53. 24-55685 Recommendation to declare ordinance amending Long Beach Municipal Code (LBMC) Chapter 5.92 relating to the regulation of adult-use cannabis delivery-only dispensary (retail) business licenses; and

Correct a clerical/scrivener error and allow the approved ordinance amendments from May 17, 2022, to remain in place, read the first time, and laid over to the next regular meeting of the City Council for final reading. (Citywide)

Office or Department:

Suggested Action: Approve recommendation.

CITY OF LONG BEACH

City Manager
411 West Ocean Boulevard, 10th Floor, Long Beach, CA 90802
(562) 570-6711

53

December 3, 2024

Honorable Mayor and City Council
City of Long Beach
California

RECOMMENDATION:

Recommendation to declare an ordinance amending Long Beach Municipal Code (LBMC) Chapter 5.92 relating to the regulation of adult-use cannabis delivery-only dispensary (retail) business licenses; and,

Correct a clerical/scrivener error and allow the approved ordinance amendments from May 17, 2022, to remain in place, read the first time, and laid over to the next regular meeting of the City Council for final reading. (Citywide)

DISCUSSION

The proposed ordinance amendments to Chapter 5.92 of the LBMC is a companion agenda item to the proposed zoning code amendments to Title 21 and Title 22 of the LBMC, found in the Hearing on tonight's agenda.

The proposed zoning code amendments initially approved by the Planning Commission on September 19, 2024, include updates to several zoning districts in Title 21 and Title 22 of the LBMC to introduce and establish new regulations for adult-use cannabis delivery-only dispensaries. The latter will introduce adult-use cannabis delivery-only dispensaries as a classified land use and establish which zoning districts will allow this new classified land use by-right or discretionary. The proposed ordinance amendments to Chapter 5.92 of the LBMC will establish the business license operating conditions for adult-use cannabis delivery-only dispensaries, such as hours of operation.

Backrgound

On August 17, 2021, the Office of Cannabis Oversight released a memorandum on the feasibility of allowing cannabis delivery-only dispensary (retail) licenses following a request from the City Council. A copy of this memorandum is found in Attachment A.

The feasibility analysis included research of other local jurisdictions, policy options, and operational impacts. This analysis was presented to the City Council on October 12, 2021, as part of a larger receive and file report, which included the feasibility analysis for eight equity dispensary (storefront retail) licenses. The City Council approved the staff recommendation to direct the City Attorney to prepare an ordinance to allow cannabis delivery-only dispensary (retail) licenses exclusive to equity applicants.

The proposed ordinance amendments to Chapter 5.92 of the LBMC include the following:

- Creation of Division XII to establish the operating conditions for delivery-only dispensaries;

- Amendment to Division IV to align the existing delivery services provisions for storefront dispensaries with operating conditions for delivery-only dispensaries; and,

- Amendment to Section 5.92.420(B)(1) to reinstate 1000 ft. dispensary buffer radius due to an unintended change that took place in a previous amendment.

The proposed operating conditions for delivery-only dispensaries were drafted based on examples of existing ordinances in other jurisdictions such as the City of Los Angeles, City of Oakland, City of Sacramento, and City and County of San Francisco. Delivery-only dispensaries and existing storefront dispensaries with delivery services will be held to the same operating conditions with the exception of building requirements, as delivery-only dispensaries will be standalone businesses rather than an ancillary service to an existing storefront dispensary.

The delivery-only licenses will be exclusive to verified equity applicants to further support equitable business opportunities in the local cannabis industry by accessing the retail market without competition from non-equity applicants who would otherwise be eligible to apply for a delivery license, if they were made available.

This matter was reviewed by Eliezer Ben-Shmuel on November 21, 2021, and by Budget Management Officer Jennifer Rodriguez on November 12, 2024.

TIMING CONSIDERATIONS

City Council action is requested on December 3, 2024. For regulatory alignment and consistency, this request must be presented to the City Council in conjunction with the accompanying agenda item from the Community Development Department.

FISCAL IMPACT

The recommendation establishes new regulations in the Long Beach Municipal Code for adult-use cannabis which will allow for delivery-only operators in the City. The Community Development Department will present an accompanying agenda item to City Council to update the Long Beach Municipal Code for the implementation of this license type.

The fiscal impact is currently unknown and will be based on the number of licensed operators and market demand. Staff will monitor revenue impacts and factor net new revenues as part of future projections. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with City Council priorities. The number of additional local jobs associated with this recommendation is unknown.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



Thomas B. Modica
City Manager

ATTACHMENTS: ORDINANCE
A – AUGUST 17, 2021, MEMORANDUM

OFFICE OF THE CITY ATTORNEY
DAWN MCINTOSH, City Attorney
411 W. Ocean Boulevard, 9th Floor
Long Beach, CA 90802

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AMENDING THE LONG BEACH MUNICIPAL CODE BY AMENDING SECTION 5.92.420 RELATING TO THE REINSTATEMENT OF AN ONE THOUSAND FOOT DISPENSARY BUFFER RADIUS, AMENDING SECTIONS 5.92.910. AND 5.92.960 RELATING TO THE EXISTING DELIVERY SERVICE PROVISIONS FOR STOREFRONT DISPENSARIES WITH OPERATING CONDITIONS FOR DELIVERY-ONLY DISPENSARIES, AND ADDING DIVISION XII TO CHAPTER 5.92 RELATING TO THE REGULATION OF ADULT-USE CANNABIS DELIVERY-ONLY DISPENSARY (RETAIL) BUSINESS LICENSES

WHEREAS, on August 17, 2021, the Office of Cannabis Oversight released a memorandum on the feasibility of allowing cannabis delivery-only dispensary (retail) licenses; and

WHEREAS, on October 12, 2021, an analysis was presented to the City Council which included the feasibility analysis for eight (8) equity dispensary (storefront retail) licenses; and

WHEREAS, City Council authorized a recommendation directed to the City Attorney to prepare an ordinance to allow cannabis delivery-only dispensary (retail) licenses exclusive to equity applicants; and

NOW, THEREFORE, the City Council of the City of Long Beach ordains as follows:

Section 1. Section 5.92.420 of the City of Long Beach Municipal Code is amended to read as follows:

5.92.420 Location requirements.

A. Except as otherwise provided for in this Chapter, a premises shall comply with zoning districts in Title 21 (Zoning Ordinance) of this Code, Specific Plans, or Planned developments.

B. Adult-Use Cannabis Dispensary premises shall not be located within:

1. A six hundred foot (600') radius of a public or private school (as defined in California Health and Safety Code Section 11362.768(h).

2. A six hundred foot (600') radius of a day care center.

3. A six hundred foot (600') radius of a playground or community center.

4. A six hundred foot (600') radius of a library.

5. An one thousand foot (1,000’) radius of any other Dispensary.

6. Within a building which contains a dwelling unit, with the exception of adult-use cannabis dispensaries, as otherwise permitted on ground floors of mixed-use buildings within the Downtown Planned Development District (PD-30).

7. A building which contains a dwelling unit, with the exception of those dispensaries otherwise permitted on ground floors of mixed-use buildings within the Downtown Planned Development District (PD-30).

8. A dwelling unit within a zoning district.

C. A premises for a cannabis business that is not an Adult-Use Cannabis Dispensary shall not be located within:

1. An one thousand foot (1,000') radius of a public or private school (as defined in California Health and Safety Code Section

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11362.768(h)).

2. An one thousand foot (1,000') radius of a public beach.

3. A six hundred foot (600') radius of a public park, public library, or day care center.

4. A building which contains a dwelling unit.

5. A dwelling unit within any zoning district.

D. Youth center buffer. Pursuant to its authority under California Business and Professions Code Section 26054, the City hereby establishes a zero-foot (0') radius buffer for youth centers for Adult-Use Cannabis Businesses licensed under this Chapter; therefore, there is no buffer distance requirement for youth centers for Adult-Use Cannabis Business within the City.

Section 2. Section 5.92.910 of the City of Long Beach Municipal Code is amended to read as follows:

5.92.910 Compliance.

Dispensaries may sell, distribute, dispense, provide, deliver, or transport Cannabis, only in accordance with all applicable laws and regulations, including but not limited to, this Code, any regulations implemented by the Department of Cannabis Control, California Business and Professions Code Sections 26000 et seq., and all other applicable State, federal and local laws and regulations.

Section 3. Section 5.92.960 of the City of Long Beach Municipal Code is amended to read as follows:

5.92.960 Delivery services.

In addition to the requirements set forth in this Chapter for Dispensaries, the delivery of cannabis goods shall be subject to the following requirements:

A. Compliance. Delivery services shall be conducted in accordance with any relevant State and local laws and regulations, any applicable local laws in the delivery location, and any conditions imposed

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upon a Dispensary.

B. Delivery services may operate as a part of, and in conjunction with, a Dispensary with a storefront open to the public during business hours and permitted pursuant to this Chapter and Chapter 5.90 of this Code and any applicable State laws and regulations.

C. Any application for a Dispensary shall include a statement as to whether the proposed use will include delivery of cannabis goods to customers.

D. Vehicle standards. Dispensaries shall only allow delivery of cannabis goods in a vehicle that:

1. Is capable of securing (locking) the cannabis goods during transportation.

2. Is capable of being time and/or temperature controlled, if perishable cannabis goods are being transported.

3. Does not display advertising or symbols visible from the exterior of the vehicle that suggest the vehicle is used for cannabis delivery or affiliation with a Dispensary.

4. Shall only be operated by the delivery employee of the Dispensary.

5. Only the licensee or an employee of the Dispensary for whom delivery is being performed shall be in the delivery vehicle.

E. Inspections. Any motor vehicle used by a Dispensary to deliver cannabis goods is subject to inspection by the City Manager or Chief of Police and may be stopped at the premises or during the delivery for inspection.

F. Delivery employees. Every delivery employee of a Dispensary shall be at least twenty-one (21) years of age and shall have a valid California Driver's License.

G. Documentation during transport. Delivery employees of a

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Dispensary shall carry a physical or electronic copy of the delivery request receipt with details regarding the delivery, a copy of the Dispensary's current permits and/or licenses required by the State and City, the employee's government-issued identification, and an identification badge provided by the Dispensary. All documentation shall be made available upon request to the City Manager or Chief of Police.

H. Dispensaries shall maintain a database, and provide to the City Manager upon verbal or written request, a list of delivery employees and vehicles authorized to conduct deliveries on behalf of the Dispensary.

I. Delivery employees shall personally verify, for each individual transaction, that the identity of the customer receiving cannabis goods from the Dispensary is the same as the person who ordered the delivery, and that said person is twenty-one (21) years of age or older, via the presentation of a valid government-issued identification.

J. Limitations.

1. While making deliveries, a Dispensary's delivery employee shall not carry cannabis goods worth more than limits imposed by the State at any time. This value shall be determined using the current retail price of all cannabis goods carried by the delivery employee.

2. Direct route only. Except where a delivery employee requires rest, fuel, vehicle repair, or where the road conditions make the continued use of the road unsafe, impossible, or impracticable, a delivery employee may only travel to and from the Dispensary, to the delivery address, and between delivery addresses while delivering cannabis goods.

3. Dispensaries and delivery employees may only deliver cannabis goods to customers within a city or county that does not expressly prohibit such delivery by ordinance.

4. Consumption prohibited. No person shall consume or

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otherwise ingest cannabis goods, alcohol, any controlled substance, or intoxicants while transporting or delivering cannabis goods.

5. The Dispensary shall prepare a delivery request receipt for each delivery of cannabis goods that shall include the following:

a. The name and address of the Dispensary;

b. The first name and employee number of the Dispensary's delivery employee who delivered the order;

c. The first name and employee number of the Dispensary's employee who prepared the order for delivery;

d. The first name of the customer and a Dispensary-assigned customer number for the person who requested the delivery;

e. The date and time the delivery request was made;

f. The delivery address;

g. A detailed description of all cannabis goods requested for delivery. The description shall include the weight, volume, or any other accurate measure of the amount of all cannabis goods requested;

h. The total amount paid for the delivery, including any taxes or fees, the cost of the cannabis goods, and any other charges related to the delivery; and

i. Upon delivery, the date and time the delivery was made, and the signature of the customer who received the delivery.

6. A vehicle used for the delivery of cannabis goods shall be outfitted with a dedicated Global Positioning System (GPS) device for identifying the geographic location of the delivery vehicle in compliance with all applicable State laws and regulations.

a. The dedicated GPS device must be owned by the Dispensary and used for delivery only. A personal or business phone or tablet

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is not an acceptable GPS device.

b. The device shall be either permanently or temporarily affixed to the delivery vehicle, shall remain active, and inside of the delivery vehicle at all times during delivery.

c. At all times, the Dispensary shall be able to identify the geographic location of all delivery vehicles that are making deliveries for the Dispensary and shall provide that information to the City Manager or Chief of Police upon request. The history of all locations traveled to by a delivery employee while engaging in delivery shall be maintained by the licensee for a minimum of ninety (90) days.

K. All cannabis and all cannabis products being delivered must be obtained from the site of the licensed Dispensary or Delivery-Only Dispensary that is authorized to deliver cannabis. No cannabis or cannabis products may be delivered from any other facility, such as a separate storage facility or a cannabis product manufacturing facility. Loading and unloading of cannabis products must only take place within the designated and approved secured loading area.

L. Deliveries Facilitated by Technology Platforms. A delivery license retailer shall not sell or otherwise transfer any cannabis goods to a customer through the use of an unlicensed third party, intermediary business, broker, or any other business or entity.

Section 4. The Long Beach Municipal Code is hereby amended by adding Division XII to Chapter 5.92 to read as follows:

DIVISION XII – DELIVERY-ONLY DISPENSARY OPERATING CONDITIONS

In addition to the general operating requirements set forth in Division III of this Chapter, this Division provides additional requirements for Delivery-Only Dispensaries.

5.92.1710 Compliance.

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Delivery-Only Dispensaries may sell, distribute, dispense, provide, deliver, or transport Cannabis, only in accordance with all applicable laws and regulations, including but not limited to, this Code, any regulations implemented by the Department of Cannabis Control, California Business and Professions Code Sections 26000 et seq., and all other applicable State, federal and local laws and regulations.

5.92.1715 Hours of operation.

Delivery-Only Dispensaries may only conduct deliveries between the hours of 9:00 a.m. to 10:00 p.m. up to seven (7) days per week.

5.92.1720 Point-of-sale tracking required.

A Delivery-Only Dispensary shall facilitate the dispensing, making available, sale, and delivery of cannabis goods with a technology platform that uses point-of-sale technology to track, and database technology to record and store, the following information for each transaction involving the exchange of cannabis goods between the Delivery-Only Dispensary and customer:

A. The date and time of transaction.

B. The first name and employee number of the Delivery-Only Dispensary employee who processed the sale of cannabis goods on behalf of the Delivery-Only Dispensary.

C. A list of all the cannabis goods purchased, including the quantity purchased.

D. The total amount paid for the sale, including the individual prices paid for cannabis or cannabis products purchased, and any amounts paid for taxes.

5.92.1725 Taxes.

Transactions for Delivery-Only Dispensaries shall be taxed at the non-medical marijuana tax rate pursuant to Section 3.80.261.C.2 of this Code, unless the Dispensary is able to prove by reasonable and verifiable standards which portion of the gross receipts are tied to the sale of the adult-use cannabis goods and which portion are tied to the sale

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of medicinal cannabis goods.

5.92.1730 Cannabis goods.

A. A Delivery-Only Dispensary shall not make any cannabis goods available for sale or delivery to a customer unless the cannabis goods were received from a State licensed Distributor.

B. Prior to making cannabis goods available to customers, Delivery-Only Dispensaries shall ensure that all cannabis goods dispensed, sold, delivered, or made available by the Delivery-Only Dispensary, at a minimum:

1. Are packaged and sealed in tamper-evident packaging that includes a unique identifier, such as a batch number and lot number or bar code, to identify and track the cannabis goods.

2. For manufactured cannabis products, that the product complies with all requirements of California Business and Professions Code Section 26130 and all other applicable laws and regulations.

3. The Dispensary has verified that the cannabis goods have not exceeded their expiration or sell-by date, if one is provided.

4. For edible cannabis product, that the products comply with State packaging and labeling requirements, including, but not limited to:

a. Edible cannabis products shall not exceed 10 milligrams of tetrahydrocannabinol (THC) per serving.

b. The THC content for the cannabis product in its entirety is printed on the package.

c. All applicable requirements pursuant to California Business and Professions Code Sections 26120 and 26121 and any regulations promulgated thereunder.

C. Secure storage of cannabis goods. Cannabis goods that are not used for immediate sale shall be stored in a limited-access area, such as

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a secure and locked room, safe, or vault, and in a manner reasonably designed to prevent diversion, theft, and loss.

D. Edible cannabis products.

1. Delivery-Only Dispensaries may only dispense, sell, provide, or make available those edible cannabis products authorized by the State Department of Public Health and the City Health Officer.

2. The sale, distribution, and delivery of edible cannabis products shall be conducted in a manner that complies with all applicable food safety laws for the protection of humans consuming cannabis.

E. No sales of expired cannabis products. Delivery-Only Dispensaries are prohibited from selling any expired cannabis goods. It is unlawful for any person to alter, edit, or adjust, in any manner, an expiration date on any item or cannabis product once affixed by its Manufacturer.

5.92.1735 No free adult-use cannabis goods.

A Delivery-Only Dispensary shall not provide free adult-use cannabis goods to any person. A Delivery-Only Dispensary shall not allow individuals that are not employed by the Delivery-Only Dispensary to provide free adult-use cannabis goods to any person on the permitted premises. In this Section, "free adult-use cannabis goods" shall mean any amount of cannabis goods provided to any person without cost or payment in exchange of any other thing of value.

5.92.1740 Delivery services.

In addition to the requirements set forth in this Chapter for Delivery-Only Dispensaries, the delivery of cannabis goods shall be subject to the following requirements:

A. Compliance. Delivery services shall be conducted in accordance with any relevant State and local laws and regulations, any applicable local laws in the delivery location, and any conditions imposed upon a Delivery-Only Dispensary.

B. No person shall conduct sales of cannabis goods exclusively

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by delivery, unless they are a verified equity business.

C. No Delivery-Only Dispensary shall open their site to the public or conduct any retail sales of any goods and services to any person on the Delivery-Only Dispensary site.

D. Any application for a Delivery-Only Dispensary shall include a statement as to whether the proposed use will include delivery of cannabis goods to customers.

E. Vehicle standards. A Delivery-Only Dispensary shall only allow delivery of cannabis goods in a vehicle that:

1. Is capable of securing (locking) the cannabis goods during transportation.

2. Is capable of being time and/or temperature controlled, if perishable cannabis goods are being transported.

3. Does not display advertising or symbols visible from the exterior of the vehicle that suggest the vehicle is used for cannabis delivery or affiliation with a Delivery-Only Dispensary.

4. Shall only be operated by the delivery employee of the Delivery-Only Dispensary.

5. Only the licensee or an employee of the Delivery-Only Dispensary licensee for whom delivery is being performed shall be in the delivery vehicle.

F. Inspections. Any motor vehicle used by a Delivery-Only Dispensary to deliver cannabis goods is subject to inspection by the City Manager or Chief of Police and may be stopped at the premises or during the delivery for inspection.

G. Delivery employees. Every delivery employee of a Delivery-Only Dispensary shall be at least twenty-one (21) years of age and shall have a valid California Driver's License.

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H. Documentation during transport. Delivery employees of a Delivery-Only Dispensary shall carry a physical or electronic copy of the delivery request receipt with details regarding the delivery, a copy of the Delivery-Only Dispensary's current permits and/or licenses required by the State and City, the employee's government-issued identification, and an identification badge provided by the Delivery-Only Dispensary. All documentation shall be made available upon request to the City Manager or Chief of Police.

I. A Delivery-Only Dispensary shall maintain a database, and provide to the City Manager upon verbal or written request, a list of delivery employees and vehicles authorized to conduct deliveries on behalf of the Delivery-Only Dispensary.

J. Limitations.

1. While making deliveries, a Delivery-Only Dispensary's delivery employee shall not carry cannabis goods worth more than limits imposed by the State at any time. This value shall be determined using the current retail price of all cannabis goods carried by the delivery employee.

2. Direct route only. Except where a delivery employee requires rest, fuel, vehicle repair, or where the road conditions make the continued use of the road unsafe, impossible, or impracticable, a delivery employee may only travel to and from the Delivery-Only Dispensary, to the delivery address, and between delivery addresses while delivering cannabis goods.

3. Delivery-Only Dispensaries and delivery employees may only deliver cannabis goods to customers within a city or county that does not expressly prohibit such delivery by ordinance.

4. Consumption prohibited. No person shall consume or otherwise ingest cannabis goods, alcohol, any controlled substance, or

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intoxicants while transporting or delivering cannabis goods.

5. The Delivery-Only Dispensary shall prepare a delivery request receipt for each delivery of cannabis goods that shall include the following:

a. The name and address of the Delivery-Only Dispensary;

b. The first name and employee number of the Delivery-Only Dispensary's delivery employee who delivered the order;

c. The first name and employee number of the Delivery-Only Dispensary's employee who prepared the order for delivery;

d. The first name of the customer and a Delivery-Only Dispensary-assigned customer number for the person who requested the delivery;

e. The date and time the delivery request was made;

f. The delivery address;

g. A detailed description of all cannabis goods requested for delivery. The description shall include the weight, volume, or any other accurate measure of the amount of all cannabis goods requested;

h. The total amount paid for the delivery, including any taxes or fees, the cost of the cannabis goods, and any other charges related to the delivery; and

i. Upon delivery, the date and time the delivery was made, and the signature of the customer who received the delivery.

6. A vehicle used for the delivery of cannabis goods shall be outfitted with a dedicated Global Positioning System (GPS) device for identifying the geographic location of the delivery vehicle in compliance with all applicable State laws and regulations.

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a. The dedicated GPS device must be owned by the Delivery-Only Dispensary and used for delivery only. A personal or business phone or tablet is not an acceptable GPS device.

b. The device shall be either permanently or temporarily affixed to the delivery vehicle, shall remain active, and inside of the delivery vehicle at all times during delivery.

c. At all times, the Delivery-Only Dispensary shall be able to identify the geographic location of all delivery vehicles that are making deliveries for the Dispensary and shall provide that information to the City Manager or Chief of Police upon request. The history of all locations traveled to by a delivery employee while engaging in delivery shall be maintained by the licensee for a minimum of 90 days.

K. All cannabis and all cannabis products being delivered must be obtained from the site of the licensed Delivery-Only Dispensary that is authorized to deliver cannabis. No cannabis or cannabis products may be delivered from any other facility, such as a separate storage facility or a cannabis product manufacturing facility. Loading and unloading of cannabis products must only take place within the designated and approved secured loading area.

L. Deliveries Facilitated by Technology Platforms. A delivery license retailer shall not sell or otherwise transfer any cannabis goods to a customer through the use of an unlicensed third party, intermediary business, broker, or any other business or entity.

M. Delivery-Only Dispensary site buildings. A Delivery-Only Dispensary site must comply with the following requirements:

1. All entrances into the buildings on the Delivery-Only site must be locked at all times with entry controlled by the Delivery-Only Dispensary's managers and staff.

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2. All areas in which cannabis or cannabis products are located in any building on the Delivery-Only Dispensary site must be separated from the main entrance and lobby, and must be secured by a lock accessible only to managers and staff of the Delivery-Only Dispensary.

3. Each Delivery-Only Dispensary shall have adequate storage space in a building for all its cannabis and cannabis products. The storage areas must not be shared with another delivery-only cannabis dispensary permittee, must be separated from the main entrance and lobby and must be secured by a lock accessible only to managers and staff of the Delivery-Only Dispensary.

4. Each Delivery-Only Dispensary site must ensure the secure transfer of cannabis or cannabis products between a vehicle and the restricted area in which the products are stored.

5.92.1745 Responsible Vendor Training Pilot Program.

A. Purpose and Intent. Recognizing the potential harms and public health implications associated with cannabis use, the purpose of this Section is to promote public health and safety to reduce the likelihood of the problematic use of cannabis by proactively requiring that all customer-facing employees and managers of Delivery-Only Dispensaries learn the necessary skills to protect customers, the public, employees of the Delivery-Only Dispensary, and Delivery-Only Dispensaries through a Responsible Vendor Training Program.

B. Compliance. Every customer-facing manager and employee of a permitted Delivery-Only Dispensary shall enroll in the Department of Health and Human Services' standardized training for Delivery-Only Dispensaries within ninety (90) days of the establishment of the City's Responsible Vendor Training Pilot Program. Upon completion of such training, employees and managers shall receive written confirmation from the Department of Health

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and Human Services of successful completion of the program. Delivery-Only Dispensaries shall keep a copy of said written confirmation on the permitted premises for every customer-facing employee and manager.

C. New employees and managers. Any newly hired manager or employee of a permitted Delivery-Only Dispensary shall successfully complete the Responsible Vendor Training Pilot Program within sixty (60) days of said individual's first day of employment.

D. Renewal of Training. After initial successful completion of the Responsible Vendor Pilot Training Program, every manager and employee of a Delivery-Only Dispensary shall successfully complete the Responsible Vendor Training Pilot Program every twenty-four (24) months.

E. Online or in-person training is at the discretion of the Department of Health and Human Services. Nothing in this Section shall prevent the City from becoming a training provider under any similar program for Delivery-Only Dispensaries implemented by the State.

F. Within three (3) years of the establishment of the program, the City Council will consider the available data and determine whether and how to continue the program. This Section shall remain in effect until revoked by the City Council.

Section 5. The City Clerk shall certify to the passage of this ordinance by the City Council and cause it to be posted in three (3) conspicuous places in the City of Long Beach, and it shall take effect on the thirty-first (31st) day after it is approved by the Mayor.

