for on site consumption, similar to San Francisco. Obviously, people are purchasing the product, they have to consume it somewhere. If you don't allow them to do it in house, if they do it in public, will it create the problem of them consuming in public which brings in law enforcement. Vaping is less intrusive on your neighbors. And then edibles and tinctures, all that, but I think under the current state regulatory structure, the trailer bill that passed in California, there probably needs to be a new category added so local jurisdictions can legalize consumption spaces at retail or at events. The event, special events are limited to very formal organized events. There is no category for like a Yoga studio or barber shop or any commercial establishment that wanted to allow for consumption as an ancillary function. I think that is part of the ballot measure in Colorado or Denver that got passed. So I think in the short-term we are likely to continue seeing people breaking the law. And then it is an opportunity for disparate enforcement practices, especially in Complaint-based jurisdictions which Oakland unfortunately tends to be sometimes.

So I just think we need to create more legal forums for people to consume. We will probably at the state level have to advocate for additional categories.

>> Leslie Valencia: I want to add quickly to that concern. There is a monetary incentive for police to continue to be disproportionate in their ticketing now. For consumption. I think it's like \$100 ticket. And if you are consuming in a car, even if you are a passenger, you can get in trouble for it. So definitely if you have nowhere to consume, you live in public housing and don't want to risk that, there are very, very limited spaces where you can consume. People will consume in public and they will get disproportionately targeted by police under the new regulation. That's why I think consumption lounges have a very direct correlation to equity.

>> Derek Carr: Great, thank you, everyone. It is certainly a tough question. There was one clarifying question about the second hand smoke and cannabis. I think we can all agree that there is a need to define spaces for people to consume. I think we can also all conclude that exposure to go second hand smoke regardless of whether it is tobacco or cannabis is harmful in some measure. And the relative harm of that might still be opened for discussion. But it is certainly all harmful, nevertheless.

The discussion of on-site consumption leads to another question which I'll throw to you, Jim, which is connecting consumption and then issues around driving under the influence. And just

how policy can take into account the driving under the influence issues and what the equity considerations are there.

>> JIM KEDDY: Well, yeah, as I mentioned earlier I think this is a dangerous area when it comes to equity in the sense that I think we will be seeing or may be already seeing if we were to do a study of it, sort of increases in racial profiling of marijuana while driving. There is no breathalyzer for marijuana or anything like that. My understanding is that police are able to use their kind of driving while intoxicated tests and apply that to folks. Because this is vague and undefined area, I think it has a lot of potential for abuse and disproportionate impacts.

>> Derek Carr: Great, thank you. Did any of the other speakers have thoughts on that before I move on to one last question?

(There is no response.)

>> Derek Carr: Hearing nothing, I will go on to that last question. And I will have a last question to Greg and the question is around lessons learned from other cities that legalized like Denver and potential unintended consequences and how that thought than and research went into Oakland's program and development.

>> GREGORY MINOR: Sure. So I think we tried to learn with respect to equity and if you don't, if you allow -- again I think we were on track to basically set up the same kind of permitting structure. If you look at our experience with our eight permitted dispensaries, only one is owned by an African American. That probably would have been replicated. We learned from that experience and we have been focusing a lot on ownership issues. And hopefully we have done some good work to address that. But as this discussion has alluded to, there's a host of issues connected to the legalization of cannabis, whether it is real estate, impact on the real estate market, situating these businesses in low income communities. We haven't even touched on odor impact of cultivation facilities. And if you place them in the same communes that either don't get listened to or don't expect to get listened to. If you have a complaint based system, how are you going to monitor take? So we are trying to learn. But there's always things that we can and maybe could have done.

But the most obvious thing that we learned, if you don't build in for -- I mean, a journalist and other folks have exposed some really obvious flaws in their system with respect to background check requirements. I believe they precluded anyone with any felonies from being a part of the legal market. You know, journalists could show examples of people being treated inequitably. An African American gets caught with a small amount of cannabis and gets charged with felony, more resourced. He's precluded from being part of the legal market. A white gets charged and he gets charged with a misdemeanor and he gets to be a master grower. That's one of the obvious disparities. I'm sure there are many more lessons that forums like this will help us continue to improve our policies.

>> Derek Carr: Great, thank you. I just want to throw out a few clarifying remarks about the data on second hand smoke of marijuana as well as data on driving while under the influence of marijuana was addressed in the first forum in this three-part web series. If you are interested in learning about that in more detail, I would definitely recommend that you check out that first forum recording.

And with that I will turn things back over to our host.

>> Kristania De Leon: Thank you so much, Derek. I appreciate all the information that has been provided today. I want to extend my thanks to Laura and Tonya behind the scenes and all the presenters.

I want to make sure that the resources, perfect segue, to ask for the full package of sessions are available at Dialogue4Health and will be linked on the CA4Health website as well. Our first session was looking at marijuana and the health, the second were marijuana and the issues of criminalization and echoed here today and the recording for this will be made available with the slides, all the information on our speakers on the Dialogue4Health website next week. We will have Laura do some concluding remarks. Again, thank you all for joining us.

(Pause.)

(The webinar concluded at 3:00 o'clock p.m. EST.)