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OFFICE OF THE CITY ATTORNEY
DAWN MCINTOSH, City Attorney
411 W. Ocean Boulevard, 9th Floor
Long Beach, CA 90802

I hereby certify that the foregoing ordinance was adopted by the City Council of the City of Long Beach at its meeting of _____, 2024, by the following vote:

Ayes: Councilmembers: _____

_____

_____

_____

Noes: Councilmembers: _____

_____

Absent: Councilmembers: _____

_____

Recusal(s): Councilmembers: _____

_____
City Clerk

Approved: _____ _____
(Date) Mayor

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DAWN MCINTOSH, City Attorney
411 W. Ocean Boulevard, 9th Floor
Long Beach, CA 90802

ATTACHMENT A

CITY OF LONG BEACH

Memorandum

Date: October 1, 2021

To: Mayor and Members of the City Council

From: Thomas B. Modica, City Manager

Subject: **Cannabis Equity Retail Storefront (Dispensary) Feasibility Analysis**

On July 10, 2018, the City Council adopted the Cannabis Social Equity Program (Equity Program), which promotes opportunities in the cannabis industry for individuals and communities negatively impacted by the prior criminalization of cannabis, also known as the War on Drugs. A Resolution adopted on June 23, 2020, by the City Council acknowledged Racism as a Public Health Crisis, and the City Council recognized the disproportionate impact the enforcement of cannabis laws has had on the African American community in Long Beach. The consequences of a criminal conviction and incarceration for cannabis may include the permanent loss of property, disqualification from employment opportunities, reduced earnings potential, exclusion from public benefits, such as housing assistance or student financial aid, and other impacts. The goal of social equity for the cannabis industry is to help provide communities impacted by cannabis drug enforcement policies an opportunity to benefit from the growth of the newly legalized industry. These opportunities include business ownership and employment in the cannabis industry.

Individuals impacted by the prior criminalization of cannabis are referred to as “equity applicants” in the program. To qualify as an equity applicant and receive benefits related to cannabis business ownership, an individual must meet the following criteria:

- Have a family income below 80 percent of the Area Median Income (AMI);
- Have a net worth below $250,000;
- Satisfy at least one of the following:
    - Lived in a Long Beach census tract for a minimum of three years where at least 51 percent of current residents have a household income at or below 80 percent of the AMI; and/or,
    - Was arrested or convicted for a crime relating to the sale, possession, use, or cultivation of cannabis in Long Beach prior to November 8, 2016 that could have been prosecuted as a misdemeanor or citation under California law.

Despite the numerous benefits that equity applicants receive in the Equity Program, such as expedited application review, fee waivers, and direct grants, there have been significant challenges with increasing equity business ownership in the city. In a memorandum dated August 5, 2020, staff outlined the challenges of implementing the Equity Program and provided the City Council with options on ways to expand equity business ownership opportunities in Long Beach, including increasing the availability of cannabis retail storefront (dispensary) licenses and making them exclusive to equity applicants.

On March 16, 2021, the City Council directed staff to prepare a feasibility analysis on licensing and regulating up to eight additional dispensary businesses in Long Beach, making these new retail licenses exclusive to qualified equity applicants in the Equity Program. This request was part of a larger package of policy proposals requested by the City Council to expand equity cannabis business ownership in Long Beach. Other policy proposals included an Ordinance for the licensing and regulation of shared-use cannabis manufacturing, which was approved by the City Council on July 13, 2021, and a feasibility analysis on allowing non-storefront retail (delivery) facilities in Long Beach, which was released to the City Council on August 17, 2021. This memorandum specifically addresses the feasibility of licensing and regulating equity dispensaries in Long Beach.

To prepare this feasibility analysis, staff met with City departments responsible for licensing and regulating cannabis facilities, researched State laws and regulations, performed outreach to the community, and contacted other jurisdictions within the United States and the State of California. Jurisdictions contacted included Boston, Massachusetts; Denver, Colorado; and California cities such as Fresno, Los Angeles, Oakland, Sacramento, San Francisco, San Jose, San Diego, and Palm Springs. This memorandum concludes with recommendations for licensing and regulating equity dispensaries in Long Beach, should the City Council decide to move forward with expanding this license type.

Background and Regulations

On November 8, 2016, Long Beach voters approved Measure MM, establishing Chapter 5.90 of the Long Beach Municipal Code (LBMC), which allowed for medicinal commercial cannabis activity in the city. Pursuant to Chapter 5.90 of the LBMC, a maximum of 32 medical cannabis dispensaries can operate in the City based on the total population in Long Beach. In addition to the cap on the number of licenses that could be issued, the Ordinance included a detailed selection process that involved the City scoring and ranking applications as well as a public lottery to determine which applicants were chosen to move forward in the licensing process. All 32 businesses were selected through this process and were eligible to move forward with obtaining a medical cannabis dispensary license. In addition to dispensary activities, medical dispensaries were eligible to conduct delivery activities from their storefront location.

On July 13, 2018, the City Council approved the passage of Chapter 5.92 of the LBMC, allowing commercial adult-use cannabis activity in the city. Pursuant to Chapter 5.92, the existing 32 medical cannabis dispensary applicants and licensees were the only businesses eligible to apply for and conduct adult-use dispensary and delivery activities. As a result, there are currently no opportunities available for equity applicants to obtain a cannabis retail license in Long Beach.

Any dispensary operating in Long Beach must obtain a business license issued by the City as well as a valid State license from the recently formed California Department of Cannabis Control (DCC), formerly known as the Bureau of Cannabis Control, and follow all local and State regulations. Some of the key regulations as outlined by the LBMC and the DCC for dispensary businesses are as follows:

- Hours of operation for adult-use sales at dispensaries are 8:00 a.m. to 10:00 p.m. and 9:00 a.m. to 10:00 p.m. for medical sales.

- Dispensaries offering delivery services must complete all deliveries by 10:00 p.m. if selling adult-use cannabis products and 9:00 p.m. if selling medical cannabis products.
- Dispensary access is restricted to individuals who are at least 21 years of age or at least 18 years of age with a valid physician's recommendation for medical cannabis.
- Dispensaries must hire or contract uniformed security personnel to provide 24-hour random security patrols of the premises.
- Dispensaries must ensure that all cannabis goods made available by the dispensary are packaged and sealed in tamper-evident packaging and placed in an opaque exit package before a customer leaves the facility.

Dispensaries that do not comply with these and other applicable regulations are subject to administrative or misdemeanor citations, as well as possible suspension or revocation of their business license.

City Departments Responsibilities

Table 1 below outlines the roles and responsibilities of each City department involved in licensing, regulating, and assisting cannabis businesses in Long Beach. Although the City currently licenses and regulates cannabis dispensaries, department processes will likely change to adapt to the allowance of additional dispensaries that will be made exclusive to equity applicants. It is anticipated that there will need to be greater assistance and guidance provided to equity applicants compared to other non-equity cannabis businesses in the City.

Table 1: Department Roles and Responsibilities

Department	Roles and Responsibilities
City Manager's Office, Office of Cannabis Oversight (OCO)	• Oversight of the cannabis program, including the Equity Program • Verify equity applicants, secure State grant funding, and administer direct grants and other benefits to facilitate equity business ownership
Economic Development, Business Development Bureau	• Administer direct technical assistance to equity applicants participating in the Equity Program, including coordinating an Entrepreneurship Academy and One-on-One Advisory Services
Financial Management, Business License Division	• Process, review, and approve all cannabis business licenses • Process cannabis tax payments • Enforce against illegal cannabis operators
Health and Human Services, Environmental Health Bureau	• Plan check and inspection of cannabis businesses to ensure compliance with health code requirements • Enforce against illegal cannabis operators
Fire Department, Fire Prevention Bureau	• Plan check and inspection of cannabis businesses to ensure compliance with fire code requirements • Enforce against illegal cannabis operators
Development Services, Planning and Building Bureaus	• Review and approve cannabis business locations • Plan check and inspection of cannabis businesses to ensure compliance with zoning, building, electrical, mechanical, and plumbing code requirements • Process entitlements and/or environmental documentation
Police Department	• Assist with enforcement against illegal cannabis operators • Ensure safety of staff in carrying out enforcement duties
Development Services, Code Enforcement Bureau	• Enforce against illegal cannabis operators

Community Feedback

To solicit feedback for the feasibility study, staff from the Office of Cannabis Oversight (OCO) invited equity applicants, cannabis businesses, business organizations, and the public to discuss the licensing and regulation of additional dispensaries in Long Beach that would be made available exclusively to equity applicants. Staff focused the discussion topics on the following policy issues to inform the options presented in this report: licensing caps, expanding the "Green Zone," competitive application processes, and predatory practice protections. The engagement included an online survey, a virtual public community meeting, and virtual roundtables with community organizations such as the Long Beach Collective Association (LBCA), Long Beach Cannabis Commerce Collective (LBCCC), United Cambodian Community (UCC), LB Forward, and Catalyst.

The online survey was posted to the City's website, social media channels, and released via email to various City department stakeholders on July 14, 2021, and was open for a two-week period. Out of the 135 responses received, 43 responses were from equity applicants, 23 responses were from cannabis business owners, 67 responses were from Long Beach residents, and 2 responses were from others with an interest in the equity dispensary conversation. Forty-eight members of the community attended the virtual community meeting on July 28, 2021, which allowed participants to speak directly with City staff on topics covered in the survey, as well as discuss topics not identified in the survey. Recordings of the community meeting and roundtable discussions can be found on the City's website at www.longbeach.gov/cannabispolicy. Aggregate data from the community outreach has been compiled in a report, which can be found in Attachment A. Feedback from the community outreach is also presented throughout this report.

Expanding the "Green Zone"

Securing property in the City's "Green Zone" has consistently been one of the primary barriers for equity applicants to enter the cannabis market in Long Beach. The Green Zone consists of defined areas of Long Beach where cannabis businesses may operate that meet all buffer, zoning, and other land use requirements. California Business and Professions Code Section 26054 establishes minimum buffers for cannabis businesses operating in California. Pursuant to State law, at a minimum, no cannabis business should be located within 600 feet of a school teaching grades K through 12, a daycare center, or youth center unless the local jurisdiction specifies a different radius. The Long Beach Municipal Code has even stricter requirements than the State. Medical cannabis dispensary businesses must not be located within 1,000 feet of a school, beach, or other dispensary, or 600 feet of a daycare center, park, or library. The distance between a proposed premises and any sensitive use is determined by the horizontal distance measured in a straight line from the site boundary of the sensitive use to the closest site boundary of the site on which the proposed premises is to be located, without regard to intervening structures. In addition to the buffers for medical cannabis businesses, adult-use cannabis dispensary businesses must also comply with Title 21 (Zoning Ordinance), which states that adult-use cannabis dispensary businesses are only allowed to locate in commercial zones by right (without needing a permit or entitlement) or light industrial zones with an Administrative Use Permit (AUP) or Conditional Use Permit (CUP), and Title 5, which states that cannabis dispensary businesses may also not be located within any building that contains a residential unit, except if located in the Downtown area (PD-30) with a CUP.

Currently, any cannabis business wishing to obtain a business license in the City must first find an eligible property before applying for and obtaining a business license. Many equity applicants report that finding a physical location that complies with all buffers, zoning, and other requirements has been extremely difficult. Properties that comply with all the regulations are very limited in the city, as most commercial corridors are within the buffers of schools, parks, day care centers, and/or beaches.[1] In addition, community feedback indicates equity applicants often have a lack of credit or lease history and property owners are not fully aware of the benefits of the Equity Program, which reportedly makes property owners hesitant to lease to equity applicants. If an equity applicant does find a property owner who is willing to lease to them, those property owners will often charge a premium (up to triple the standard rent that is charged for a non-cannabis business) or require applicants to sign predatory lease agreements to utilize the space. This is not an exhaustive list of all the barriers to finding property that equity applicants have reportedly experienced in Long Beach; however, these are the most common barriers as explained by equity applicants during the community outreach.

After exploring ways to reduce these barriers to entry, staff identified expanding the Green Zone to have the greatest impact for the equity dispensary business type should the City Council wish to allow additional dispensaries. Increasing real estate opportunities by expanding the Green Zone will help ensure equity dispensary owners can find appropriate properties to operate their cannabis business and will likely expand available property inventory, reduce the cost for applicants to lease or buy properties, utilize some underserved and blighted areas of the city, provide employment opportunities to adjacent communities, and allow dispensaries to be more equally distributed throughout Long Beach. Without an expanded Green Zone, it is possible some equity applicants will find no viable properties to conduct their cannabis business, or they will experience significant delays due to the extended search for a viable property. Some equity applicants have reported that it has taken them years to find a viable property that is cost-effective or does not include any predatory agreements in the current Green Zone. To date, there have been five equity cannabis businesses across all cannabis non-retail business types that have found viable properties and have submitted business license applications to the City.

Under LBMC Chapter 5.92, the City Council has the authority to amend the buffers for adult-use cannabis businesses if the amendment does not conflict with State law. Under LBMC Chapter 5.90, buffers for medical cannabis businesses may only be amended by a vote of the people due to the original measure being passed by a majority vote of the residents of Long Beach. The City Council does not have the authority to amend the buffers as outlined in LBMC Chapter 5.90. Therefore, any change to the existing buffers would apply to adult-use cannabis dispensary businesses and not medical cannabis dispensary businesses. Should the buffers be expanded, a business that wishes to locate in a newly expanded area would only be eligible to apply for an adult-use license to conduct adult-use sales but would not be eligible to apply for a medical license or conduct medical sales. To allow medical dispensaries in the newly expanded zones, the City would need to develop a ballot measure to repeal LBMC 5.90 and amend LBMC Chapter 5.92 to apply to both medical and adult-use cannabis businesses, which would come at significant cost to the City.

[1] See interactive cannabis map provided on page 6

In general, community members dislike this disparity in patient's access to medical cannabis; however, many community members are in support of the policy if it allows newly expanded areas for equity cannabis dispensaries in the city. Of all community survey respondents, 67 percent were in support of reducing the cannabis buffers, even if it meant an equity dispensary would not be eligible for a medical license. In addition, some community members felt that the impact on sales would be low, as the proportion of total sales for medical cannabis products compared to adult-use cannabis products have declined over the last few years. As seen in Table 2 below, the proportion of sales of medical cannabis products in Long Beach, as indicated by cannabis tax data, have consistently been declining as more dispensaries have been opening their doors.

Table 1: Proportion of Medical vs. Adult-Use Sales

Year	Adult-Use Sales	Medical Sales
2017	0%	100%
2018	2%	98%
2019	78%	22%
2020	84%	16%
2021*	95%	5%

*as of 8/31/2021

The City Council has the discretion to reduce or eliminate any buffers as outlined in LBMC Chapter 5.92, including the buffers for parks, beaches, libraries, daycare centers, schools, and between dispensaries. Staff conducted a spatial analysis, reviewed community feedback, studied buffers in other jurisdictions, and discussed buffer amendments with internal City departments to determine which changes would produce the greatest impact in expanding the Green Zone while also maintaining public health and safety. Through this analysis, staff have developed the following recommendations should the City Council wish to allow additional dispensaries:

1. **Remove the park buffer and implement a 600-foot buffer from playgrounds and a 600-foot buffer from community centers.** The current park buffer significantly reduces the amount of available property for cannabis businesses in the city. Currently, parks include all open space areas, including some areas that are not frequently used or are not traditionally viewed as parks, including medians, dog parks, marinas, and waterways. Instead of eliminating or reducing a buffer across all areas currently defined as "parks" in the city, staff recommend focusing the buffers on those areas of the city that have large number of children present and/or are predominantly patronized by minors, which typically include areas with playgrounds and community centers. By amending these buffers, more commercial properties will be made available in areas that are currently limited.

2. **Reduce the school buffer to 600 feet to align with the State's requirement.** The school buffer is one of the most limiting buffers for cannabis businesses to find available properties in Long Beach. Long Beach has over 145 charter, public, and private schools. In the community meeting and roundtable discussions, equity advocates and cannabis businesses continually requested a reduction of the school buffer to align with the State requirement. However, the Long Beach Unified School District (LBUSD) expressed that the 1,000 foot buffer should remain around schools to minimize locations along school

safe walking routes and that any new dispensaries should be evenly distributed throughout the City, particularly adding dispensaries in east Long Beach. In addition to the buffer requirements, reasonable protections are in place to prevent child access and exposure to cannabis including age requirements for individuals to enter the cannabis facility, opaque exit packaging when a customer leaves the facility with cannabis, and the sale of prepackaged cannabis goods to reduce odor. For these reasons, staff recommends aligning with the State's requirement of 600 feet.

3. **Remove the beach buffer.** Eliminating the beach buffer would have a significant impact on the Green Zone of the city, while still ensuring protections for children. Any beaches that contain a playground or community center would continue to include a 600-foot buffer while those without would be eligible for a cannabis business to locate in an adjacent property.

A map of the City's current buffers and available Green Zone can be found in Attachment B. A map and spatial analysis detailing the expanded Green Zone from the proposed recommendations can be found in Attachment C. Staff also developed an interactive cannabis map that allows users to add and remove the City's current buffers to see the spatial difference in the Green Zone of the city. Users can look at specific neighborhoods to determine which reduction of buffers would produce the greatest visual impact to the Green Zone. In total, the recommended amendment to the buffers would add an additional 6,629 parcels and 3.1 square miles to the Green Zone, expanding from 6,344 parcels and 6.5 square miles to 12,973 parcels and 9.6 square miles.

In addition to amending the buffers, staff explored the option of allowing dispensaries in mixed-use buildings containing a residence citywide. Currently, dispensaries are only allowed to locate in mixed-use buildings containing a residence in the Downtown Plan (PD-30) Zoning District with a CUP. Allowing dispensaries to locate in mixed-use buildings citywide would significantly increase property availability and provide more opportunities for businesses to locate. Although there is public support for dispensaries to locate in mixed-use buildings with residences as indicated by the roundtable discussions, community meeting, and survey, this change to the LBMC would come at significant cost to the City. As indicated in the August 28, 2020 memo to the City Council, approximately $100,000 would be needed to hire a consultant to prepare the environmental study to allow for this expansion. Due to limited resources currently available, staff recommend making the recommended changes to the buffers as outlined in this report before revisiting this concept to see if additional changes are necessary to further expand the Green Zone.

Along with the changes identified above, staff reviewed the buffers of jurisdictions with similar equity programs to determine best practices. Buffers in jurisdictions vary widely since each jurisdiction has a completely different footprint and different ways of defining each sensitive use; therefore, a like-for-like comparison cannot be made of other jurisdictions' buffers. However, among the cities studied, the most common buffers included those around schools, childcare facilities, parks (playgrounds and community centers), and existing dispensaries. The recommendations for the buffers in Long Beach are generally consistent with the buffers in other cities. Additional details on the other jurisdictions' buffers can be found in Attachment D.

Staff also explored using the Long Beach Recovery Act funds aimed at assisting local equity applicants in obtaining new dispensary licenses in economic empowerment zones once developed. Long Beach Recovery Act resources funded from the federal American Rescue Plan Act stimulus funds cannot be used for any program related to cannabis in Long Beach. Cannabis is still considered a Schedule 1 substance, and federal disbursement regulations prevent federal resources from being used for any cannabis purpose. However, staff will continue exploring options for equity business ownership opportunities as part of the study being conducted by the Economic Development Department on the potential establishments of economic empowerment zones in the city and will report any options back to the City Council for further consideration.

Should the City Council proceed with amending the buffers for adult-use dispensary businesses, the amendment would apply to all dispensaries, whether owned exclusively by equity applicants or others; therefore, all dispensaries in the city could locate in a newly expanded area of the Green Zone. Although there are different categories of applicants (equity applicants vs. non-equity applicants), the use of the property for retail purposes is the same for both categories of applicants. There could be increased liability to the City if the buffers were amended for one category of applicants versus others without a rational basis for why a difference exists for the use of the land. Staff also conducted a review of the zoning for cannabis dispensary businesses in the city and determined that the current zoning should remain in place for adult-use equity dispensaries to remain consistent with other non-cannabis retail activities in the city.

Licensing Cap

As part of the feasibility analysis, the City Council also requested staff to explore what number of additional dispensary licenses should be made available exclusively to equity applicants in the city. Pursuant to LBMC Chapters 5.90 and 5.92, the City Council may increase the number of licensed and permitted medical and adult-use cannabis dispensaries in the city. However, an equity dispensary would only be eligible to obtain an adult-use license and would not be eligible to receive a medical license as the Equity Program is only applicable to adult-use licenses. To determine the number of adult-use licenses that should be made available, staff requested feedback from the community, reviewed the amount of available space in the Green Zone, held discussions with existing cannabis business owners and advocates about the cannabis market in Long Beach, and reviewed resource and staffing impacts in internal City departments.

The community survey allowed respondents to input a number into a freeform field to indicate the number of equity dispensaries that they believe should be allowed in the city. Based upon initial results from the survey, the average number of equity dispensaries that respondents believed should be allowed is 34, which would result in a total of 66 dispensaries in the city – more than double what is allowed today. Ten respondents indicated there should be no additional dispensaries allowed in the city, while 11 believed there should be between 1 and 8, and 114 believed there should be more than 8. In addition, respondents were able to include freeform comments in the survey regarding their proposed number. Comments reflected a variety of opinions including some believing there are too many dispensaries currently in the city to others believing that the most equitable solution would be to match the current number of dispensaries or allow all dispensaries licenses to be made available to equity applicants.

Feedback from participants in the community meeting and roundtable discussions expressed that the most “fair” or “equitable” solution would be to issue 32 equity dispensary licenses to match the current number of dispensary licenses, which would allow 50 percent of all dispensary licenses in the city to be allocated to equity applicants. Although a one-to-one ratio was the initial preferred option, participants also recognized that having a greater number of dispensaries might impede the success of these businesses and the entire cannabis market in Long Beach. Cannabis organizations expressed that, although they would like to see as many equity dispensaries as possible, the number should be sustainable for the new equity businesses owners as well as the existing dispensary businesses. Exceeding the City’s demand for dispensaries would drive up competition, setting businesses up for price wars in which new equity dispensaries may be at a disadvantage compared to their more established counterparts. Equity businesses may not be able to afford the short-term decrease in profit margins by lowering their prices, and they may also struggle to get access to certain distributors in the supply chain to buy cannabis products in bulk. Ultimately, participants in the community discussions preferred to have a few successful businesses over many unsuccessful ones and agreed that an additional 32 dispensaries would oversaturate the market.

When researching other jurisdictions, the number and methodology for determining how many dispensary licenses are available varies. Similar to Long Beach’s medical ordinance, some jurisdictions regulate the number of dispensaries based on their population size. For example, Sacramento uses a ratio of 1 dispensary for every 13,000 residents, for a total of 40 dispensaries citywide. In addition, 25 percent of all licenses must be made available exclusively to the participants of the Cannabis Opportunity Reinvestment and Equity (CORE) Program. Other cities like Oakland and Los Angeles are dedicating a certain percentage of licenses to equity applicants or only allowing equity applicants to apply for dispensary licenses for an extended period of time. Overall, jurisdictions are typically allocating at least 20 to 50 percent of their dispensary licenses to equity applicants. Many jurisdictions built this allocation into their original dispensary ordinances; however, in Long Beach, any new percentage allocation for equity applicants would have to be in addition to the 32 existing licensed dispensaries, making a 50 percent allocation infeasible on a practical level at this time due to the challenges discussed above.

In addition to the community feedback and research of other jurisdictions, staff conducted discussions with internal departments responsible for assisting equity applicants through the licensing process to review the fiscal impacts and staffing resources that would be necessary to develop a robust business assistance program for the equity dispensary applicants. On average, it will cost a dispensary business over $500,000 to become licensed and fully operational. Equity applicants typically do not have this up-front capital or access to other forms of banking; thus, they are heavily reliant on the grants provided to them by the City on behalf of the State of California.

The most recent grant award for the Equity Program provided by the Governor’s Office of Business Development (GO Biz) was $1,267,044, of which 80 percent of the funds, or $1,013,635, is available for direct grants to businesses. With eight businesses under the current grant funding, each would receive a total of $126,704 in grant funding – approximately one-fifth of the funding they would realistically need to open their business. In addition, allocating this much to the equity dispensaries would not allow any allocations to other cannabis equity businesses in the city. However, if funds were provided to other equity cannabis businesses,

less grant funding would be available for equity dispensaries going through the licensing process. If more than eight licenses were available for equity applicants, each applicant's share of grant funding would be diluted even further, which would reduce the positive impact the grant funding might otherwise have on the business's chances of success.

Although staff do anticipate an increased amount of grant funding due to the recent allocation in the State's 2021 budget, it is unclear how much grant funding will be available for the Equity Program at the point that the licensing process will begin for these equity dispensaries. Given this information, staff recommend making 8 cannabis dispensary licenses, or 20 percent, available to equity applicants. This number allows for the greatest opportunity of success for these dispensaries while maximizing the impact of the City's available resources, and brings the total number of dispensaries in the city to 40.

Application Process

As part of the feasibility analysis, staff determined a process would need to be developed to select the applicants eligible to move forward in the licensing process. This is of particular importance because submission numbers are expected to be high. Through research of best practices in other cities and a review of past practices in Long Beach, staff identified four options for an application process to select the businesses eligible to move forward in the licensing process: merit-based review, simple lottery, first come first served, or hybrid model. After determining the four options for the application process, staff conducted feedback with the community, held discussions with internal City departments, researched other jurisdictions' processes for best practices, and reviewed resource needs and technology requirements.

Each of the application process options identified below will require 2.0 FTEs, 1.0 in the City Manager Department and 1.0 in the Financial Management Department, to support the expansion of the cannabis licensing program, including the administration of the Equity Program. Although some of the application process options identified below are more streamlined and would take less time to select applicants awarded to move forward in the licensing process, any expansion of the cannabis program will require additional staffing resources beyond what is currently budgeted. Staff support is not only necessary to design and implement the application process for the equity dispensary license type but also to provide support and assistance throughout the licensing process for applicants that have questions or want to make operational changes, administer equity program benefits such as fee waivers and direct grants, provide access to resources and direct technical assistance, as well as assist businesses once they become operational by processing license amendments, collecting business license taxes, and assisting with regulatory requirements.

The delivery feasibility analysis released on August 17, 2021, identified annual ongoing costs of 2.0 FTEs estimated at $230,000 as well as one-time costs of $75,000 for a technology platform to support the expansion of the Equity Program. If the request for resources under the delivery license type is approved, the 2.0 FTEs allocated for delivery would be sufficient to support the equity dispensary license type and no additional staffing would be required for the equity dispensary application process options outlined below. However, if the delivery license type does not move forward, the $75,000 for an Equity Program technology program as well as 2.0 FTEs would still be required to implement the equity dispensary license type. In addition to these resources, additional one-time resources for each application process have been

identified and included below. The details of each process and staff's recommendation are as follows:

Option #1: Merit-Based Review

The merit-based review process awards licenses based on a full discretionary review of applications. The options for structuring a merit-based review include following the City's Request for Proposal (RFP) process, which has ethical, equity, conflict of interest, and due process concerns addressed within its established process, or conducting some form of an application scoring, ranking, and/or interview process. Applicants that score or rank the highest, based on carefully crafted criteria, would be selected to move forward in the licensing process.

A merit-based review allows the City to vet businesses for the highest likelihood of success and/or alignment with the Equity Program's goals and priorities. This vetting process could discourage predatory practices and ensure that individuals that were most impacted by the War on Drugs receive the opportunity for a dispensary license. Depending on the way the process is structured, equity applicants could apply as individuals for the licenses without the need for outside investors. It could also allow equity applicants the chance to tell their own stories and provide their connection to the Long Beach community.

One jurisdiction who had a full merit-based application process was the City of Sacramento. The City of Sacramento conducted a merit-based review process to select equity applicants eligible to apply for 10 dispensary licenses out of a total of 40 citywide. To select the 10 equity dispensary permits, a Request for Qualifications (RFQ) was issued. They spent months developing the criteria for the program, which was crafted by staff based on input from a stakeholder survey and was ultimately approved by the City Council. The RFQ submission period was then open for approximately a month and a half to individuals who qualified for the CORE Program.

The applications, or Statements of Qualifications (SOQ), were evaluated by an anonymous panel, which was identified by the City Manager's Office in collaboration with the Economic Development Department. The panel consisted of four neutral volunteers based outside of Sacramento with expertise in economic or business development, active involvement in social equity matters, and/or active involvement in cannabis businesses. The panelists were not disclosed to the public or applicants until after the selection process had concluded. The panelists scored the applications using an evaluation form that included criteria such as personal experience and impact from the War on Drugs, background, training, and education, as well as the applicant's proposed business plan including the timeline, budget, and operation plan. Panelists then ranked the applications, and the ten highest scoring applicants were offered the opportunity to apply for a storefront cannabis dispensary permit.

Feedback from the Long Beach community indicates that an application process involving a merit-based review is the most favorable out of the options identified. Of all survey respondents, 54 percent, and 59 percent of equity applicant respondents, believe that applications should be scored based on merit. Participants of the community meeting and roundtable discussions expressed that the merit-based review would ensure that the most successful candidates will have access to the license, and that in order to create an equitable process, the selection of applicants based on the criteria needs to be transparent and the community needs to be

included in developing the criteria. Several participants also felt that a merit-based review would allow applicants to share their stories, show their connection to the community, and present a plan for how they might reinvest in the community if selected. Overall, many participants believed that with transparent, co-designed scoring criteria, a merit-based process can empower equity applicants and ensure the success of the Equity Program.

Out of the application process options identified, a merit-based review process is the most costly and time-consuming to develop and implement. The City anticipates receiving over 100 applications based on interest in the program and the volume of applications that were submitted to other cities' programs. Each application will have to be fully reviewed, vetted, and evaluated, which will take a significant amount of time. A typical merit-based review process will take six or more months to develop the criteria and ultimately select applicants eligible for a license. In addition, a fully discretionary process could increase the risk of litigation and potential protests from people that were not awarded a license. These protests would take additional staff resources and time to process, further delaying the equity dispensary program. Even with these risks, the merit-based review process is considered a best practice in awarding dispensary licenses and allows for the most in-depth review of an applicant's qualifications and experience.

For these reasons, staff recommend incorporating a merit-based review in the equity dispensary application process. If the City Council were to include a merit-based review component, the City's existing RFP process and system could be used, with no additional costs for technology. Along with the 2.0 FTEs, this option would require a one-time cost of $50,000 for a consultant to conduct community workshops and engagement efforts to co-design the evaluation criteria between City staff and the community. It would take approximately six months to draft the ordinance, conduct an RFP to engage the co-design consultant, and develop the criteria for the program. It would then take an additional six months from the time the application period is open to the time the selection process concludes.

Option #2: Simple Lottery

A simple lottery is one of the quickest, most cost-effective forms of an application process and involves a ministerial review of an application to ensure the applicant meets the minimum qualifications of the program. Applicants that meet these minimum pass/fail qualifications would then be selected completely by chance in a fully transparent lottery.

A simple lottery process lowers the risk of liability to the City, as it is a fully ministerial process. A ministerial review process reduces the liability that is inherent in a discretionary process, as there are no subjective criteria to score or grade. In addition, a simple ministerial review of an application is much less time-consuming than a merit-based review. The process could take less than three months from the time the application period is open to the time applicants are selected to move forward in the licensing process.

Although there are benefits with a simple lottery process, there are also some significant drawbacks. A simple lottery process would not provide an opportunity for discretion to review an individual based on their merits. Without a discretionary review based on an individual's merits, there is no guarantee that the applicants selected through the lottery will successfully obtain a license or that the integrity of the Equity Program will be maintained. There is also a

high risk of predatory practices throughout a lottery process. Predatory investors know which individuals would be entered into the lottery and will seek to partner with these individuals in an effort to gain a majority share of the license once the business becomes operational. In addition, some predatory investors will seek individuals that may qualify for the Equity Program and provide them compensation to participate in the lottery and give them a small payout once selected and a license has been issued. These equity applicants are often known as "straw men" in the industry, since they are not the real license holders or individuals actively managing the business. These tactics could ultimately harm the overall goals of the Equity Program and prevent equity applicants from maintaining ownership in the business.

Feedback from the community indicates that a simple lottery process is one of the least favorable options for an application process. Although 51 percent of all respondents in the survey believed that a lottery process is a fair and equitable process for all applicants, out of the responses from equity applicants, 65 percent disagreed with that statement. Feedback from the community meetings and roundtable discussions also reiterated the idea that a lottery is not an equitable process. Many individuals felt that a lottery process would not allow equity applicants to be able to share their qualifications and stories about how they were impacted by the War on Drugs and why they want to participate in the industry through the retail license type. In addition, an applicant's connection to the Long Beach community would not be able to be captured through a lottery process.

Given these issues, staff do not recommend moving forward with a simple lottery process. However, if the City Council were to proceed with this option, the lottery process would require the use of a technology platform for applications to be accepted in an electronic format as well as staff resources to perform the ministerial review of applications. The cost for a technology platform is currently budgeted and would not require additional resources; however, 2.0 FTEs would still be required to support the equity dispensary license type. It would take an estimated three months from the time the application period is open to the time individuals are selected to move forward in the licensing process under a simple lottery option.

Option #3: First Come, First Served

The first come, first served option is an application process in which staff reviews applications in the order in which they are received to determine completeness, up to a pre-determined number of licenses. Those applicants who submit complete applications first would be selected to move forward in the licensing process. This process could be conducted online or in-person, allowing participants to submit completed applications upon the application process opening.

The main benefit of a first come, first served process is the reduced need for staffing resources as the number of applications that would need to be reviewed is minimal and the application period is generally open for less than 24 hours. On the other hand, this selection process option is not in the best interest of equity applicants because it poses a number of challenges. Applicants with access to technology and strong internet connectivity have an advantage over applicants who do not. Additionally, there is a likelihood for technology issues, cybersecurity issues, and people using "bots" to hijack an online application system. Individuals who are not available to submit their applications at the specified date and time or experience an unforeseen event that prevents them from doing so miss their opportunity to apply altogether. If the first come, first served process were to be held in person, there are also several

accessibility issues, such as whether an applicant can get off work to stand in a line for several hours or whether they have childcare needs. It also imposes a greater impact on staff, as the City would need to create a process for receiving submissions and implement security measures to manage the queue. Lastly, the first come, first served process, like the lottery, would leave the likelihood of success of the businesses largely up to chance or to those businesses with the most capital, resources, and access to technology.

Feedback from the community indicates that a first come, first served process is one of the least favorable options. Of all survey respondents, 70 percent, and 53 percent of equity applicant respondents, do not agree that this process is fair and equitable to all applicants. Participants of the community meeting and roundtable discussion expressed disapproval for the first come, first served option. Many of them noted the failure of first come, first served processes in other cities. Notably, the City of Los Angeles was recently sued over their online, first come, first served process in which a number of applicants were able to access the online application sooner than others while some applicants were told they could not sign onto the online system before the 10:00 a.m. opening time.

Given these issues, staff do not recommend moving forward with a first come, first served competitive application process. However, if the City Council were to proceed with this option, staff recommend using a technology platform to accept applications online as opposed to accepting applications in person. Some City departments currently use online application platforms that may be used for this purpose at a nominal cost. However, if an existing technology platform cannot be used, staff estimate a new technology platform could cost upwards of $50,000 to develop. Two FTEs would also be required for this option and it would take an estimated four months to set up an online portal and begin accepting applications.

Option #4: Hybrid (Recommended)

A hybrid approach would be a combination of any of the process options listed above. For example, the City may choose to perform a merit-based review of applications and then conduct a lottery to determine those applicants selected to move forward in the licensing process. Another option would be to accept applications on a first come, first served basis, and then conduct a merit-based review. Depending on design, a hybrid process could be an equitable way to select applicants to move forward in the licensing process. For instance, a merit-based review would allow staff to select highly qualified individuals and a lottery will allow those top candidates to be chosen by chance, reducing any possible bias.

Feedback from the community indicates that a hybrid model is also a preferred method to select applicants if the design includes a full merit-based review process. Of all survey respondents, 55 percent agreed that a combination of a merit-based review and lottery is a fair and equitable process to all applicants. Meanwhile, equity respondents were evenly split in their opinion on the matter. Participants of the community meeting and roundtable discussions generally supported any process that involves the community in the design of the process, which must be carefully thought out, fair, and transparent. While some preferred a pass-fail discretionary review with an interview, others preferred a merit-based process with strong criteria and a subsequent lottery. The individuals and organizations had several ideas about a hybrid application process involving some form of a discretionary review including an interview phase.

For these reasons, staff recommend employing a hybrid application process that would include a merit-based review process based on the City's RFP process, as well as a final lottery selection from the qualified pool of applicants selected through the RFP process. Based on best practices and feedback from the community, staff recommend to: (1) co-design the evaluation criteria of the program with the community with the assistance of the consultant as described in Option #1 above; (2) select credible panelists in the cannabis industry or equity advocacy spaces that are not based in Long Beach to reduce possible bias; and, (3) make all evaluations by the panelists completely transparent.

Staff propose an RFP model that will include a review of pass/fail eligibility criteria, an evaluation of proposals based on applicant readiness, interviews of individual equity applicants to determine a qualified pool, and a final lottery to select the individuals eligible for the dispensary licenses. This process is substantially different from the 2017 dispensary application process that awarded the 32 dispensary licenses, as this process includes a review of proposals and an interview. Staff have not yet identified the qualifying criteria for the program, as that is largely dependent upon the co-design work with the community, but the criteria should be able to determine an equity applicant's readiness and preparation to become a cannabis business owner.

If the City Council were to proceed with this option, the process would require, at a minimum, the costs identified in Option #1 – 2.0 FTEs at an approximate cost of $230,000 and $50,000 for a consultant to engage with the community in the design of the application criteria. With the 2.0 FTEs, there would not be any additional costs for the inclusion of a lottery process in the hybrid model. The recommended hybrid model would take an estimated six months from the date the application period is open to when applicants are awarded to move forward in the licensing process. However, it will also take an additional six months prior to opening the application period to draft the ordinance, conduct an RFP to engage the co-design consultant, and develop the criteria for the program. Given this timeline, the application process for equity dispensary licenses would likely not open until May 2022, with applicants being selected in November 2022.

Predatory Practice Protections

Setting a cap on the number of licenses available and making them exclusively for equity applicants increases the risk of predatory practices against equity applicants. Predatory practices are predatory agreements and other unfair business practices utilized by individuals seeking to partner with equity applicants, who would otherwise not qualify for a business license without that partnership. Although predatory practices cannot be fully eliminated, the City can implement various policies and programs to prevent or disincentivize individuals to engage in predatory practices.

After researching best practices in other jurisdictions and obtaining feedback from the community, staff identified three options to protect equity applicants against predatory practices: strengthening the municipal code, providing education, training, and direct technical assistance to equity applicants, and reviewing business documentation upon application submission. As stated in the delivery feasibility analysis, any protections for equity dispensary applicants can be applied to other license types, to the extent that funding and resources allow.

Staff anticipate applying the following recommended options to all cannabis equity business types currently allowed in the City to ensure that all equity applicants receive these protections.

Strengthen Equity Protections in the Municipal Code (Recommended)

Strengthening equity protections in the LBMC would include provisions aimed at protecting equity applicants and the overall integrity of the Equity Program. There are many different options for municipal code protections that would need to be explored in further detail during the ordinance drafting process to consider which ones are the best fit for Long Beach and the Equity Program. Some examples of municipal code protections include, but are not limited to:

- Barring non-equity individuals or entities from having an ownership interest in more than two equity cannabis permits
- Setting a minimum time limit that a business must be equity-owned
- Setting a time limit before an equity business can transfer ownership
- Allowing multiple equity applicants to have a majority ownership in a license

The City's current Equity Program language in the LBMC does not include many protections for equity applicants, besides a minimum ownership percentage requirement. The provisions identified above, and others, can help prevent predatory practices and ensure that equity applicants can build future generational wealth through cannabis business ownership. Feedback from the community indicates widespread support for strengthening the municipal code to protect equity businesses. In the community survey, 98 percent of equity applicant respondents agreed that the City should provide protections in the LBMC.

There are no staffing impacts or costs associated with updating the LBMC. For these reasons, staff recommends strengthening provisions of the LBMC to further protect equity applicants and the integrity of the Equity Program. Should the City Council decide to move forward with licensing and regulating equity dispensaries, staff will develop language to be included in a future ordinance for the City Council's consideration.

Education, Training, and Direct Technical Assistance (Recommended)

Community feedback regarding the equity dispensary licenses emphasized the need for equity applicants to have access to education, training, and direct technical assistance to support them in securing properties, completing the application process, and operating their business successfully. Examples of education and training include informational workshops from industry experts and current cannabis dispensary owners on how to own and operate a dispensary or providing documentation and resources for different stages in the licensing process. Other direct technical assistance includes having contracted professionals and attorneys to review legal agreements and business documents prior to an applicant entering an agreement to determine if there may be any harm done to the applicant. Participants of the community meeting and roundtable discussions noted that access to legal counsel and expertise is key to supporting and protecting equity applicants as they enter into agreements and establish their businesses. Making these services available may protect an equity applicant from signing a predatory agreement or failing to successfully open and operate their business.

Currently, the City provides direct technical assistance and education through the Direct Technical Assistance Program for qualified equity applicants in the Equity Program. These services include an Entrepreneurship Academy, the first of which recently concluded in July 2021, and one-on-one advisory services provided by finance, accounting, and business planning professionals. The current program does not include any education or training specific to opening and operating a dispensary business, nor does it have attorneys available to assist equity applicants in legal document review. Staff recommend seeking third-party vendors and attorneys that can provide these specific services for equity dispensary businesses to help ensure the highest likelihood of success.

To provide these needed services, additional resources would be required for the program. The Direct Technical Assistance Program is currently funded through the grants provided by GO Biz; however, only 10 percent of all grant funds can be used for this purpose. In the last round of grant funding, $126,000 was available for direct technical assistance. In addition to the low funding amount, it is unclear if any grant funding will be available for direct technical assistance at the point that the City begins accepting applications for equity dispensary licenses. Therefore, staff are requesting an additional $200,000 to support consultants providing direct technical assistance to equity dispensary applicants. Should the City receive grant funding for direct technical assistance that meets or exceeds this amount, all funds will be deposited back into the General Fund.

Business Document Review Upon Application Submission

Another strategy we have seen in other jurisdictions to prevent predatory practices involves staff reviewing business documents as part of the application submission to determine if any documents resulted in harm to the equity applicant. Business documents could include corporate business structure documents and agreements, lease agreements, financial statements, and other documents. This strategy provides very little benefit for the equity applicant compared to the cost of administering such a review process. Firstly, staff do not have the expertise or knowledge to determine what portions of a legal agreement might be considered predatory. This review would likely have to be conducted by third-party professionals that have the expertise to look at a document and find any red flags. Secondly, this review is conducted after an equity applicant has already entered into an agreement with a property owner or investor; therefore, the equity applicant is already legally bound by the terms and conditions in the document. It would be unlikely that the investor would be willing to change any terms and conditions after the fact. Lastly, this review process is very burdensome and costly for the City and the equity applicant. No other cannabis business is required to undergo this level of scrutiny and the review would likely take several weeks using an outside consultant.

Feedback from the community indicated that a process for business document review by the City could act as an additional barrier for equity businesses by limiting their ability to partner with investors for capital or resources that would otherwise be available to them. Feedback also identified business document review as punitive and beyond the scope of how the City regulates other businesses, including cannabis businesses, during the licensing process. Additionally, there may be a high risk of legal challenges against the City if errors are made in the review process.

Due to the low level of effectiveness of this option, staff do not recommend conducting business document review upon application submission. Resources would be better spent on increasing the education, training, and direct technical assistance to keep equity applicants from entering predatory agreements in the first place.

Fiscal Impact

The recommendations identified by staff for the equity dispensary license type will result in one-time costs of $325,000 and an ongoing structural cost of $230,000. These costs include previous costs as identified in the delivery feasibility analysis, including a one-time cost of $75,000 for an Equity Program technology solution and an ongoing structural cost estimated at $230,000 for 2.0 FTEs, as well as one-time costs of $50,000 for a consultant to assist in engaging the community on the design of the equity dispensary licensing process and $200,000 to support consultants providing direct technical assistance to equity applicants participating in the dispensary licensing process.

To help balance the General Fund Group budget in prior years, there were significant budget reductions in various City departments related to staffing, materials and supplies, and consulting costs for the cannabis program. These reductions have had a significant impact on staff's ability to expand the Equity Program to license and regulate additional cannabis business types in Long Beach.

Any additional expenditures added during FY 22 without an offset would add to the current year shortfall, and reserves or one-times may be needed to cover the costs of the program expansion until structural offsets can be identified as part of the annual budget process. Typically, costs would be offset by fees and charges to the cannabis businesses, which is not recommended for cannabis equity applicants, as it would increase the barriers to entry into the cannabis market. Revenues collected from cannabis equity fees were reviewed as a source of funding; however, these fees were designated by the City Council to be used to assist non-equity adult-use businesses with meeting the Equity Hire Program and Community Reinvestment Program requirements and would be an ineligible source of funding for the Cannabis Social Equity Program. In addition, grant funding provided by the State is limited and not guaranteed. Due to the timing of when these licenses become available, there is no assurance that there will be adequate grant funding available to cover the costs of the program.

There is a possibility for costs to be offset by net new cannabis revenues generated by additional retail storefronts; however, it is unclear whether the market in Long Beach will support increased sales with these additional businesses. At some point, cannibalization will cause the net revenue for cannabis in the city to remain at a constant level based on consumer demand. In addition, given the length of time it will take to design a robust licensing program and award licenses, net new revenues from this license type and others will not be realized until FY 23. Therefore, to implement this new license type expeditiously, staff have identified the following options to offset these costs for the City Council to consider:

Increase Cannabis Tax (Measure MA) Revenues (Recommended)

Pursuant to Section 3.80.261 of the LBMC, the City Council has the authority to increase or decrease cannabis tax rates by ordinance, subject to the maximum and minimum rates approved by voters as outlined in the table below. Such a change does not require voter approval under Article XIII C of the California Constitution. Cannabis businesses are currently charged at the rates identified in Table 4 below.

Table 2: Cannabis Tax Rates

Maximum, Minimum and Current Rates				
Business Type	**Medical/Adult- Use**	**Current**	***Maximum***	***Minimum*** [1]
Dispensary	Medical	6%	*8%*	*0%*
	Adult-Use	8%	*12%*	*0%*
Cultivator[2]	Both	$13.20/sq ft	*$15/sq ft*	*$0/sq ft*
Manufacturer	Both	1%	*8%*	*0%*
Distributor	Both	1%	*8%*	*0%*
Testing Laboratory	Both	1%	*8%*	*0%*
(1) Pursuant to Measure MA, Cannabis businesses are required to pay a minimum flat tax of $1,000 per year.				
(2) Tax rate for Cultivators is subject to annual Consumer Price Index (CPI) increases.				

Staff performed an analysis of the anticipated revenue that could be collected from an increased tax, the results of which can be found in Table 5 below. Should the City Council direct staff to adjust the cannabis tax rate, staff recommend a minimum tax increase of .25 percent to all cannabis businesses charged a percentage of gross receipts to offset the one-time and structural costs for the delivery and additional equity retail licenses.

Table 3: Proposed Cannabis Tax Increase Options

Proposed Tax Increase Options (Annual)*					
Business Type	**.2% Increase**	**.25% Increase (Recommended)**	**.3% Increase**	**.4% Increase**	**.5% Increase**
Dispensary	246,876.34	384,749.76	370,314.51	493,752.67	617,190.84
Non-Dispensary (excludes cultivation)	240,384.00	180, 027.68	360,576.00	480,768.00	600,960.00
Total	**$487,260.34**	**$609,075.42**	**$730,890.51**	**$974,520.67**	**$1,218,150.84**

* Based on FY 21 revenue projections of $9.2 million.

The 0.25 percent tax increase would result in additional revenues estimated at $609,000 annually based on FY 21 tax revenue estimates of $9.2 million. The increased tax rate would be necessary to support the costs of the program while cannabis delivery and equity dispensary businesses become licensed and operational. Once operational, the City could review fee revenues and make further market adjustments.

For FY 22, the estimated amount of revenue generated once the tax increase is implemented is approximately $365,000. The cost for the 2.0 FTEs in FY 22, considering the time to hire and onboard, is approximately $172,000, bringing the total FY 22 costs including one-times to $497,000. For FY 22, the increased tax is anticipated to cover the one-time needs and a portion of the FY 22 costs of the FTEs, with the remaining costs of the FTEs being absorbed by savings within the departments. Ongoing structural costs of the 2.0 FTEs, as well as ongoing revenues from the tax increase, will be structurally incorporated into the FY 23 base budget.

Reduction of Services within the General Fund Group

The Cannabis Equity Program and the licensing and regulation of delivery services and additional equity storefronts was not included as part of FY 22 budget adoption. Therefore, City Council would need to identify offsets by reducing services from another program and adding to the Equity Program or reallocating or reducing from within the existing Cannabis Program among the various departments. City Council could direct staff on changes to the Adopted FY 22 budget in a future budget adjustment.

Conclusion

Based upon discussions with the various City departments involved in licensing and regulating retail activities as well as the feedback from the community and the experience in other jurisdictions, staff have concluded that implementation of an equity dispensary program would be feasible with increased staffing and resources along with the following recommendations:

1. **Expand the Green Zone in Long Beach for dispensaries by making the following changes:**
    a. Remove the park buffer and replace with:
        - 600-foot buffer around playgrounds
        - 600-foot buffer around community centers
    b. Reduce the school buffer from 1,000 feet to 600 feet to align with the State's regulations
    c. Remove the beach buffer

2. **Allocate eight new adult-use dispensary licenses (20 percent) to verified equity applicants.** This would bring the current total number of allowed dispensaries in the city to 40.

3. **Use a hybrid application process, including a merit-based review and lottery, to select which equity applicants can move forward in the licensing process**, with the assistance of a consultant to co-design the selection criteria with the community and City staff.

4. **Strengthen the LBMC and provide additional education, training, and direct technical assistance to equity applicants** to prevent and discourage predatory practices.

5. **Increase the cannabis business license tax by .25 percent for all cannabis businesses charged a percentage of gross receipts** to support the expansion of the equity dispensary license type.

6. **Add 2.0 FTEs at an annual estimated cost of $230,000 and one-time funds of $325,000** to support the licensing and regulation of equity dispensary businesses and the expansion of the Equity Program.

These recommended policy options maximize the City's resources to provide opportunities for equity applicants to enter the cannabis retail market and provide the most beneficial impact to the equity business community in Long Beach while also balancing concerns for existing cannabis business owners and residents.

Staff anticipate presenting the delivery feasibility analysis in conjunction with the equity dispensary feasibility analysis to the City Council in October 2021. At that time, should the City Council wish to allow delivery and equity dispensaries in Long Beach, staff recommend the City Council provide policy direction to staff and direct the City Manager to work with the City Attorney's Office to amend the LBMC to allow delivery and equity dispensaries in Long Beach as well as provide structural and one-time resources to support the new license types.

If you have questions, please contact Emily Armstrong, Cannabis Program Manager, at (562) 570-6406 or via email at Emily.Armstrong@longbeach.gov.

ATTACHMENTS: A – EQUITY DISPENSARY COMMUNITY ENGAGEMENT FINDINGS
B – EQUITY DISPENSARY CURRENT BUFFER SPATIAL ANALYSIS AND MAP
C – EQUITY DISPENSARY PROPOSED BUFFER SPATIAL ANALYSIS AND MAP
D – EQUITY DISPENSARY JURISDICTIONAL RESEARCH

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MONIQUE DE LA GARZA, CITY CLERK (REF. FILE # 21-0231)
DEPARTMENT DIRECTORS

Attachment A

Equity Dispensary Community Engagement Findings

Office of Cannabis Oversight



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Introduction

On March 16, 2021, the City Council directed staff to prepare a feasibility analysis on licensing and regulating up to eight additional cannabis retail storefront (dispensary) businesses in Long Beach. These new retail licenses would be exclusively for qualified equity applicants in the Cannabis Social Equity Program (Equity Program). The Equity Program seeks to promote opportunities in the cannabis industry for individuals and communities negatively impacted by the prior criminalization of cannabis, also known as the War on Drugs. This request was part of a larger package of policy proposals requested by the City Council to expand equity cannabis business ownership in the City.

As part of the Storefront Retail (Dispensary) Feasibility Analysis, the Office of Cannabis Oversight performed outreach to cannabis businesses, equity applicants, community members, and the public to provide comments on licensing and regulating additional equity dispensaries in Long Beach. The public outreach included a survey, community meeting, and roundtable discussions with local groups that advocate for equity in Long Beach. The results from the survey and those meetings have been detailed in this report.

Background & Regulations

On November 8, 2016, Long Beach voters approved Measure MM, establishing Chapter 5.90 of the Long Beach Municipal Code (LBMC), which allowed for the licensing and regulation of medical cannabis businesses in the city. Pursuant to Chapter 5.90 of the LBMC, a maximum of 32 medical cannabis dispensaries can operate in the City, based on the total population in Long Beach. The ordinance included a detailed process for scoring and ranking applications as well as a public lottery to determine which applicants could move forward in the licensing process. All 32 businesses were selected through this process and were eligible to move forward in the City's licensing process. LBMC Chapter 5.90 also established buffers from sensitive uses to determine where cannabis businesses can locate in the city, known as the "Green Zone".

On July 13, 2018, the City Council approved the passage of Chapter 5.92 of the LBMC, allowing commercial adult-use cannabis activity in the city. Pursuant to LBMC Chapter 5.92, the existing 32 medical cannabis dispensary applicants and licensees are currently the only dispensary businesses eligible to apply for and conduct adult-use retail activities. As a result, there are currently no opportunities available for equity applicants to obtain a cannabis retail license in Long Beach.

Methodology

The Office of Cannabis Oversight (OCO) focused the community outreach on addressing policy issues that would have the most impact on equity applicants seeking retail opportunities in Long Beach. Staff met with City departments responsible for licensing and regulating cannabis facilities, researched State laws and regulations, contacted other jurisdictions, and reviewed feedback provided by the community as part of the non-storefront retail (delivery) feasibility study to identify key policy areas. These policy areas would need to be addressed as part of a future ordinance licensing and regulating additional equity dispensaries and protecting equity businesses in the competitive cannabis industry.

Through this research, four policy areas were identified as part of the study:

- Licensing Cap
  - How many additional equity dispensaries should be allowed in the city beyond the 32 existing dispensaries
- Expanding the “Green Zone”
  - How the City could expand the eligible Green Zone for equity applicants, including removing or amending buffers
- Competitive Application Process
  - How the City can select applicants based on the number of available licenses
- Predatory Practice Protections
  - What protections or assistance do equity applicants need to open and maintain a successful equity business

Survey Results

Survey Overview

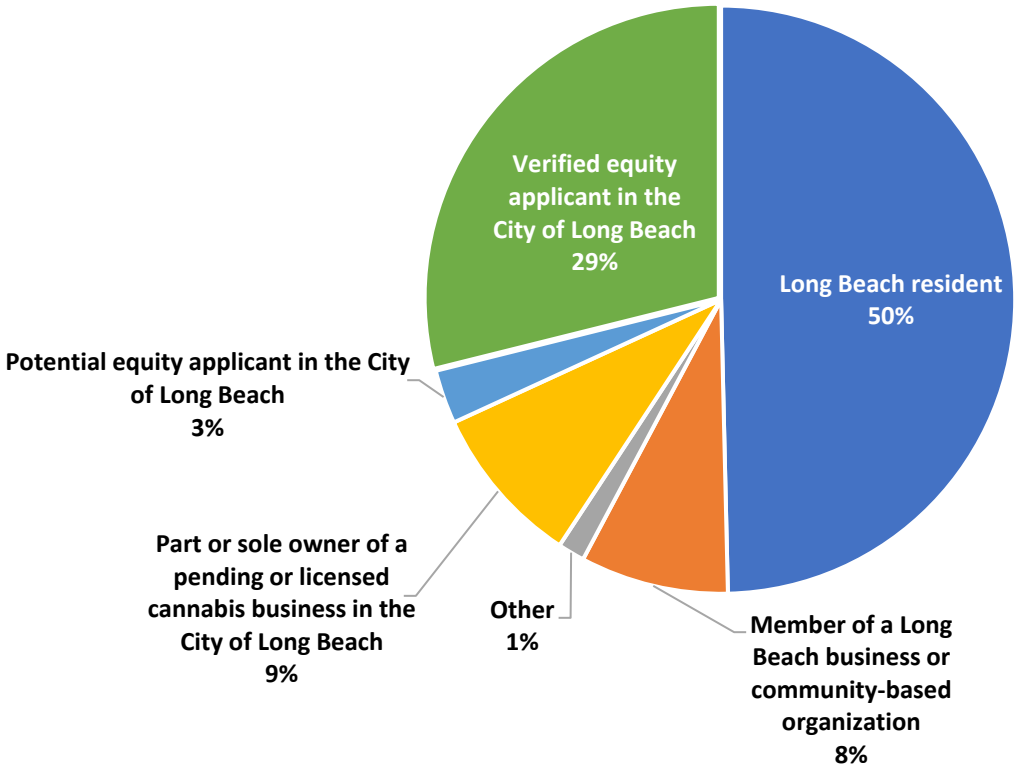
The Retail Storefront (Dispensary) survey was posted to the City's website on July 14, 2021 and emailed directly to over 1,500 Long beach stakeholders. The survey was also provided through the City's social media channels and some City department's list of stakeholders. The survey closed on July 30, 2021 with 135 responses. For the purposes of this report, results have been broken down into four sections: all responses, equity applicant responses, business community responses, and resident responses.

All responses include responses from all respondents to the survey*. Equity applicant responses* contain responses from current and potential equity applicants. *Business community responses* include cannabis business owners and business and community organizations. *Resident responses* include current Long Beach residents. Results are reflected as percentages, as well as the number of responses, along with anonymous individual freeform comments. The following data is a complete view of the surveyed responses, reflecting the feedback on various policy options for the City Council's consideration.

All Responses

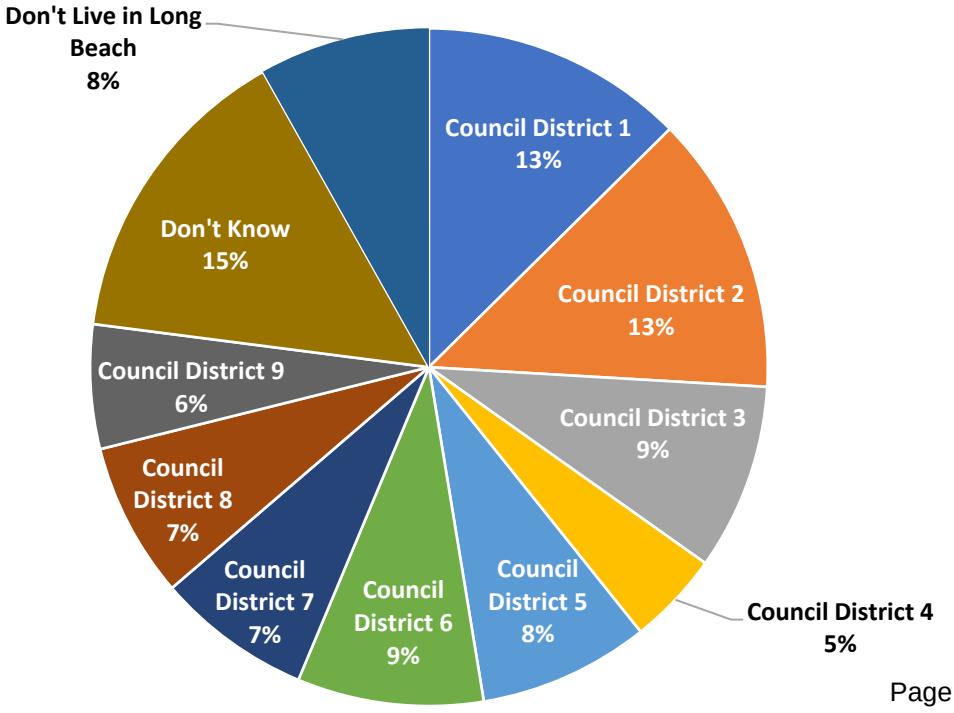
Stakeholder Statistics

Question: Select the stakeholder group that most accurately represents you.



Council District Statistics

Question: What Council district do you live in?

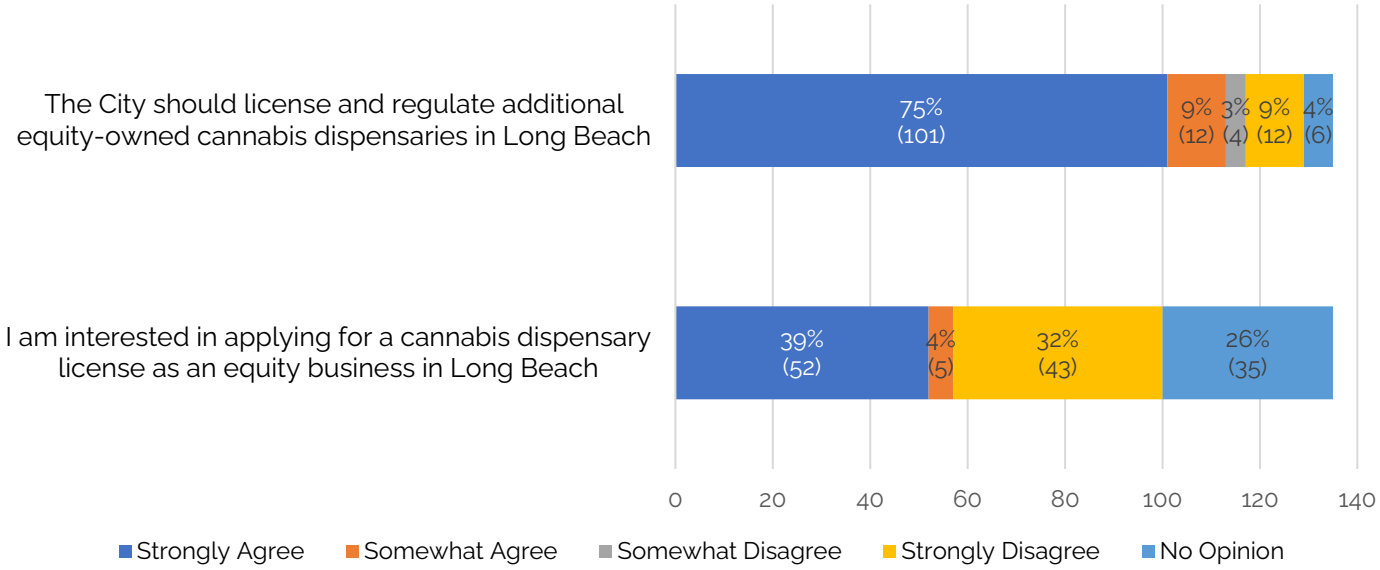


License Availability

Question: How many equity-owned retail dispensaries should be allowed in the City?

Responses	
Median	32
Mode	32
Average	34

* Excludes the 1,000,000 outlier response



License Availability Comments	
1	It's a business and if someone wants to open one and they feel they will be successful…they should be able to.
2	Too many dispensaries owned by non-local folks, from CO, who couldn't care less about Long Beach (looking at you, Kings Crew)
3	Licenses should be encouraged so equity businesses can thrive and compete with larger groups
4	Lower the tax to increase revenue, that will lead to a reduction of gray/black market sales.
5	Why would you ask me to decide on a number that should be allowed? That's a weird thing to put in a survey.
6	the more dispensaries ,the better
7	32 are enough, no more!!
8	Half or close to half the number of existing licenses should be opened for equity applicants.
9	I'm not in favor of licensing anymore dispensaries. However, it should be equitable. Licensing should have been equitable when first starting allowing dispensaries.
10	I honestly don't know the "right" number, and that's really a job for your staff to figure out. I think having about half the dispensaries in the city reserved for "equity applicants" sounds like a good ratio to me.
11	It should be a trial with at least 10 to give fair results.
12	At least 50% should be owned by equity applicants
13	Equity process should consider economic opportunity as well as racial background.
14	Don't allow Long Beach to become the next Santa Cruz or even Seattle. It's already unsettling for my tween to see so many dispensaries and smell so much pot smoke in the air.
15	I feel like you guys are a little late. Why was this not a consideration when you were initially considering applicants? As a frequenter of local dispensaries I feel we have enough as it is. Knowing now that none of those are "equity partners" however causes me to consider more just because this was screwed up so badly to start.
16	50% should be allocated to equity
17	Long Beach already has too much marijuana.
18	It is a disgrace that it has taken Long Beach so long to award dispensary licenses to social equity applicants. Given that there are 32 dispensaries, social equity applicants should be awarded at least half as many licenses, 14. Dispensaries are the only way to truly create equity in the cannabis market and this needs to happen quickly as those who are profiting currently are not reflective of those who have been harmed substantially by the war on drugs.
19	Are we helping these dispensaries with banking solutions? I can help in this arena since I am experienced.
20	There are already enough places to buy marijuana in Long Beach, specifically the business corridors. I don't think additional access is needed no matter if it is for equity or non- equity. Thank you for the opportunity to be heard.
21	Don't we have enough dispensaries already? Ubiquitous as Starbucks. Wasn't there a social equity component to prior license grants? I support a social equity program for small business but why not make it for all retail business of any type vs. displacing more non-pot-shops with pot shops?
22	I think they should all close. People getting high in parking lot of the one at the traffic circle and driving off. Close them all down
23	Allowing a business license based on race/social status alone is discrimination.
24	There are plenty of dispensaries already. Do not add any more. If some close, add all new ones as equity ones then.
25	Please address the park pot smoking that is happening at every park in the 6th district. Also the smoking of pot outdoors. It is not fair for non smokers to be exposed to polluted air. There should be an ordinance where smoking pot should be indoors in their own home or car. No sharing of pot smell. Close your car and home window when you smoke. Enjoy it for yourself. Please do not harm the children and families by smoking at parks trains and backyard or room by the windows.
26	0, 32, it doesn't matter. What we do not need is MORE dispensaries.

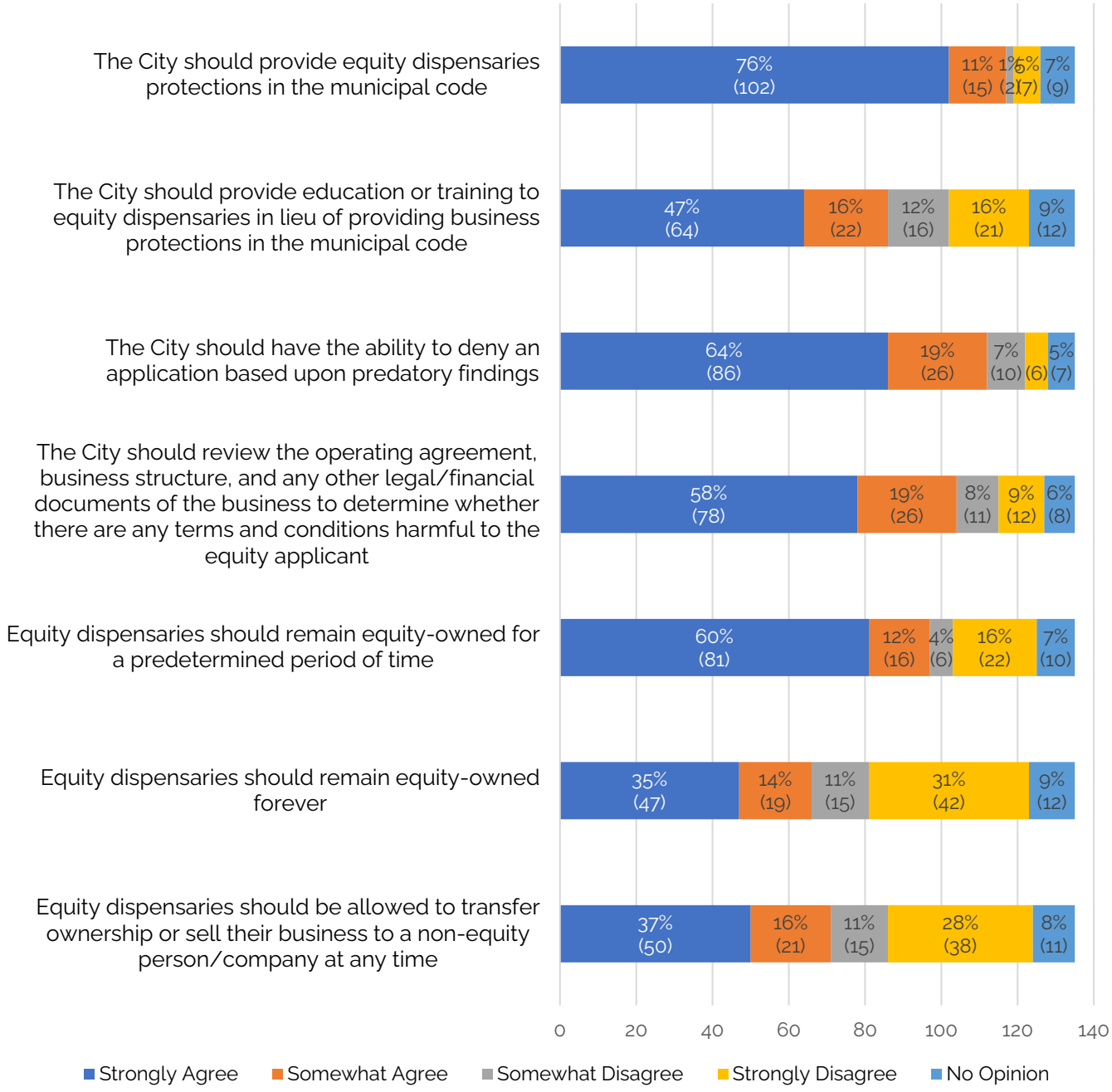
27	Same number of dispensaries as liquor stores would be fair. More competition. The dispensaries near my home has caused zero problems.
28	As many as the population density ratio to stores will support
29	There should not be a number limit on storefront opportunities this limitation leads to unfair monopolies, poor service and products, lawsuits, and delays. Businesses should be encouraged to open and allow competition and good practices to determine who stays open and who needs to do better.
30	equity criteria need to be as strong as possible and include Long Beach residents
31	I am an owner operator, One option would be to allow a fixed number of equity retail shops. If the delivery regulations go through which I also commented on, these equity retail shops could also have a delivery service and the equity owned delivery services will need a place to store cannabis products at a licensed facility, which is why a sole delivery and especially a sole “equity delivery” is very tough because you need a facility to legally store the products.
32	To ensure all new equity dispensaries and existing dispensaries remain viable, the city should not exceed 1 dispensary per 10,000 residents. San Francsico has set up equity operators to fail by not limiting the amount of dispensary licenses in SF. I don't want to see long beach make the same mistake.
33	I am also a resident of 19years. It would be great if we could choose more than one in that section. I am not that any number will be accurate as this is all new to government, industry, & advocacy. Any number has no real data to bas it on just like the 32. Most importantly is the road for applicants and the assistance they get while working towards operations- in the end it doesn’t matter how many more licenses there are if only a few can actually achieve success or anywhere near success. Non-equity is struggling. We are only seeing about 30% of the whole market as legal operators. Regulations are too stringent for traditional/illegal market which takes up the other 70%
34	As there are 32 operating dispensaries within the city of Long Beach that are non equity, the city should put forth a motion to add an addition 8-16 dispensaries that are exclusive to social equity applicants. We also must not have the city implement more barriers within the process for social equity applicants to obtain opportunity for licensing as we didn't see much of a struggling process during the medical lottery process years ago that left minorities and communities of color shut out the industry.
35	We need equal opportunity and presence in the industry, 8 IS NOT ENOUGH!
36	You should have at least 1 social equity retail dispensary is EVERY DISTRICT- if there is not one of every district that PROVES the city does NOT ACTUALLY care about social equity. Specifically, there needs to be a social equity retail in district 5.
37	Equity applicants should receive their licenses for free. The city taxes should not apply to equity owners, considering the massive amount of harm the drug war has done on this population.
38	I firmly believe that the city should offer more storefront dispensary opportunities to equity applicants only.
39	All verified Eqity applicants should receive a dispensary license. Making it fare for everyone.
40	If there’s 32 non social equity owned dispensary’s the city should be willing to match that in opportunities for the people actually affected by the past in justices.
41	I think the number of equity licenses should be at least half the number of the retail licenses owned by non-equity owners.
42	The city should allow just as many equity retail licenses as current retail licenses. The positive economic impact to the city will bring tax revenue and more dollar spent in surrounding businesses near dispensaries. Not to mention the opportunity for people impacted by systemic racism have an opportunity to build generational wealth and change the course of their communities.
43	Equity applicants like myself often don't have the capital to open a store front business. The city should expand licensing to the state model, allowing for retail non-store front licensure.
44	Every qualified equity approved applicant should receive one no exception!
45	More support for women and black and brown communities is needed. Maybe similar help as the 4Biz program with the economic development pop-ups with one-on-one help.

46	I believe that equity applicants like my self should have the same chances as the corporations that were able to get the cannabis dispensary license before the social equity applicant program was created and have the same amount of 32 equity dispensaries. Starting with 8 is a start.
47	More dispensaries=more competition , increased income for the city, more accessible dispensaries, increased help and fair treatment to social equity people in comparison to other cities.
48	the more the better
49	I feel as though the focus shouldn't only be on allowing these licenses but also how to come up with a plan that will allow equity own business to actually be in position to obtain these license put us with positions to speak with investors (workshops networking events) who will want to work with us and not only just use us to benefit there agenda because we're the only ones who can get the license.. most investors don't want to work with us (minorities who have no capital) they typically are sharks who want to screw you out of your business!! I think this is the most important step! Help us meet the right people Cannabis industry is projected to grow over 54% from 2020 alone. There's money out there we just need someone to work with us without a portfolio
50	At least 1 more for me.
51	Please allow for the SE Owned dispensaries. Start with the SE Applicant list. Start with Applicant #1, then make your way up the list for those who will be allowed to own such. That, is fair.
52	Everyone wins in this increase the city and state collect more fees and jobs are created by equity applicants and this all helps the community thrive when done correctly.
53	Currently, there is not one single dispensary own by a social equity applicants in Long Beach. New York is allocating 50 percent of their cannabis licenses to social equity applicants including dispensaries. I know it's too late for Long Beach to allocate 50 percent of their dispensary licenses to social equity applicants. A compromise would be to allocate 14 or what would be 30 percent of total dispensary licenses to social equity applicants. 8 dispensary licenses is too low of a number and it would add up to 20 percent of dispensaries licenses been own by social equity applicants. 14 sounds like an amazing compromise. 14 out of 44 licenses own by social equity applicants. 30 percent of licenses should be a good starting number.
54	Half of the Dispensaries should be owned by equity applicants.
55	True equity involves ownership. When I completed my equity application and attended the first zoom meeting, I was very sad to learn that the only way I could complete the application for submission was to include a leasing agreement for the building that I would be working out of, which had to be owned by someone else. I was also sad to learn that the Long Beach equity program is not assisting equity applicants with actually owning the properties themselves or seeking out available buildings. I'm not sure if the Office of Cannbis Oversight understands the advantage that some individuals may have due to generational wealth versus the socioeconomic disparities low income individuals face. If these things were considered and it was decided that operation outside of another business was the best option, I disagree. Equity applicants need to have access to assistance in building their own credit or establishing business credit to be able to purchase a building as well as access to an individual who can mentor their business practices until they are able to successfully run said business on their own. The idea should be to empower and enable equity business partners, not have them restricted inside of someone else's already established business. Furthermore, having applicants work outside of another already established business, doesn't give them full profit, especially when the building they are working out of is already a Cannbis business. That's would be like asking Walmart to work out of Target, it's a conflict of interest. Yes, we should all support each other as cannabis businesses, but that does not mean functioning under the supervision of a potential competitor. Lastly, I think the amount of licenses allotted to one entity should be addressed as well. There are multiple chain dispensaries in Long Beach that are occupying and over saturating the market instead of sharing the licensing with others who haven't even opened one location. For this reason, I believe we should at least have 16 equity cannabis licenses available to adequately complete in this market. Thank you.
56	There are many creative, entrepreneurial minded people with so much potential applying for this program. I believe given the right tools and resources they could bloom into successful business owners. This opportunity would not only benefit those who don't have access to resources but the city as a whole. We really believe in what you give is what you get in return. If the city gives these opportunities to hungry, ambitious business minded people who are less fortunate, Long Beach

	will get more revenue flowing into the city, not to mention more companies that are willing to help the community.
57	I think there should be 32 dispensary licenses equal to the current amount of corporate dispensary's licensed in Long Beach.
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All Responses

Equity Business Ownership

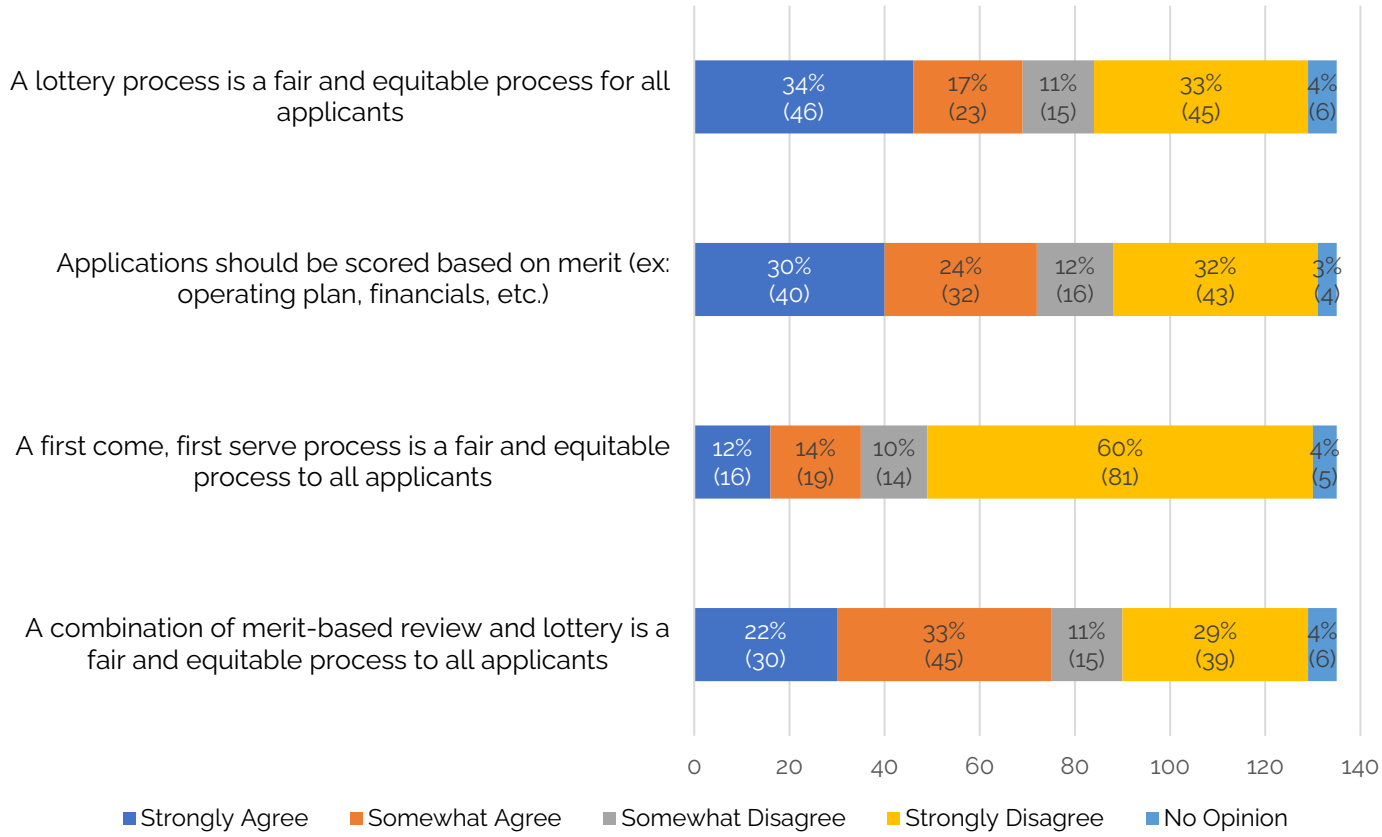


Equity Business Ownership Comments	
1	The City should not reject an application if there is a predatory finding, but send it back for reapplication without the predator. There is no question for if the transfer of an equity dispensary negates the title of equity owned forever.
2	I think that equity-based licenses need to convert to general licenses if they are going to be transferred to a non-equity applicant.
3	I'd want to see more data on what has happened with similar programs in other cities, and I'd want to hear firsthand stories from lots of potential equity candidates in Long Beach.
4	They can sell at any time, but they lose the license and the new owner has to apply on their own
5	Control the smell. Please protect children and families from this smell. We are being robbed of fresh air because pot smokers are taking over parks, smoking on the streets, in their cars with open windows, on the trains. They are nose blind to the scent they carry on them and could care less if they are polluting the neighborhood
6	The city should provide protections in the municipal code AND education and training. The purpose of awarding social equity licenses should be to create equity; therefore they should always remain equity owned.
7	Stop making race a part of doing business in Long Beach. How about providing opportunities for all on how to run better businesses? Also, we do not need any more pot stores.
8	We currently have a dispensary less than a block away on Grand and Broadway and they do not keep up the property or the trash on their property. There is currently human waste on the property. This is unacceptable!!!
9	If the purpose is to allow for equity, then it needs to be enforced strongly and only for equity owners.
10	If they operate a certain way they should stay that way in order to keep their licensure.
11	Maximum flexibility and the city should stay out of any attempt to regulate business practices as the city has no expertise and is not responsible for this. The city should be neutral and allow business to do business. The notion of predatory practices is without factual basis as the notion is already biased. Anyone being forced to give51 percent of a company to a person is already the victim almost by definition of a crime.
12	I think just like any other business, they should be able to have control of their business and keep it or sell it, however I understand the possibility of organizations taking advantage of equity applicants just so they the organization can get more licenses. So it might be a situation of vetting the sale of an equity owned business to confirm that there is no conflict issues with larger operating cannabis groups.
13	We should not handcuff equity applicants to their businesses. If they want to sell, let them sell. We don't tell tech entrepreneurs when they can sell their businesses, why tell equity applicants?
14	Its a slippery slope of getting into business. The point of creating equity is to actually create equity that is systemic where we dont need programs
15	The city doesn't have the capacity of staff nor the education on having the ability to deny equity applicants due to predatory practices found. We must assure instead of discussing about more barriers for social equity applicants it seems like, we talk about how to alleviate the barriers to get over hurdles such as milestone one as well as implementing the idea of creating new green zone opportunities exclusively for social equity applicants.
16	Financial Predators are the #1 reasons equity business FAIL!
17	I believe that if an equity applicant can't sustain the cannabis dispensary, the license should be given to the next equity applicant in line.
18	I touched on this in my last comment there's too many sharks trying to take advantage of the lil guy (equity owner). The points above should help
19	If you do not require equity dispensaries to be owned by equity entities, there will be no social equity dispensaries after these additional licenses are issued.
20	please do not allow the SE applicants to sell their stores, or else we will once again return to the same problem as people will do their best to buy what we have and then NONE of the dispensaries once again would be SE owned.
21	I believe that once an equity business has been established and the business is successful. Just as any other owner can sell their business or take it public to open market equity slowness should

	have the same ability or it then cripples the reasoning for even having an equity program. It should be even across the board
22	Those who have been longer in the social equity program and have enter into the legal cannabis space should be rewarded for their work by either giving a significant amount of points or giving greater chance to win the lottery i.e getting more balls in the lottery. Also, reward those who have been residents of Long Beach for 15 years or longer. Those who have lived in Long Beach are truly invested in our community. Reward those who have been part of the social equity program for the longest
23	Restrictions should not be put on for equity applicant dispensaries. The purpose of the equity program is to allow BIPOC communities who were affected by the war on drugs to financially benefit.
24	These questions don't give enough detail for proper answers. Equity-owed business should remain equity owned forever unless that owner decides to sell their business. If they sell it to another quality equity applicant, than the equity rules should still apply once the new applicants is verified. If they sell the business to a non-equity applicant, then the business should be reclassified and subject to normal fees and deadlines. Or if the business is an equity business, I would assume that until the business made an adequate amount to afford to pay for all licensing, fees, etc. the equity waivers should apply. Once it does make an adequate amount, it should still remain an equity license but now be subjected to actual fees.

All Responses

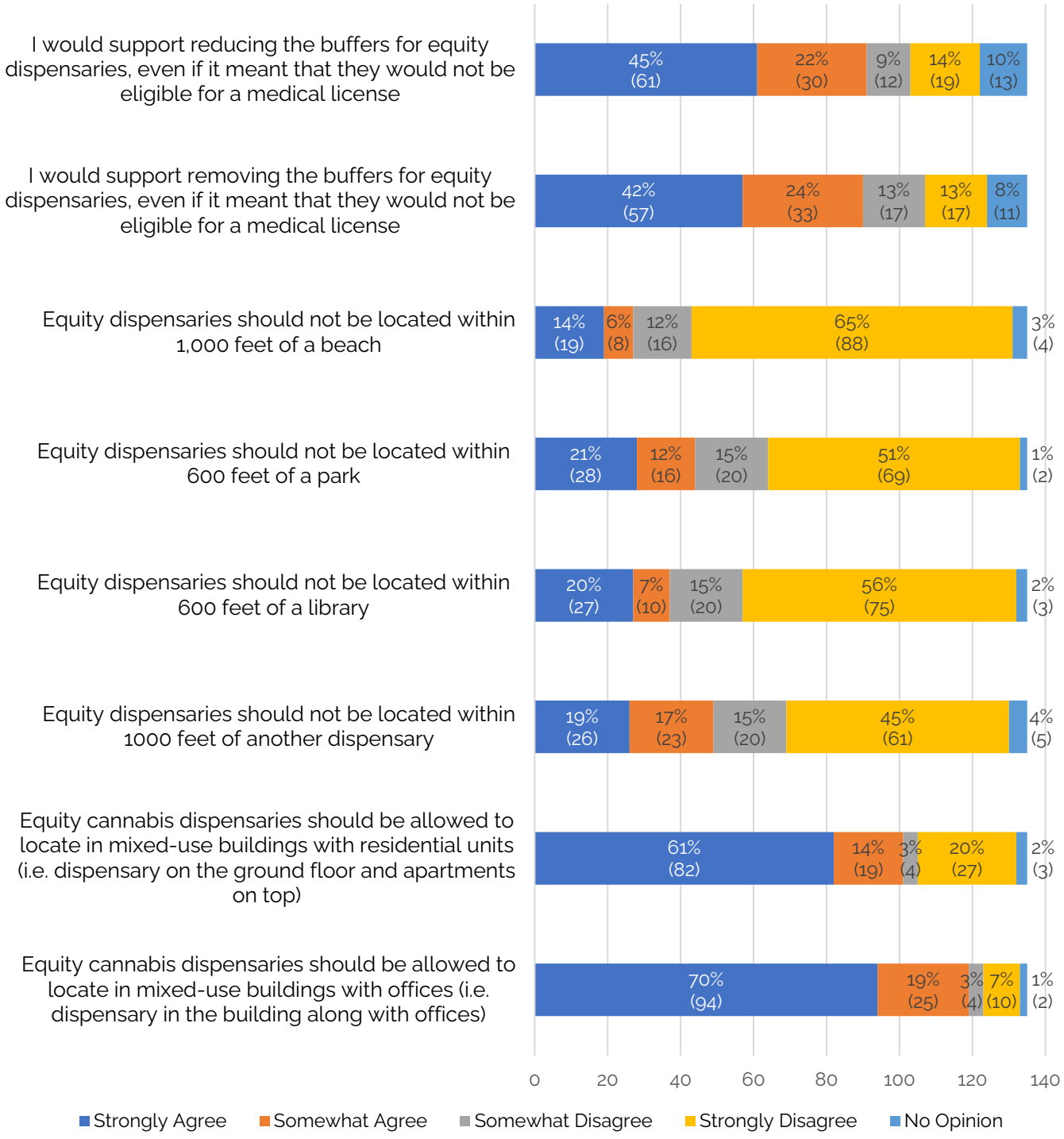
Competitive Application Process



Competitive Application Process Comments	
1	Are licenses issued based on merit? Or will only the equity-owned applicants go through this process? How is that equitable. What is done to issue licenses for non-equity owned dispensaries. Should be done the same way, but enforce that they are equity owned only.
2	If the City's goal is to address equity, the application process must be mindful of how strong finances (merit), etc. are all easier to obtain when you have faced less discrimination in the past. First-come first-served, merit-based, all advantage people with more free time and resources -- not very equitable to make this the process for applying.
3	Dont we already have too much dispensaries? Is there really money to be made? Is the money used for more police services as there may be a link to higher auto accidents, homelessness, crime from folks who heavily smoke and alter their psychological capacity? How about air pollution and trash from all the smoking on the train and the streets and open air smoking at parks and private property with open windows? If they are cooking barbeque or simmering barbacoa thats a welcome smell in the neighborhood but not marijuana smell. How do you explain to the kids that we have to leave the park because the smell is giving the parent a headache and allergic reactions. Or how about when you have to close all your doors and windows on a hot day because your neighbor is smoking in their private yard whilst the wind blowing the nasty smell in our yard
4	The process should be merit based on experience in the cannabis industry, operating plan, financial plan, etc. as dispensaries will not succeed unless there is substantial work done to ensure the applicants preparedness for operation to ensure its success.
5	Let's keep all of our communities safe from any type of criminal.
6	Merit based system is flawed as the city and experts do not know how to give score or understand what is merit and is prone to lawsuits. First come first served with everyone getting a fare chance to receive a license is fare. Limits are not fare.
7	If the city is truly trying to set equity applicants up for success, they need to make sure they have the resources to achieve their plan, and current cannabis business's can help the equity applicants understand what they are going to need in terms of equipment and real fixed costs of running a big operation.
8	A qualified lottery, where all applicants with a certain score or higher, get into a lottery makes sure the city has qualified individuals running businesses, while leveling the playing field for equity applicants. Suggested qualifying score of 90% or higher to ensure quality businesses settling in long beach.
9	Having a combination of three would confuse the whole process and would be contradicting to the other selection processes. The city of long beach should also consider the equity applicants who attended the entrepreneurship academy within the merit based process as well. Social equity applicants have have showed their dedication and shared their patience with the city of long beach and that participate within the city social equity programs set forth should have the ability to have a leg up within this merit-based system or it's just a checklist equity graduates went through for the city that lead to nothing. A score-based criteria has the ability to bring in communities of long beach and other industries that are knowledgeable in the cannabis space to review or provide more questions within the criteria to assure equity is solely focused on. Rather then the benefit of just obtaining a license to sell eventually.
10	First, if the selection process for social equity dispensaries is done based on merit in the form of points; points should be given to social equity applicants who have been part of the program since 2018. Similar to your current grant program with those who were social equity applicants prior to 2018 qualifying for an additional $10,000. Second, if done based on merit, points should be made available for those who have entered the legal cannabis space. Social equity applicants that have entered the legal cannabis space in one way or another should be rewarded for their experience, determination and discipline.

	Third, points should be made available for those who attended and graduated from a Long Beach High School and for Long Beach residents of 15 years or longer. These points will assure that people who are truly invested in the Long Beach community have a chance. Fourth, points should be made available for those who completed their undergraduate degree and those who have graduated from a post baccalaureate as that type of discipline and determination should be indicative of a persons willingness to get out of their circumstances.
11	How can you base it on financials when equity applicants are low in come. The first lottery is why we are in the position now. All applicants should be given any cannabis license they want. People have been jailed for this plant.Don't count any one out we all deserve a chance to be successful.
12	I believe a mix is healthy giving all applicants different ways and chances to get approved
13	I feel as though if you're a equity owner and already have a license you should be eligible for a dispensary license immediately
14	I think that applications should be scored based on merit. Applicants should be asked to discuss the personal and financial impact that store-front ownership would have on them and their families. Successful applicants should also be able to discuss the community impact of the business (e.g., job creation, impact on the local economy).
15	I think that the merit base is fair and also that all applicants must attend the entrepreneurship Academy, have a business plan and also have a valid location with a notarized authorization before they can be considered for a cannabis dispensary license.
16	I think the merit base is fair. I think everyone who is applying for a cannabis business license for retail should have attended the entrepreneurship Academy so they get all the necessary information about what you need to run a business, also they need to find a location with a notarized authorization form to run a dispensary to even be considered to receive a license.
17	Lottery system should be banned as it is an archaic process and breeding ground for corruption. And frankly, I don't know of another business license that requires applicants to enter into a lottery.
18	please use the list that you all have to award the licenses, start with Applicant number 1, and work your way down the list for those who would like a dispensary. NO LOTTERY. use the list, that is fair. your Applicants are numbered for a reason.
19	The application process should be a first come first serve giving each applicant the opportunity to gather their information on their own terms and submit it.
20	The number one criteria must be experience in operating a dispensary, the second criteria should be financial standing, i.e., does the applicant have financing that will allow him or her to operate without threat of their investors taking the equity business and third what type of support from other social equity cannabis owners does the applicant have access to. Selecting applicants who have no experience in actually operating a dispensary no independent funding and no access to social equity cannabis owners will result in failure.
21	There are a few things to consider here. There will be some equity applicants who needs assistance to create an immaculate application. Again, generation wealth, redlining and lack of access to the same resources are things that every equity applicants will face. Some of us will not be as articulate or well versed as others. This may be a case by case basis. Someone may have to be assigned to assist applicants. The lottery process is not fair if the same people keep winning the lottery. There are 5 dispensaries alone in Long Beach owned by one company and 2-3 owned by another. And literally none of even live in the city of Long Beach, which is even worse. That's not fair nor does it allow for a fair market. That is creating a monopoly.

Expanding the "Green Zone"



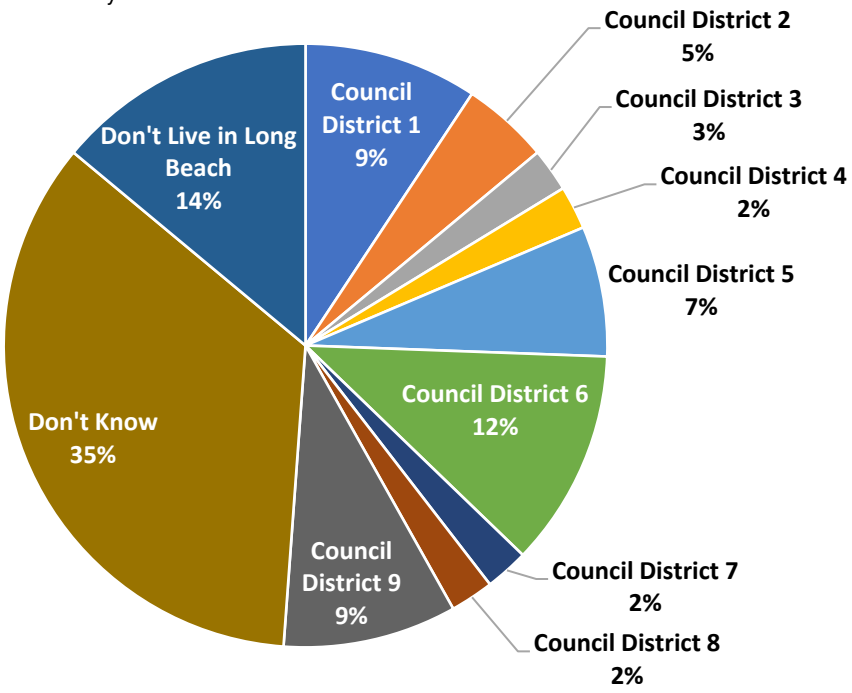
Expanding the "Green Zone" Comments	
1	Let's keep our children safe. Let's also keep in mind that second hand smoke is harmful. Equity individuals need training and support. They also need accountability. Honestly, do we really need anymore dispensaries? What is driving this? How close are we going to allow a dispensary near a school? Why is this question not on the survey?
2	Allowing ANY dispensary in residential populations (IE DTLB) is not appreciated and is driving away families who prefer urban living.
3	In order to allow social equity applicants the most areas to locate dispensaries there should not be a 1,000 ft limit between dispensaries, they should have less restrictions in order to allow the most possible locations.
4	Any limitations on location that are applied/enforced for non-equity owned should be the same for equity-owned dispensaries. All rules/regulations need to be applied equally.
5	NO MORE DISPENSARIES PERIOD
6	Keep them away from Children and families - give them their boxes where they can share the nasty smell
7	Cannabis business should be allowed anywhere as they are not taboo or bad- they are just a business like any other and in many ways better. Improved building, Secuirty, jobs, many seniors visit the store fronts. The notion that dispensaries are bad is such a cliche it's so outdated and ignorant.
8	Mixed use would be pretty interesting and would probably produce good results for the business and give them a better chance of foot traffic. As a cultivator I am all for more shops and we want to see them be successful if they are equity applicants. It's such a tough business, I work 7 days a week and cultivating is the hardest part of the industry. Nothing about this industry is easy and equity applicants need a lot of resources and educational advice that I wish I had when I went through the licensing/buildout process. It's extremely tough to be successful, period.
9	Open up the zoning!
10	I do not understand the purpose of limiting equity applicants the opportunity of doing medical and recreational due to reducing or removing the buffer for equity applicants while you have non-equity dispensaries that did not have to go through these trials and tribulations social equity applicants are going through and have so for years. These community town hall questions just seem like a slap in the face i could assume to equity applicants while the city implemented mixed-used for an already operating dispensary and an operator that own multiple locations while equity applicants still own none. Instead of asking if the City of Long Beach should allow social equity applicants/communities of color who have been shut out opportunities, we should ask what can we do for social equity/communities of color to assure The City of Long Beach is actually committing to social equity and communities of color. Creating more barriers and more discussions like these impedes on the process of what true equity stands for, especially the city continues to ignore the beginning barriers for equity applicants to begin with.
11	Equity dispensaries should not be located with in 1500-2000 feet from existing dispensaries
12	Cannabis businesses should be subjected to the same laws, allotments, etc as business that sell alcohol. Alcohol kills more people per year than cannabis ever has. I die somewhat agree that cannabis near children may be problematic, but I also feel the same for alcohol. If it is full recreational in the state of California, let it be that. In order to allowing for growth and a healthy marketplace or customers, I do feel they should be 1,000 ft or more from other dispensaries.
13	Consumers will use where the want to regardless. Putting restrictions on availability just slows up progress for both sides. If it's legal make it available just as gas is legal and available as well as alcohol.
14	Equity owners should be entitled to the same location requirements as recently approved by the Council. By designated equity applicants as precluded from the same modifications, the City

	would be creating a second tier of licensing for social equity applicants. The last go around 32 Caucasian owned entities were selected. Why create criteria that undermines the great work this City has done in trying to remedy that failure.
15	I believe that legal cannabis dispensaries should be able to be in mixed buildings, within 1000 feet of beaches, parks etc. just as liquor stores are able to sell alcohol and cigarettes in those areas.
16	I think only one equity dispensary should be allowed within the 1000 feet perimeter/buffer of a corporate dispensary. Only one.
17	Legal cannabis dispensaries should be allowed to be in mixed buildings within 1000 feet of beaches, parks etc. just as liquor stores are able to sell alcohol and cigarettes in these areas.
18	the dispensary pool should be made up of at least 30 percent social equity. In order to achieve this we need 14 dispensary licenses made available for social equity applicants. Currently, New York is allocating 50 percent of their dispensary licenses to social equity applicant. If we only do the 8 like being discussed that would only be 20 percent.
19	They sell alcohol in all of those types of buildings, cannabis should be the same.

Equity Applicant Responses

Council District Statistics

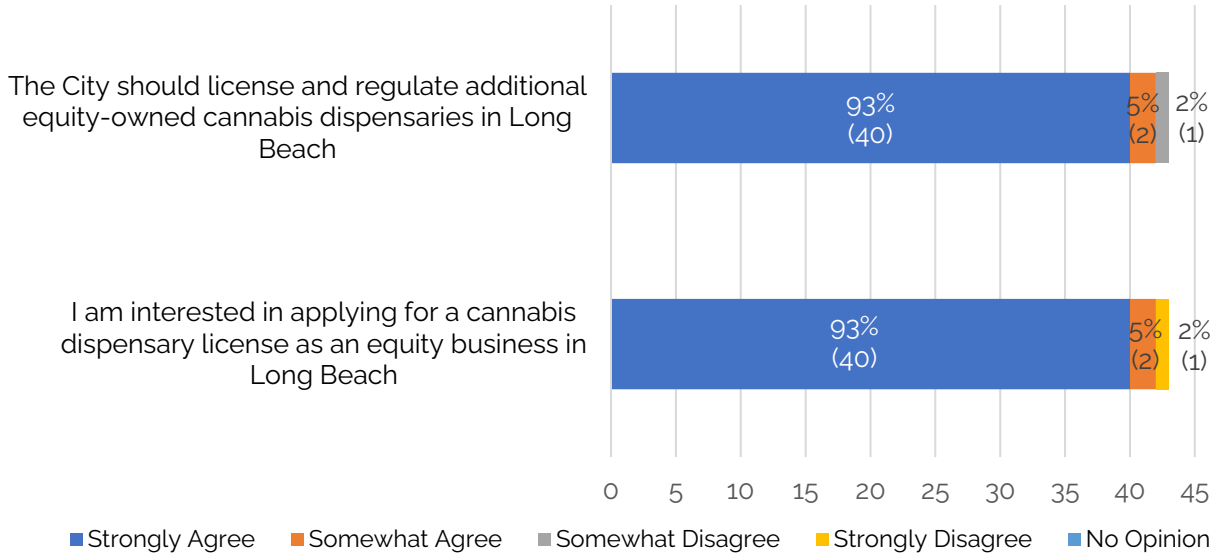
Question: What Council district do you live in?



License Availability

Question: How many equity-owned retail dispensaries should be allowed in the City?

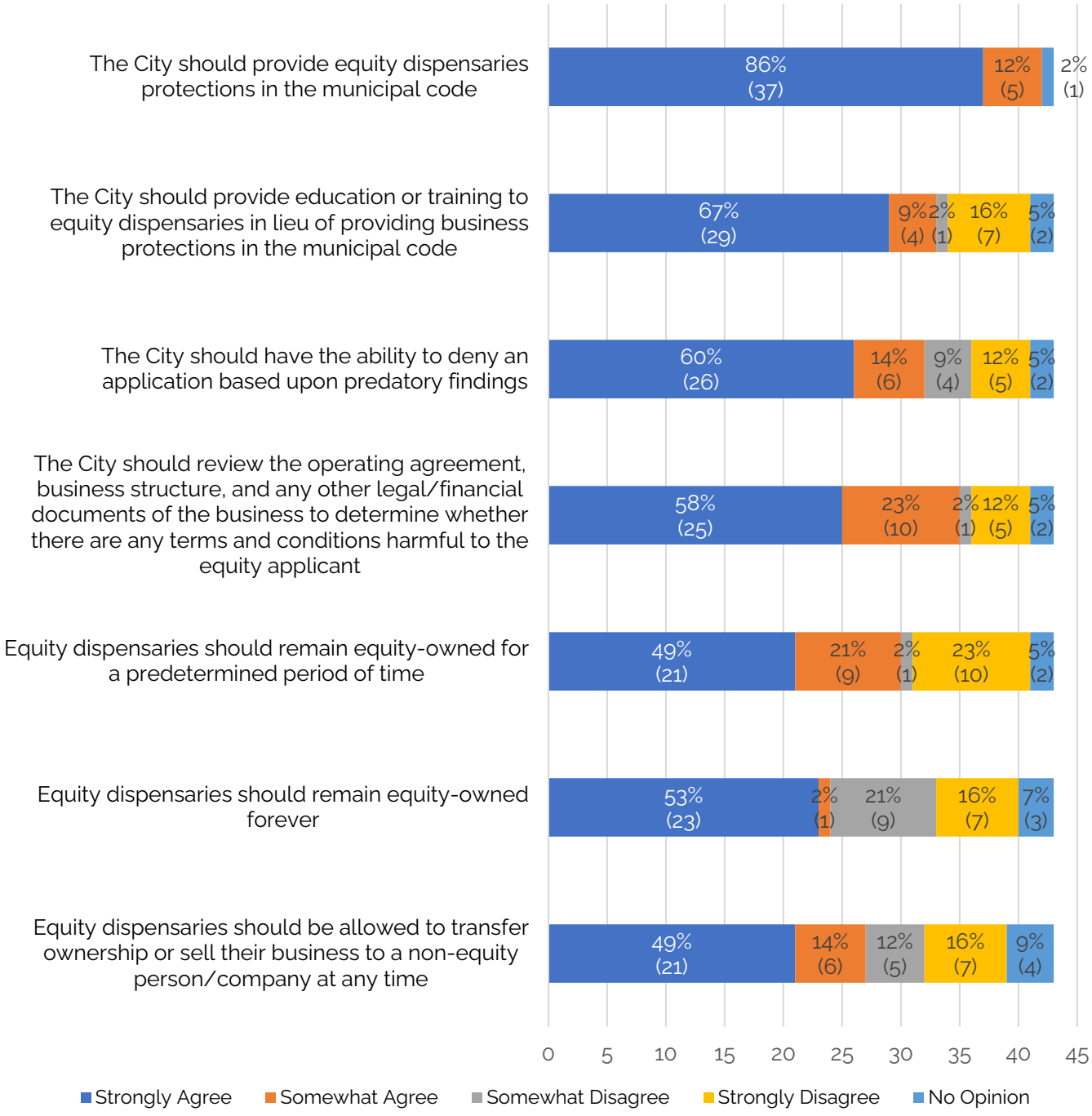
Responses	
Median	32
Mode	32
Average	38



License Availability Comments	
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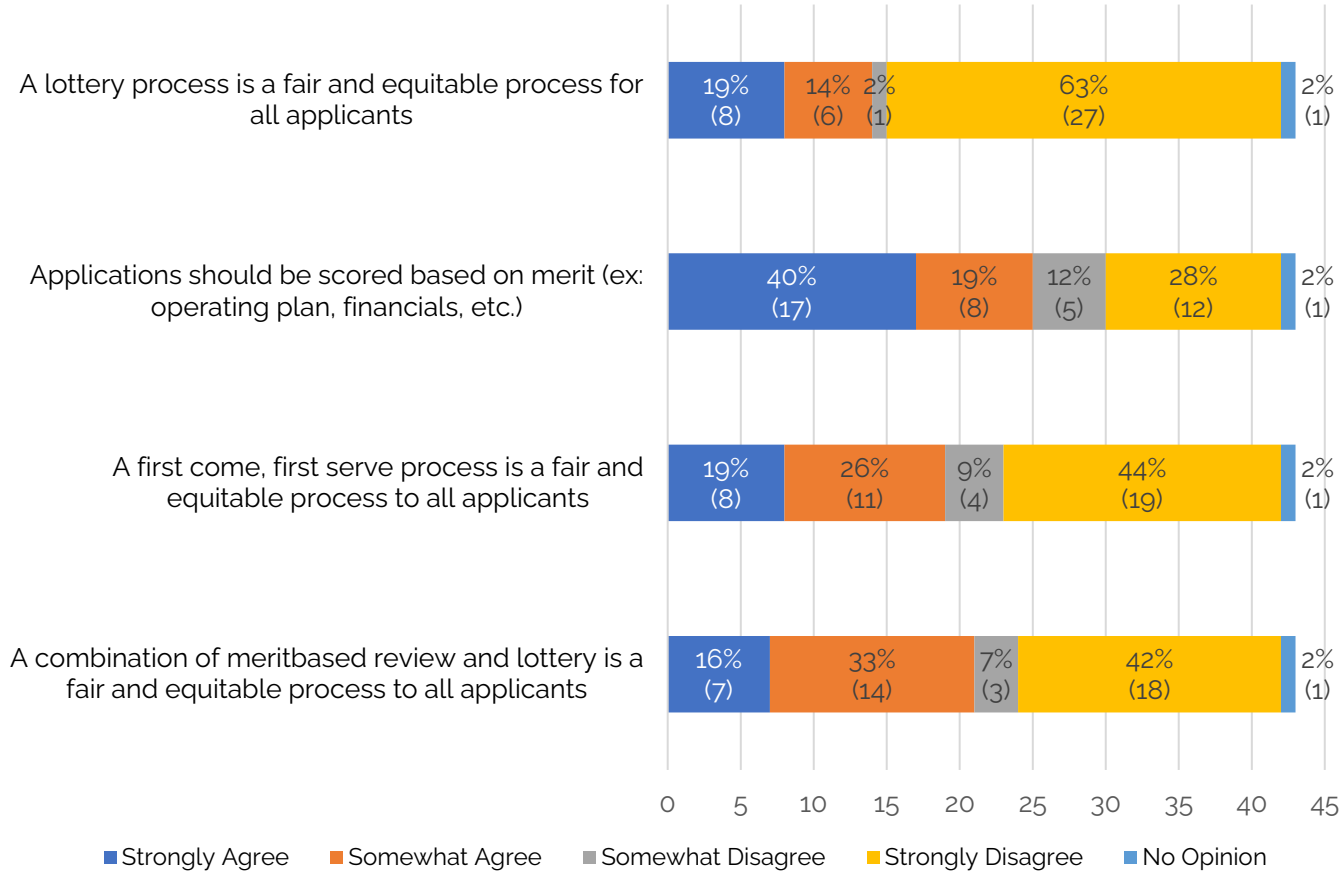
	purchase a building as well as access to an individual who can mentor their business practices until they are able to successfully run said business on their own. The idea should be to empower and enable equity business partners, not have them restricted inside of someone else's already established business. Furthermore, having applicants work outside of another already established business, doesn't give them full profit, especially when the building they are working out of is already a Cannbis business. That's would be like asking Walmart to work out of Target, it's a conflict of interest. Yes, we should all support each other as cannabis businesses, but that does not mean functioning under the supervision of a potential competitor. Lastly, I think the amount of licenses allotted to one entity should be addressed as well. There are multiple chain dispensaries in Long Beach that are occupying and over saturating the market instead of sharing the licensing with others who haven't even opened one location. For this reason, I believe we should at least have 16 equity cannabis licenses available to adequately complete in this market. Thank you.
18	There are many creative, entrepreneurial minded people with so much potential applying for this program. I believe given the right tools and resources they could bloom into successful business owners. This opportunity would not only benefit those who don't have access to resources but the city as a whole. We really believe in what you give is what you get in return. If the city gives these opportunities to hungry, ambitious business minded people who are less fortunate, Long Beach will get more revenue flowing into the city, not to mention more companies that are willing to help the community.
19	I think there should be 32 dispensary licenses equal to the current amount of corporate dispensary's licensed in Long Beach.
20	I think there should be 32 dispensary licenses equal to the current amount of corporate dispensary's licensed in Long Beach.

Equity Business Ownership



Equity Business Ownership Comments	
1	I believe that if an equity applicant can't sustain the cannabis dispensary, the license should be given to the next equity applicant in line.
2	I touched on this in my last comment there's too many sharks trying to take advantage of the lil guy (equity owner). The points above should help
3	If you do not require equity dispensaries to be owned by equity entities, there will be no social equity dispensaries after these additional licenses are issued.
4	please do not allow the SE applicants to sell their stores, or else we will once again return to the same problem as people will do their best to buy what we have and then NONE of the dispensaries once again would be SE owned.
5	I believe that once an equity business has been established and the business is successful. Just as any other owner can sell their business or take it public to open market equity slowness should have the same ability or it then cripples the reasoning for even having an equity program. It should be even across the board
6	Those who have been longer in the social equity program and have enter into the legal cannabis space should be rewarded for their work by either giving a significant amount of points or giving greater chance to win the lottery i.e getting more balls in the lottery. Also, reward those who have been residents of Long Beach for 15 years or longer. Those who have lived in Long Beach are truly invested in our community. Reward those who have been part of the social equity program for the longest
7	Restrictions should not be put on for equity applicant dispensaries. The purpose of the equity program is to allow BIPOC communities who were affected by the war on drugs to financially benefit.
8	These questions don't give enough detail for proper answers. Equity-owed business should remain equity owned forever unless that owner decides to sell their business. If they sell it to another quality equity applicant, than the equity rules should still apply once the new applicants is verified. If they sell the business to a non-equity applicant, then the business should be reclassified and subject to normal fees and deadlines. Or if the business is an equity business, I would assume that until the business made an adequate amount to afford to pay for all licensing, fees, etc. the equity waivers should apply. Once it does make an adequate amount, it should still remain an equity license but now be subjected to actual fees.

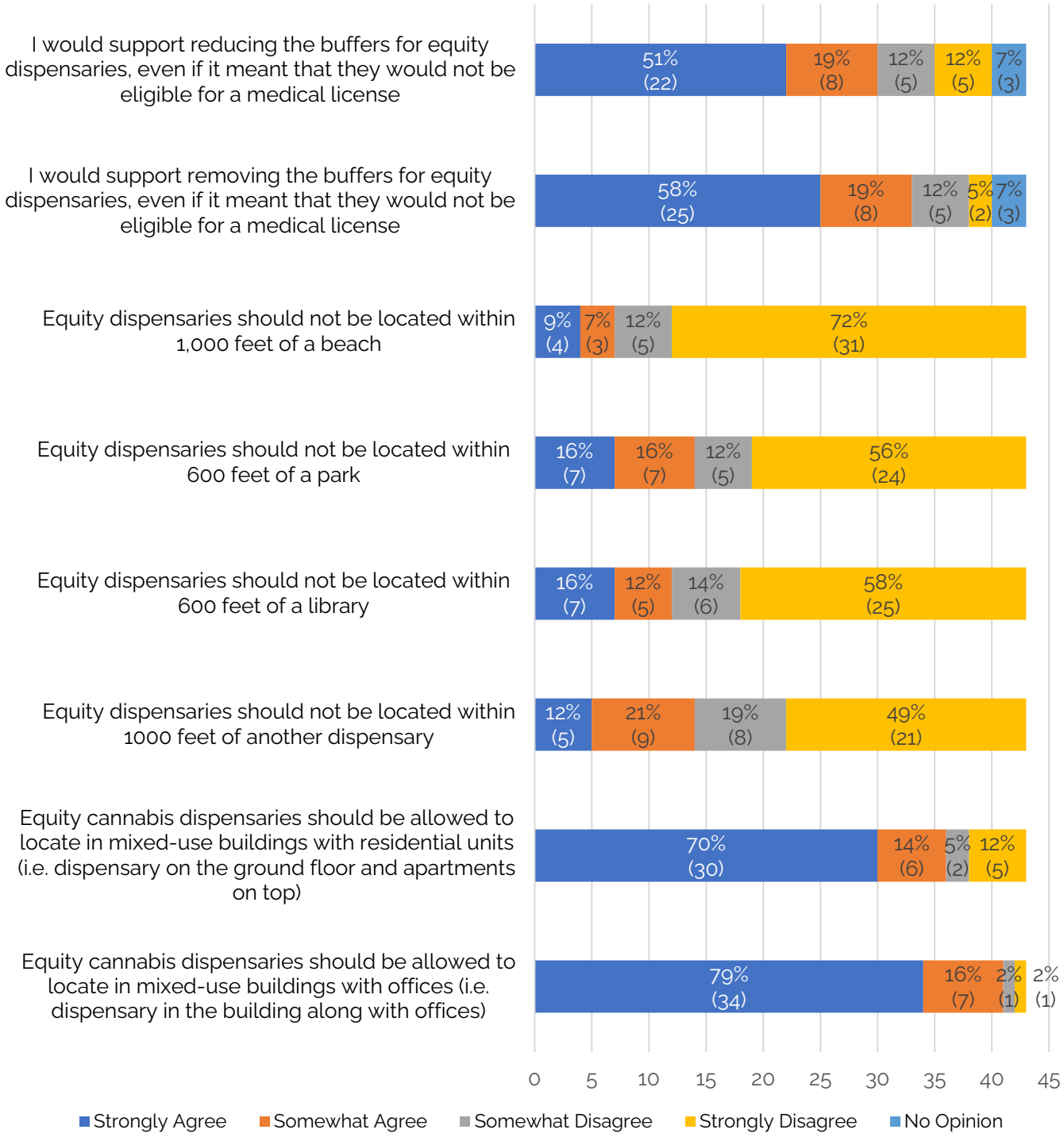
Competitive Application Process



Competitive Application Process Comments	
1	First, if the selection process for social equity dispensaries is done based on merit in the form of points; points should be given to social equity applicants who have been part of the program since 2018. Similar to your current grant program with those who were social equity applicants prior to 2018 qualifying for an additional $10,000. Second, if done based on merit, points should be made available for those who have entered the legal cannabis space. Social equity applicants that have entered the legal cannabis space in one way or another should be rewarded for their experience, determination and discipline. Third, points should be made available for those who attended and graduated from a Long Beach High School and for Long Beach residents of 15 years or longer. These points will assure that people who are truly invested in the Long Beach community have a chance. Fourth, points should be made available for those who completed their undergraduate degree and those who have graduated from a post baccalaureate as that type of discipline and determination should be indicative of a persons willingness to get out of their circumstances.
2	How can you base it on financials when equity applicants are low in come. The first lottery is why we are in the position now. All applicants should be given any cannabis license they want. People have been jailed for this plant.Don't count any one out we all deserve a chance to be successful.
3	I believe a mix is healthy giving all applicants different ways and chances to get approved
4	I feel as though if you're a equity owner and already have a license you should be eligible for a dispensary license immediately
5	I think that applications should be scored based on merit. Applicants should be asked to discuss the personal and financial impact that store-front ownership would have on them and their families. Successful applicants should also be able to discuss the community impact of the business (e.g., job creation, impact on the local economy).
6	I think that the merit base is fair and also that all applicants must attend the entrepreneurship Academy, have a business plan and also have a valid location with a notarized authorization before they can be considered for a cannabis dispensary license.
7	I think the merit base is fair. I think everyone who is applying for a cannabis business license for retail should have attended the entrepreneurship Academy so they get all the necessary information about what you need to run a business, also they need to find a location with a notarized authorization form to run a dispensary to even be considered to receive a license.
8	Lottery system should be banned as it is an archaic process and breeding ground for corruption. And frankly, I don't know of another business license that requires applicants to enter into a lottery.
9	please use the list that you all have to award the licenses, start with Applicant number 1, and work your way down the list for those who would like a dispensary. NO LOTTERY. use the list, that is fair. your Applicants are numbered for a reason.
10	The application process should be a first come first serve giving each applicant the opportunity to gather their information on their own terms and submit it.
11	The number one criteria must be experience in operating a dispensary, the second criteria should be financial standing, i.e., does the applicant have financing that will allow him or her to operate without threat of their investors taking the equity business and third what type of support from other social equity cannabis owners does the applicant have access to. Selecting applicants who have no experience in actually operating a dispensary no independent funding and no access to social equity cannabis owners will result in failure.
12	There are a few things to consider here. There will be some equity applicants who needs assistance to create an immaculate application. Again, generation wealth, redlining and lack of access to the same resources are things that every equity applicants will face. Some of us will not be as articulate or well versed as others. This may be a case by case basis. Someone may have to be assigned to assist applicants. The lottery process is not fair if the same people keep winning the lottery. There are 5

	dispensaries alone in Long Beach owned by one company and 2-3 owned by another. And literally none of even live in the city of Long Beach, which is even worse. That's not fair nor does it allow for a fair market. That is creating a monopoly.

Expanding the "Green Zone"

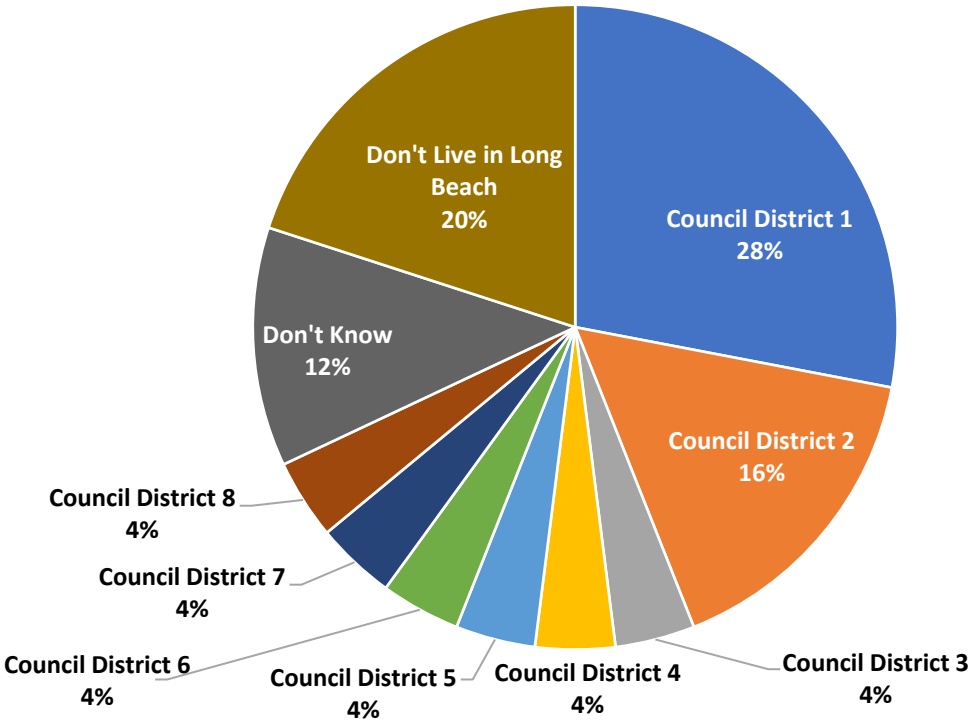


Expanding the "Green Zone" Comments	
1	Cannabis businesses should be subjected to the same laws, allotments, etc as business that sell alcohol. Alcohol kills more people per year than cannabis ever has. I die somewhat agree that cannabis near children may be problematic, but I also feel the same for alcohol. If it is full recreational in the state of California, let it be that. In order to allowing for growth and a healthy marketplace or customers, I do feel they should be 1,000 ft or more from other dispensaries.
2	Consumers will use where the want to regardless. Putting restrictions on availability just slows up progress for both sides. If it's legal make it available just as gas is legal and available as well as alcohol.
3	Equity owners should be entitled to the same location requirements as recently approved by the Council. By designated equity applicants as precluded from the same modifications, the City would be creating a second tier of licensing for social equity applicants. The last go around 32 Caucasian owned entities were selected. Why create criteria that undermines the great work this City has done in trying to remedy that failure.
4	I believe that legal cannabis dispensaries should be able to be in mixed buildings, within 1000 feet of beaches, parks etc. just as liquor stores are able to sell alcohol and cigarettes in those areas.
5	I think only one equity dispensary should be allowed within the 1000 feet perimeter/buffer of a corporate dispensary. Only one.
6	Legal cannabis dispensaries should be allowed to be in mixed buildings within 1000 feet of beaches, parks etc. just as liquor stores are able to sell alcohol and cigarettes in these areas.
7	the dispensary pool should be made up of at least 30 percent social equity. In order to achieve this we need 14 dispensary licenses made available for social equity applicants. Currently, New York is allocating 50 percent of their dispensary licenses to social equity applicant. If we only do the 8 like being discussed that would only be 20 percent.
8	They sell alcohol in all of those types of buildings, cannabis should be the same.

Business Community Responses

Council District Statistics

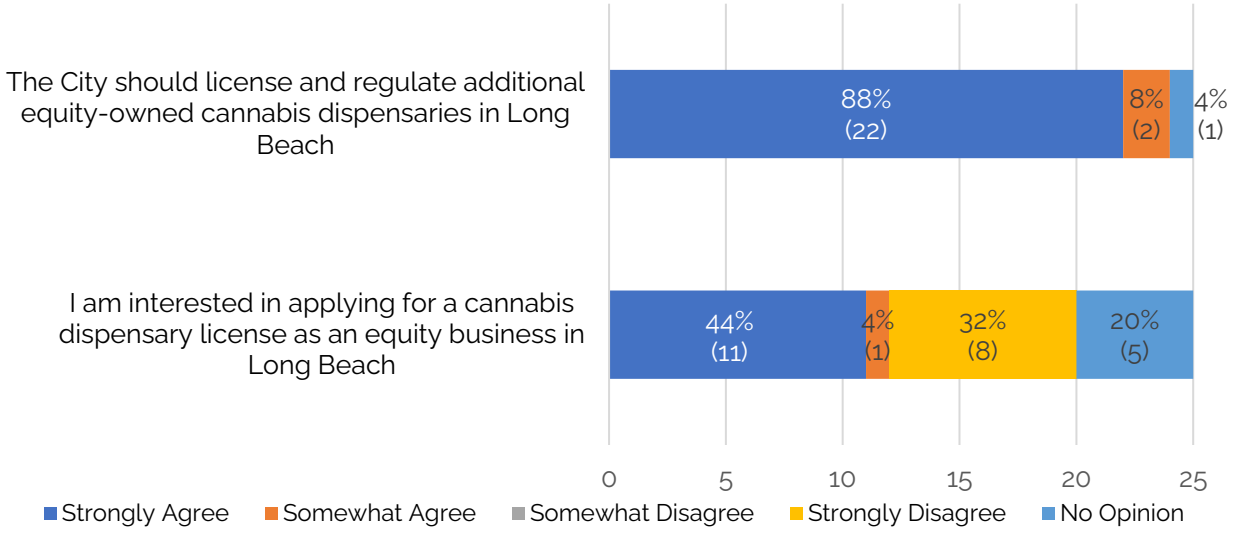
Question: What Council district do you live in?



License Availability

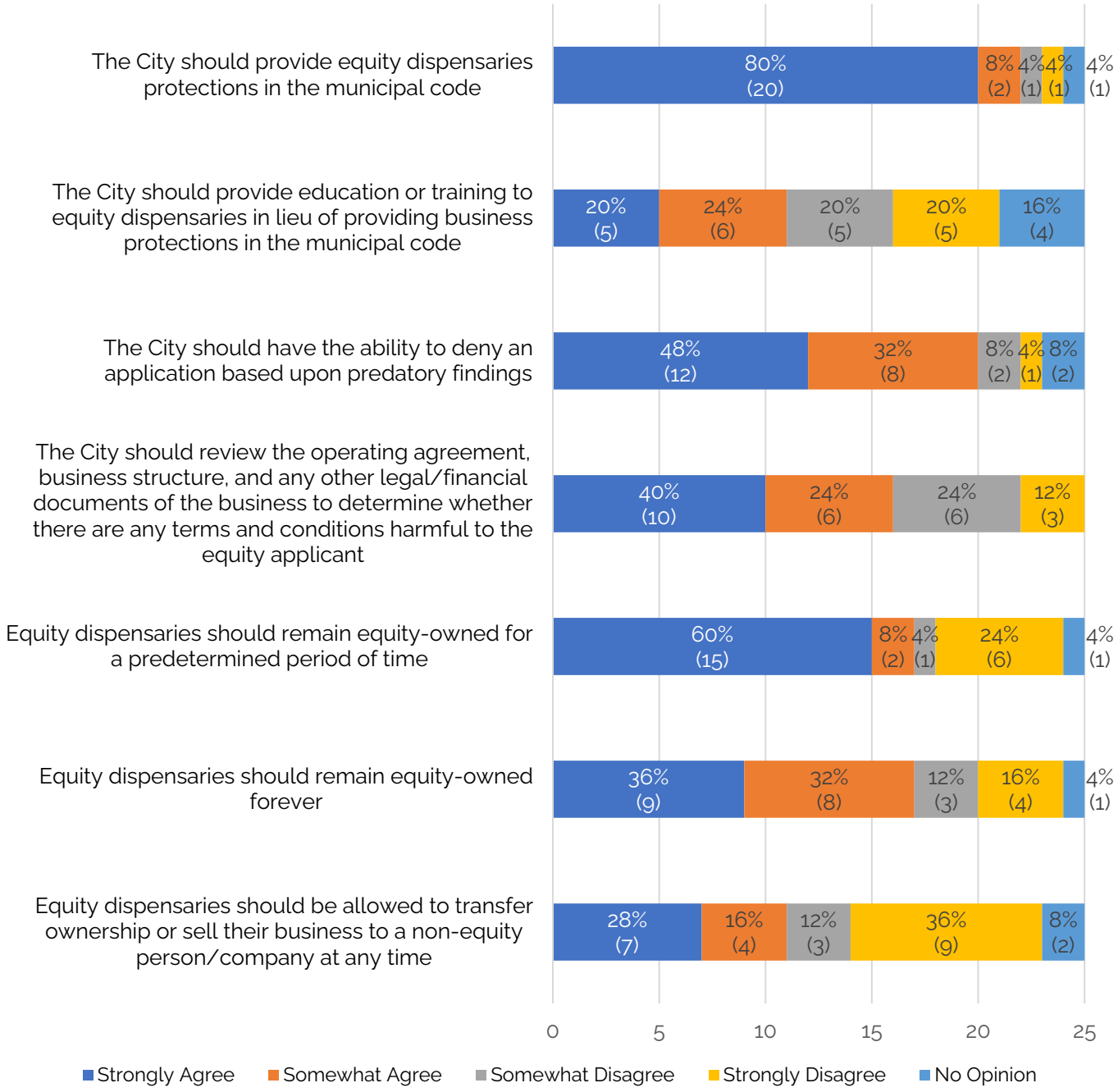
Question: How many equity-owned retail dispensaries should be allowed in the City?

Responses	
Median	30
Mode	32
Average	37



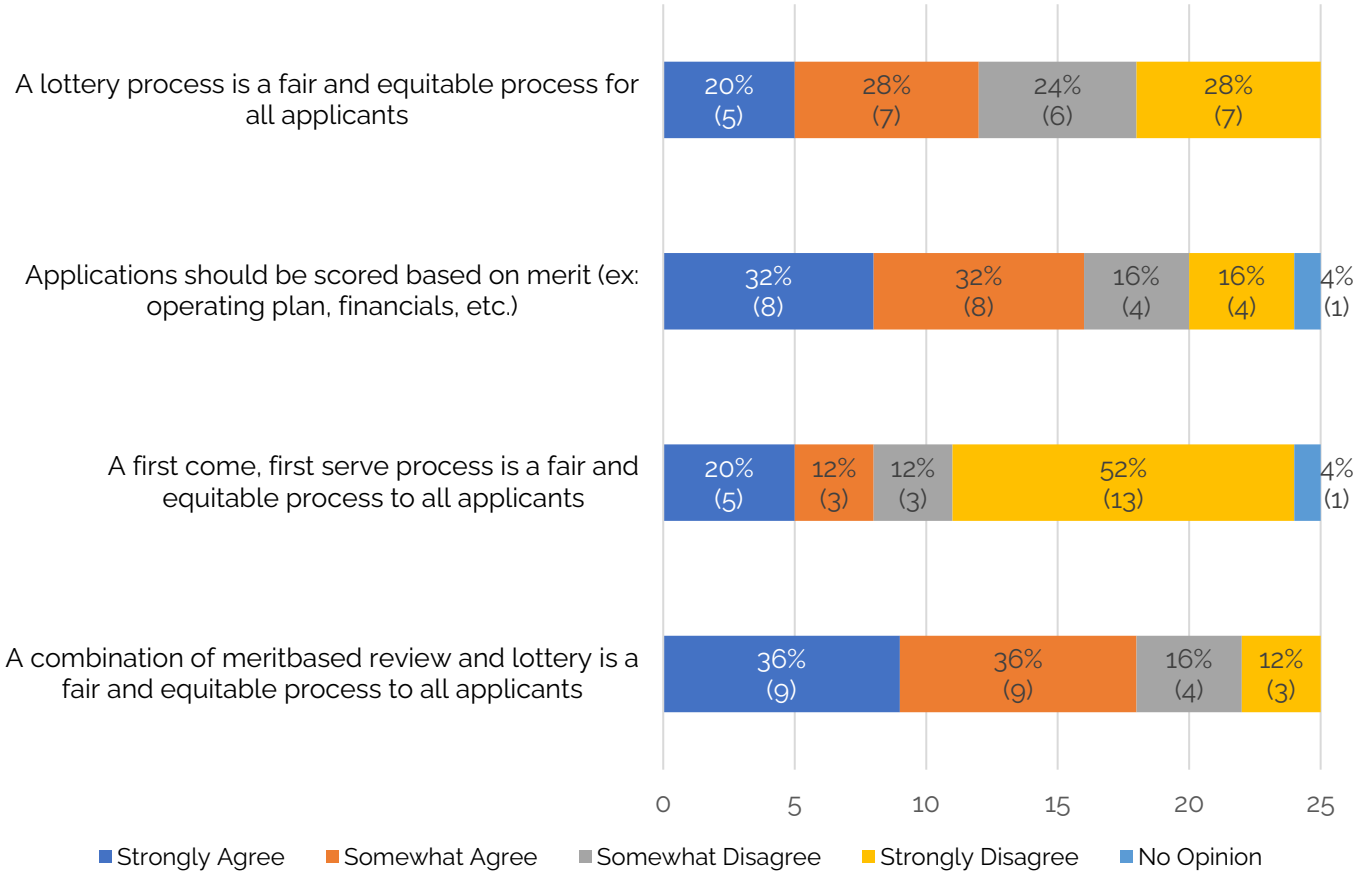
License Availability Comments	
1	Same number of dispensaries as liquor stores would be fair. More competition. The dispensaries near my home has caused zero problems.
2	As many as the population density ratio to stores will support
3	There should not be a number limit on storefront opportunities this limitation leads to unfair monopolies, poor service and products, lawsuits, and delays. Businesses should be encouraged to open and allow competition and good practices to determine who stays open and who needs to do better.
4	equity criteria need to be as strong as possible and include Long Beach residents
5	I am an owner operator, One option would be to allow a fixed number of equity retail shops. If the delivery regulations go through which I also commented on, these equity retail shops could also have a delivery service and the equity owned delivery services will need a place to store cannabis products at a licensed facility, which is why a sole delivery and especially a sole “equity delivery” is very tough because you need a facility to legally store the products.
6	To ensure all new equity dispensaries and existing dispensaries remain viable, the city should not exceed 1 dispensary per 10,000 residents. San Francsico has set up equity operators to fail by not limiting the amount of dispensary licenses in SF. I don't want to see long beach make the same mistake.
7	I am also a resident of 19years. It would be great if we could choose more than one in that section. I am not that any number will be accurate as this is all new to government, industry, & advocacy. Any number has no real data to bas it on just like the 32. Most importantly is the road for applicants and the assistance they get while working towards operations- in the end it doesn’t matter how many more licenses there are if only a few can actually achieve success or anywhere near success. Non-equity is struggling. We are only seeing about 30% of the whole market as legal operators. Regulations are too stringent for traditional/illegal market which takes up the other 70%
8	As there are 32 operating dispensaries within the city of Long Beach that are non equity, the city should put forth a motion to add an addition 8-16 dispensaries that are exclusive to social equity applicants. We also must not have the city implement more barriers within the process for social equity applicants to obtain opportunity for licensing as we didn't see much of a struggling process during the medical lottery process years ago that left minorities and communities of color shut out the industry.
9	We need equal opportunity and presence in the industry, 8 IS NOT ENOUGH!
10	?
11	You should have at least 1 social equity retail dispensary is EVERY DISTRICT- if there is not one of every district that PROVES the city does NOT ACTUALLY care about social equity. Specifically, there needs to be a social equity retail in district 5.
12	Equity applicants should receive their licenses for free. The city taxes should not apply to equity owners, considering the massive amount of harm the drug war has done on this population.
13	I firmly believe that the city should offer more storefront dispensary opportunities to equity applicants only.

Equity Business Ownership



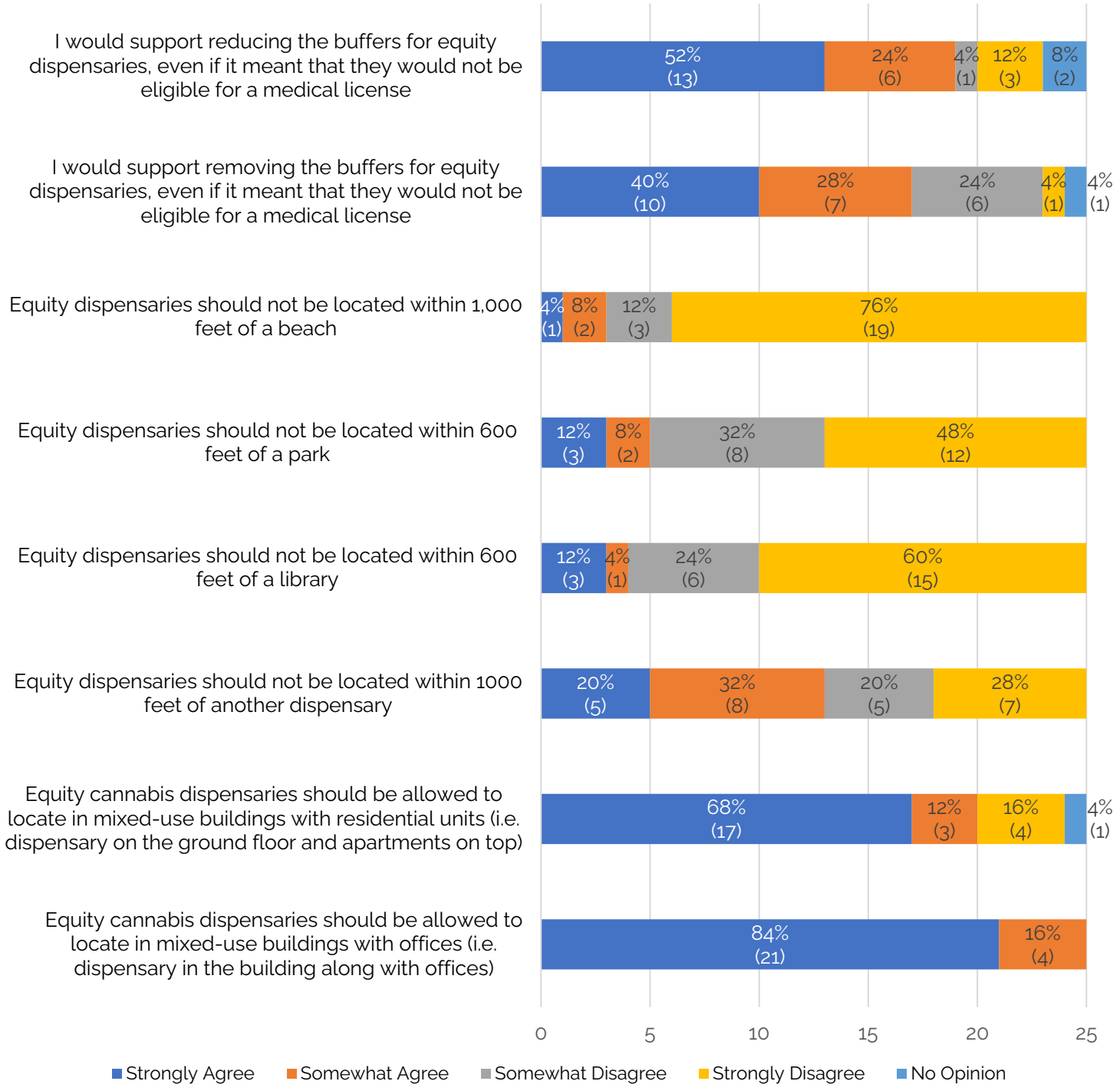
Equity Business Ownership Comments	
1	Maximum flexibility and the city should stay out of any attempt to regulate business practices as the city has no expertise and is not responsible for this. The city should be neutral and allow business to do business. The notion of predatory practices is without factual basis as the notion is already biased. Anyone being forced to give51 percent of a company to a person is already the victim almost by definition of a crime.
2	I think just like any other business, they should be able to have control of their business and keep it or sell it, however I understand the possibility of organizations taking advantage of equity applicants just so they the organization can get more licenses. So it might be a situation of vetting the sale of an equity owned business to confirm that there is no conflict issues with larger operating cannabis groups.
3	We should not handcuff equity applicants to their businesses. If they want to sell, let them sell. We don't tell tech entrepreneurs when they can sell their businesses, why tell equity applicants?
4	Its a slippery slope of getting into business. The point of creating equity is to actually create equity that is systemic where we dont need programs
5	The city doesn't have the capacity of staff nor the education on having the ability to deny equity applicants due to predatory practices found. We must assure instead of discussing about more barriers for social equity applicants it seems like, we talk about how to alleviate the barriers to get over hurdles such as milestone one as well as implementing the idea of creating new green zone opportunities exclusively for social equity applicants.
6	Financial Predators are the #1 reasons equity business FAIL!

Competitive Application Process



Competitive Application Process	
1	Merit based system is flawed as the city and experts do not know how to give score or understand what is merit and is prone to lawsuits. First come first served with everyone getting a fare chance to receive a license is fare. Limits are not fare.
2	If the city is truly trying to set equity applicants up for success, they need to make sure they have the resources to achieve their plan, and current cannabis business's can help the equity applicants understand what they are going to need in terms of equipment and real fixed costs of running a big operation.
3	A qualified lottery, where all applicants with a certain score or higher, get into a lottery makes sure the city has qualified individuals running businesses, while leveling the playing field for equity applicants. Suggested qualifying score of 90% or higher to ensure quality businesses settling in long beach.
4	Having a combination of three would confuse the whole process and would be contradicting to the other selection processes. The city of long beach should also consider the equity applicants who attended the entrepreneurship academy within the merit based process as well. Social equity applicants have have showed their dedication and shared their patience with the city of long beach and that participate within the city social equity programs set forth should have the ability to have a leg up within this merit-based system or it's just a checklist equity graduates went through for the city that lead to nothing. A score-based criteria has the ability to bring in communities of long beach and other industries that are knowledgeable in the cannabis space to review or provide more questions within the criteria to assure equity is solely focused on. Rather then the benefit of just obtaining a license to sell eventually.

Expanding the "Green Zone"

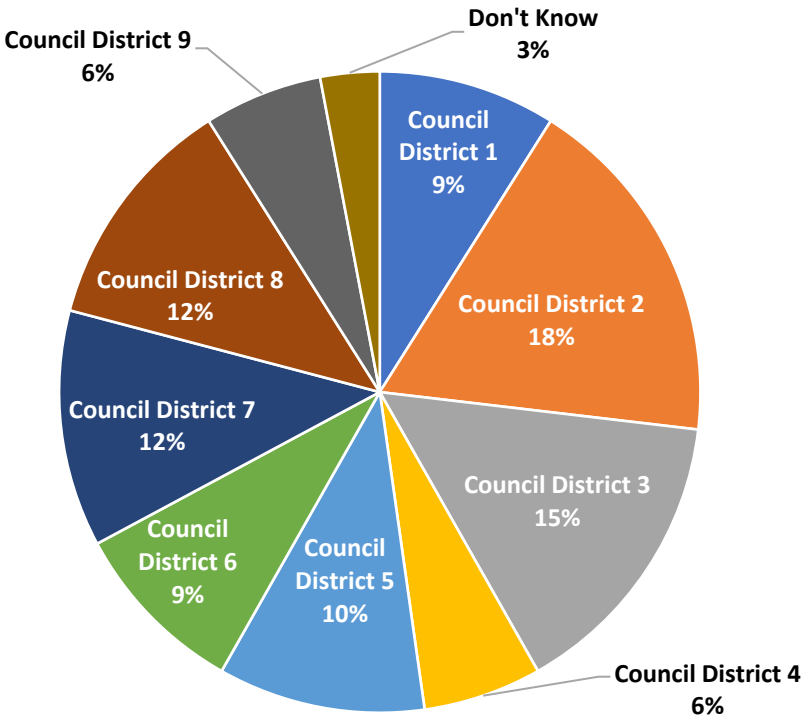


Expanding the "Green Zone" Comments	
1	Cannabis business should be allowed anywhere as they are not taboo or bad- they are just a business like any other and in many ways better. Improved building, Secuirty, jobs, many seniors visit the store fronts. The notion that dispensaries are bad is such a cliche it's so outdated and ignorant.
2	Mixed use would be pretty interesting and would probably produce good results for the business and give them a better chance of foot traffic. As a cultivator I am all for more shops and we want to see them be successful if they are equity applicants. It's such a tough business, I work 7 days a week and cultivating is the hardest part of the industry. Nothing about this industry is easy and equity applicants need a lot of resources and educational advice that I wish I had when I went through the licensing/buildout process. It's extremely tough to be successful, period.
3	Open up the zoning!
4	I do not understand the purpose of limiting equity applicants the opportunity of doing medical and recreational due to reducing or removing the buffer for equity applicants while you have non-equity dispensaries that did not have to go through these trials and tribulations social equity applicants are going through and have so for years. These community town hall questions just seem like a slap in the face i could assume to equity applicants while the city implemented mixed-used for an already operating dispensary and an operator that own multiple locations while equity applicants still own none. Instead of asking if the City of Long Beach should allow social equity applicants/communities of color who have been shut out opportunities, we should ask what can we do for social equity/communities of color to assure The City of Long Beach is actually committing to social equity and communities of color. Creating more barriers and more discussions like these impedes on the process of what true equity stands for, especially the city continues to ignore the beginning barriers for equity applicants to begin with.
5	Equity dispensaries should not be located with in 1500-2000 feet from existing dispensaries

Resident Responses

Council District Statistics

Question: What Council district do you live in?

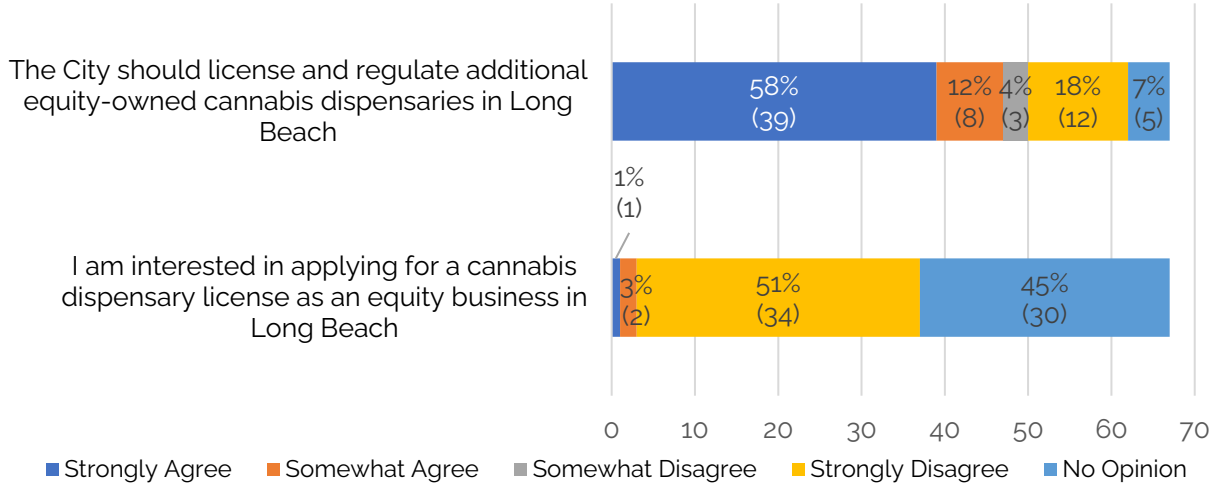


License Availability

Question: How many equity-owned retail dispensaries should be allowed in the City?

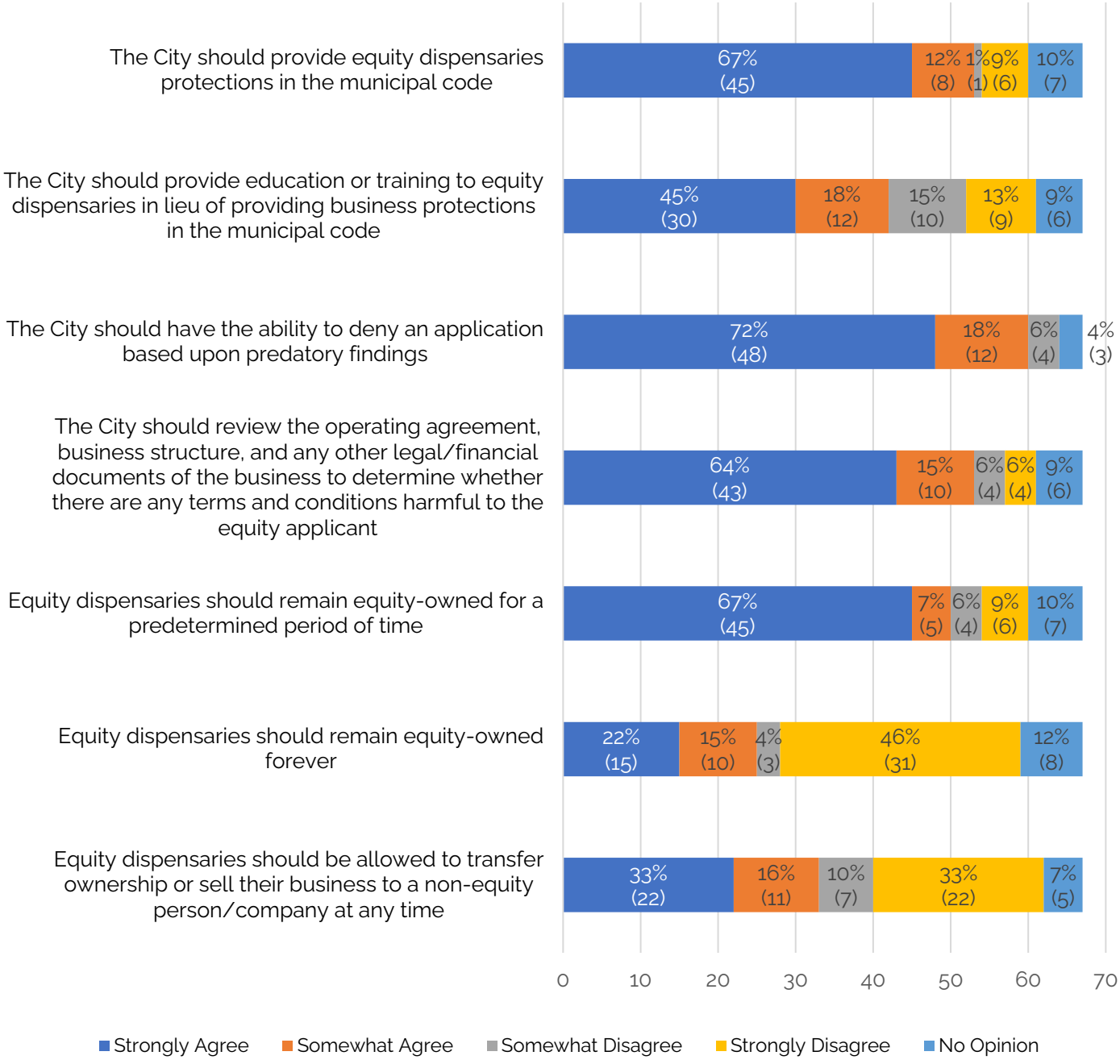
Responses	
Median	32
Mode	32
Average	30

*Excludes the 1,000,000 outlier response



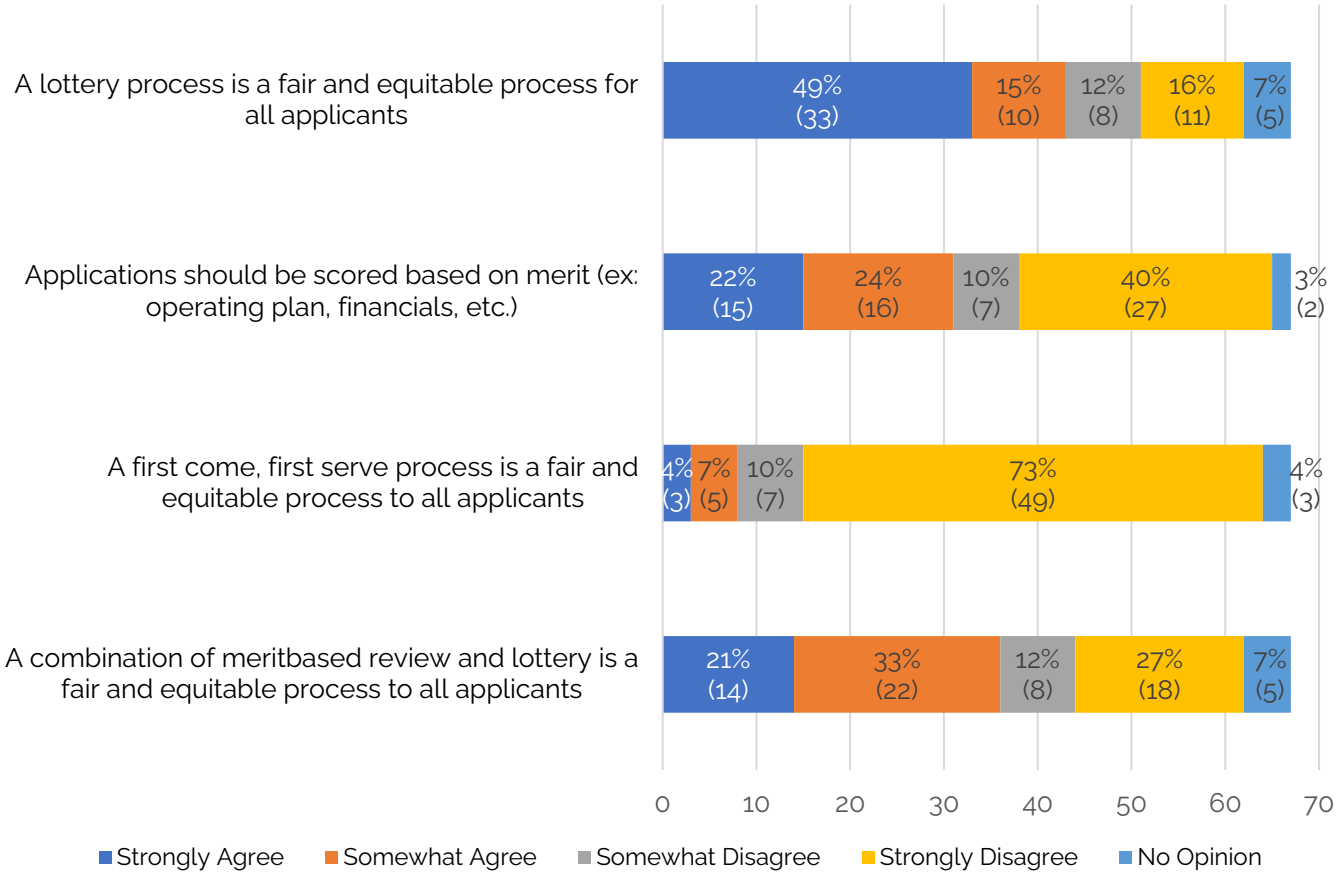
License Availability Comments	
1	It's a business and if someone wants to open one and they feel they will be successful…they should be able to.
2	Too many dispensaries owned by non-local folks, from CO, who couldn't care less about Long Beach (looking at you, Kings Crew)
3	Licenses should be encouraged so equity businesses can thrive and compete with larger groups
4	Lower the tax to increase revenue, that will lead to a reduction of gray/black market sales.
5	Why would you ask me to decide on a number that should be allowed? That's a weird thing to put in a survey.
6	the more dispensaries ,the better
7	32 are enough, no more!!
8	Half or close to half the number of existing licenses should be opened for equity applicants.
9	I'm not in favor of licensing anymore dispensaries. However, it should be equitable. Licensing should have been equitable when first starting allowing dispensaries.
10	I honestly don't know the "right" number, and that's really a job for your staff to figure out. I think having about half the dispensaries in the city reserved for "equity applicants" sounds like a good ratio to me.
11	It should be a trial with at least 10 to give fair results.
12	At least 50% should be owned by equity applicants
13	Equity process should consider economic opportunity as well as racial background.
14	Don't allow Long Beach to become the next Santa Cruz or even Seattle. It's already unsettling for my tween to see so many dispensaries and smell so much pot smoke in the air.
15	I feel like you guys are a little late. Why was this not a consideration when you were initially considering applicants? As a frequenter of local dispensaries I feel we have enough as it is. Knowing now that none of those are "equity partners" however causes me to consider more just because this was screwed up so badly to start.
16	50% should be allocated to equity
17	Long Beach already has too much marijuana.
18	It is a disgrace that it has taken Long Beach so long to award dispensary licenses to social equity applicants. Given that there are 32 dispensaries, social equity applicants should be awarded at least half as many licenses, 14. Dispensaries are the only way to truly create equity in the cannabis market and this needs to happen quickly as those who are profiting currently are not reflective of those who have been harmed substantially by the war on drugs.
19	Are we helping these dispensaries with banking solutions? I can help in this arena since I am experienced.
20	There are already enough places to buy marijuana in Long Beach, specifically the business corridors. I don't think additional access is needed no matter if it is for equity or non- equity. Thank you for the opportunity to be heard.
21	Don't we have enough dispensaries already? Ubiquitous as Starbucks. Wasn't there a social equity component to prior license grants? I support a social equity program for small business but why not make it for all retail business of any type vs. displacing more non-pot-shops with pot shops?
22	I think they should all close. People getting high in parking lot of the one at the traffic circle and driving off. Close them all down
23	Allowing a business license based on race/social status alone is discrimination.
24	There are plenty of dispensaries already. Do not add any more. If some close, add all new ones as equity ones then.
25	Please address the park pot smoking that is happening at every park in the 6th district. Also the smoking of pot outdoors. It is not fair for non smokers to be exposed to polluted air. There should be an ordinance where smoking pot should be indoors in their own home or car. No sharing of pot smell. Close your car and home window when you smoke. Enjoy it for yourself. Please do not harm the children and families by smoking at parks trains and backyard or room by the windows.
26	0, 32, it doesn't matter. What we do not need is MORE dispensaries.

Equity Business Ownership



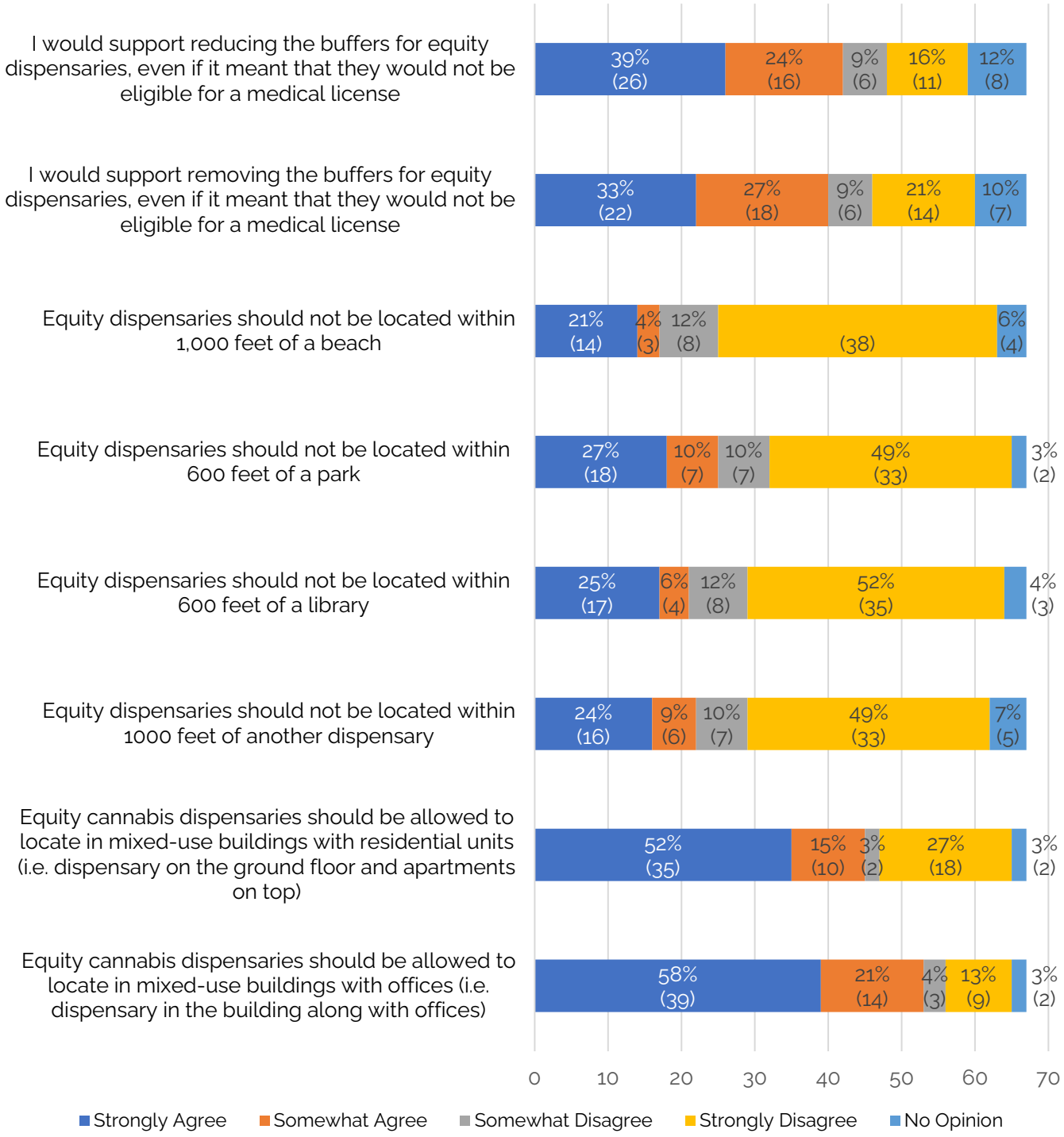
Equity Business Ownership Comments	
1	The City should not reject an application if there is a predatory finding, but send it back for reapplication without the predator. There is no question for if the transfer of an equity dispensary negates the title of equity owned forever.
2	I think that equity-based licenses need to convert to general licenses if they are going to be transferred to a non-equity applicant.
3	I'd want to see more data on what has happened with similar programs in other cities, and I'd want to hear firsthand stories from lots of potential equity candidates in Long Beach.
4	They can sell at any time, but they lose the license and the new owner has to apply on their own
5	Control the smell. Please protect children and families from this smell. We are being robbed of fresh air because pot smokers are taking over parks, smoking on the streets, in their cars with open windows, on the trains. They are nose blind to the scent they carry on them and could care less if they are polluting the neighborhood
6	The city should provide protections in the municipal code AND education and training. The purpose of awarding social equity licenses should be to create equity; therefore they should always remain equity owned.
7	Stop making race a part of doing business in Long Beach. How about providing opportunities for all on how to run better businesses? Also, we do not need any more pot stores.
8	We currently have a dispensary less than a block away on Grand and Broadway and they do not keep up the property or the trash on their property. There is currently human waste on the property. This is unacceptable!!!
9	If the purpose is to allow for equity, then it needs to be enforced strongly and only for equity owners.
10	If they operate a certain way they should stay that way in order to keep their licensure.

Competitive Application Process



Competitive Application Process Comments	
1	Are licenses issued based on merit? Or will only the equity-owned applicants go through this process? How is that equitable. What is done to issue licenses for non-equity owned dispensaries. Should be done the same way, but enforce that they are equity owned only.
2	If the City's goal is to address equity, the application process must be mindful of how strong finances (merit), etc. are all easier to obtain when you have faced less discrimination in the past. First-come first-served, merit-based, all advantage people with more free time and resources -- not very equitable to make this the process for applying.
3	Dont we already have too much dispensaries? Is there really money to be made? Is the money used for more police services as there may be a link to higher auto accidents, homelessness, crime from folks who heavily smoke and alter their psychological capacity? How about air pollution and trash from all the smoking on the train and the streets and open air smoking at parks and private property with open windows? If they are cooking barbeque or simmering barbacoa thats a welcome smell in the neighborhood but not marijuana smell. How do you explain to the kids that we have to leave the park because the smell is giving the parent a headache and allergic reactions. Or how about when you have to close all your doors and windows on a hot day because your neighbor is smoking in their private yard whilst the wind blowing the nasty smell in our yard
4	The process should be merit based on experience in the cannabis industry, operating plan, financial plan, etc. as dispensaries will not succeed unless there is substantial work done to ensure the applicants preparedness for operation to ensure its success.
5	Let's keep all of our communities safe from any type of criminal.

Expanding the "Green Zone"



Expanding the "Green Zone" Comments	
1	Let's keep our children safe. Let's also keep in mind that second hand smoke is harmful. Equity individuals need training and support. They also need accountability. Honestly, do we really need anymore dispensaries? What is driving this? How close are we going to allow a dispensary near a school? Why is this question not on the survey?
2	Allowing ANY dispensary in residential populations (IE DTLB) is not appreciated and is driving away families who prefer urban living.
3	In order to allow social equity applicants the most areas to locate dispensaries there should not be a 1,000 ft limit between dispensaries, they should have less restrictions in order to allow the most possible locations.
4	Any limitations on location that are applied/enforced for non-equity owned should be the same for equity-owned dispensaries. All rules/regulations need to be applied equally.
5	NO MORE DISPENSARIES PERIOD
6	Keep them away from Children and families - give them their boxes where they can share the nasty smell

Community Meeting & Roundtable Discussions

Public Community Meeting

On July 28, 2021, the Office of Cannabis Oversight conducted a virtual community meeting that was open to cannabis businesses, equity applicants, community members, and the general public. The goals of the meeting were for interested stakeholders to provide feedback on some of the key policy areas under the City Council's consideration and to understand the needs and challenges facing equity applicants.

There were 48 individuals who attended the community meeting, with most of the participants current and potential equity applicants. Participants had the opportunity to provide feedback by speaking directly to the group or through the chat feature. A recording of the meeting can be found at the link below:

July 28, 2021 - Public Community Meeting

Roundtable Discussions

The Office of Cannabis Oversight met with community advocacy groups to discuss the impacts of additional equity retail dispensaries for the equity community. The conversations centered on the needs of equity applicants and the role the City could play in licensing and protecting equity-owned businesses. Below are the recordings of each of the roundtable discussions:

July 26, 2021 – Long Beach Collective Association (LBCA) Part 1

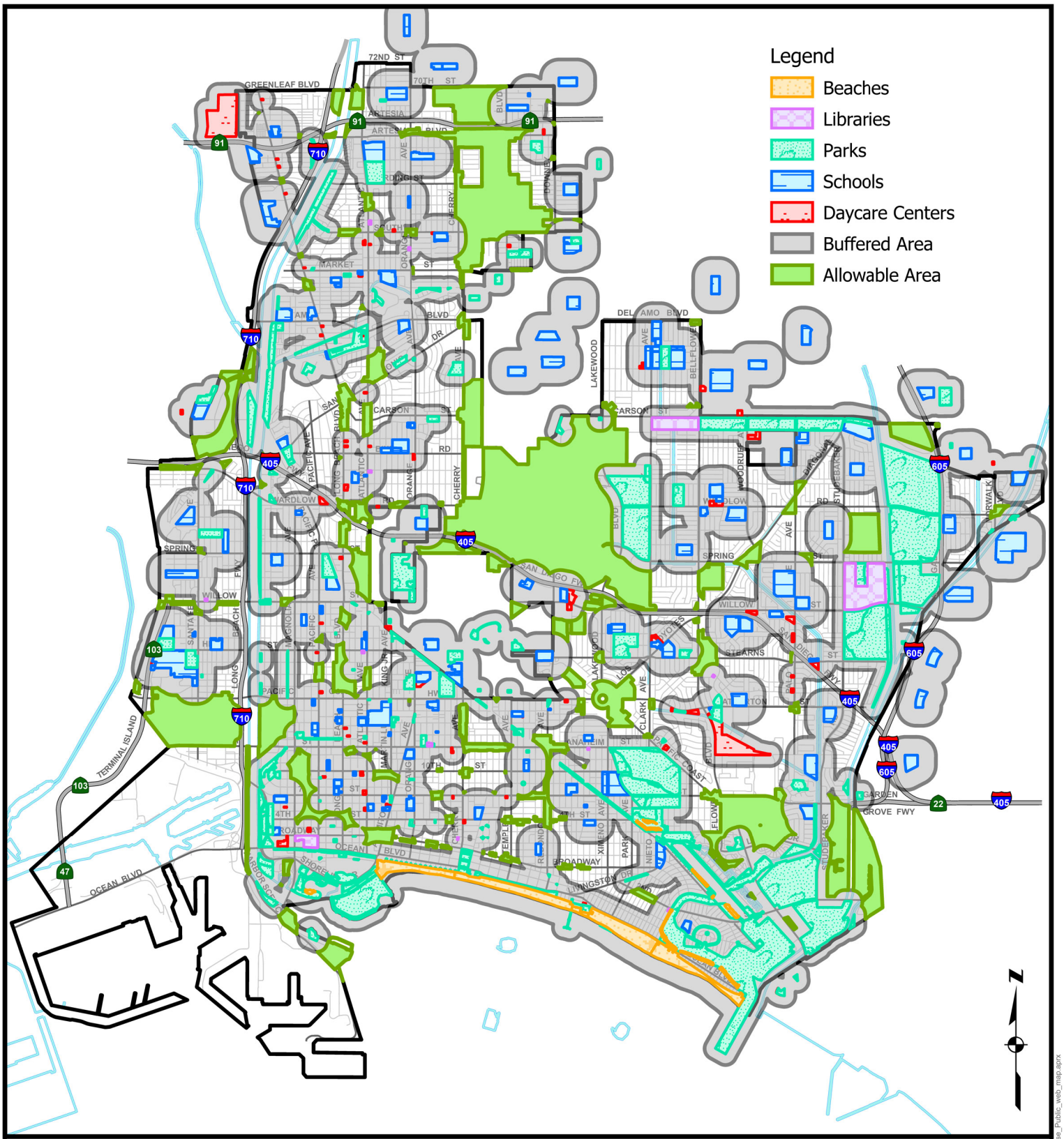
August 16, 2021 – Long Beach Collective Association (LBCA) Part 2

August 10, 2021 – LB Forward

August 18, 2021 – Catalyst

August 24, 2021 – Long Beach Cannabis Commerce Council (LBCCC)

August 25, 2021 - United Cambodian Community (UCC)



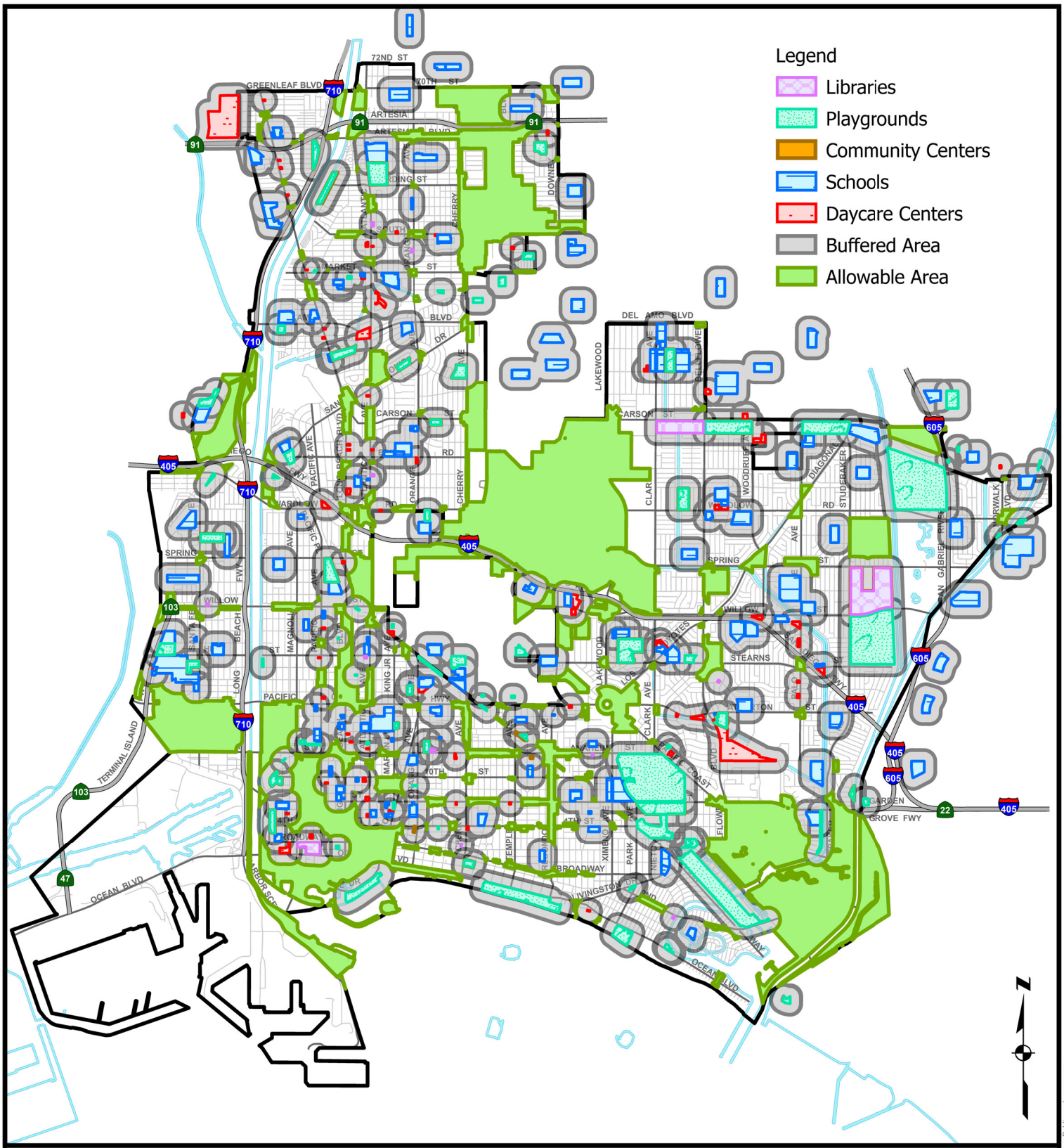
Existing Cannabis Buffer

Long Beach, CA

September 27, 2021

Disclaimer
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Recommended Cannabis Buffer

Long Beach, CA

September 27, 2021

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Sensitive Use	Current Buffer	Current # of parcels in green zone	Current sq. mi. of green zone	Current sq. ft. of green zone	Proposed Buffer	New # of parcels in green zone	New Sq. mi. of green zone	New Sq. ft. of green zone
Schools	1,000 feet	6,344	6.5	180,918,169	600 feet	12,973	9.6	267,875,397
Day care centers	600 feet				600 feet			
Parks	600 feet				0 feet			
Libraries	600 feet				600 feet			
Beaches	1,000 feet				0 feet			
Playgrounds	0 feet				600 feet			
Community Centers	0 feet				600 feet			

Attachment D

Jurisdiction	License Availability *Number of dispensary licenses for equity and non-equity applicants*	Competitive Application Process *Process for selecting applicants to move forward in the licensing process*	Predatory Practice Protections *Protections to prevent/discourage predatory practices against equity applicants*	Location Requirements *Where equity dispensaries/cannabis businesses are allowed to locate in the city*
City of Los Angeles	1 Per 10,000 Residents (389 Licenses, based on the 2020 Census) All new dispensary licenses are limited to Social Equity Applicants until January 1, 2025.	Tiered permitting system First come, first served using an online platform. Future licensing phases will utilize a lottery process.	Municipal code protections, Business operating agreement review, and access to technical assistance/advising services from attorneys.	Dispensaries must be located outside of the following buffers: Alcohol - Off-site Sales (300') Alcohol and Drug Rehabilitation Facility (600') Child Care Facility (600') Public Library (600') Public Park (600') School (1,000')
City of Oakland	50% are allocated to equity applicants. 8 new dispensary licenses may be issued every other year.	Lottery process and public hearings	Municipal code protections and access to technical assistance	Dispensaries must be located outside of the following buffers: School (600') Another Dispensary (600') Youth center (600') Notice required within 300' of residential use The distance between facilities shall be measured via path of travel from the closest door of one facility to the closest door of the other facility unless otherwise prescribed by state law.
City of Sacramento	25% (10 licenses) are allocated to equity applicants. Total of 40 dispensary licenses in the City.	Merit-based review process (RFQ) Responses to the RFQ were evaluated by a non-City panel. The 10 highest scoring responses received access to the licensing process.	Municipal code protections and access to technical assistance	Dispensaries must be located outside of the following buffers: School (600') Neighborhood and Community Parks (600') Dispensaries must obtain a CUP for any site within: 600 feet of any park, childcare center, in-home child care (family day care home), youth-oriented facility, church or faith congregation, substance abuse center, or cinema; 600 feet of any tobacco retailer that has 15,000 square feet or less of gross floor area; or 300 feet of a residential zone.
City of San Francisco	No cap on dispensaries at this time. Verified equity applicants get priority licensing.	Tiered permitting system Applications are processed by order of submission, and then by order of priority.	Municipal code protections and access to technical assistance	Dispensaries must be located outside of the following buffers: School (600') Another cannabis retailer (600')
City of San Jose	16 dispensary licenses were approved prior to the adoption of a social equity program.	First come, first served. The City Council enacted rules and operational standards in 2014 to bring the over 100 existing businesses into compliance. Through that process, only 16 businesses may legally operate.	Municipal code protections	Dispensaries must be located outside of the following buffers: Public or private preschool (1,000') Elementary school or secondary school (1,000') Child daycare center (1,000') Community or recreation center (1,000') Park (1,000') Library (1,000') Substance abuse rehabilitation center (500') Emergency residential shelter (500') Religious assembly (150') Adult daycare center (150') Residential use (150') Another collective or cannabis business (50')
City of San Diego	4 dispensary licenses are allowed per Council District. Total of 36 in the city. Currently, none of these licenses are allocated for equity applicants as the social equity program is still in development.	First come, first served, processed in the order of submission once a conditional use permit (CUP) has been awarded.	NA - still in development	Dispensaries must be located outside of the following buffers: Resource and population-based city parks (1,000') Cannabis outlets (1,000') Churches (1,000') Child care centers (1,000') Playgrounds (1,000') Libraries owned and operated by the City of San Diego (1,000') Minor-oriented facilities (1,000') Residential care facilities (1,000') Schools (1,000') Residentially zoned lot or premises (100')
City of Fresno	21 dispensary licenses allowed in the city, 2 per council district. A minimum of one (1) and a maximum of two (2) per every seven (7) licenses will be allocated to equity applicants.	Merit-based process, including application review and interviews.	Municipal code protections	Dispensaries must be located outside of the following buffers*: Cannabis retail business (800') School (800') Day care (800') Youth center (800') *This regulation is currently in draft form and not yet adopted.
City of Palm Springs	No cap on dispensaries. Verified equity applicants get priority application review and facility plan check review.	First come, first served, processed in the order of submission.	Municipal code protections and access to technical assistance	Dispensaries must be located outside of the following buffers: Another Dispensary (500') Schools (600') Public playground (600') Public park (600') Day care / Child care center (600') Youth center (600')
City of Denver	No cap on dispensaries. All dispensary licenses are exclusive to equity applicants only. The license must be majority-owned by (one or more) social equity applicant(s) until 2027.	First come, first served processed/reviewed by excise and license in the order of submission. All licenses with the exception of laboratory testing have been reserved for equity applicants.	Municipal code protections and access to technical assistance	Dispensaries must be located outside of the following buffers: Schools (1,000') Child care facilities (1,000') Alcohol or drug treatment facilities (1,000') Existing and pending retail stores (1,000')
City of Boston	A minimum of fifty-two (52) dispensaries are allowed as set by the State (20% of the number of package/liquor stores in the City). Equity retail licenses are issued on a 1:1 basis.	Merit-based process with review and approval by the Boston Cannabis Board	Business structure review and Municipal code protections	Another cannabis retailer (2,640') measured from entrance to entrance. The board has allowed exceptions to this rule. Schools (500') *minimum buffer requirements are set by the State