



## EQUITY AND ECONOMIC DEVELOPMENT WORKSHEET

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### **DISCUSSION TOPICS:**

- ✓ How can the County ensure equity in licensing and cannabis business ownership opportunities?
- ✓ What regulations can promote positive benefits for communities, especially those disproportionately impacted by historical drug enforcement policies?

### **BACKGROUND:**

#### ***Barriers to entry into the cannabis industry:***

One of the goals of Proposition 64 is to reduce barriers to entry into the regulated cannabis market, especially for individuals from communities that have been most impacted by past drug enforcement policies and the “war on drugs.” Some barriers to entry include:

- Prior drug convictions. Under Proposition 64, persons who have been convicted of a cannabis-related offense that is no longer illegal under state law are not automatically disqualified from applying for and receiving a license to operate a cannabis business.
- Lack of access to startup capital. High startup costs can prevent many people from entering the cannabis marketplace or competing on equal footing with well-funded competitors.
- Complicated regulations and licensing requirements. Many “mom-and-pop” cannabis operators find it difficult to navigate and comply with complex cannabis regulations and licensing requirements.

Many argue that reducing these barriers to entry will result in more equitable ownership patterns for cannabis businesses, and increase economic development in communities hardest hit by the “war on drugs.”

#### ***Concerns that cannabis legalization might impede equitable economic development:***

Some people are concerned that cannabis legalization will negatively impact minority communities and communities struggling with relatively high rates of unemployment, under-employment, and crime. These people worry that an overconcentration of cannabis retailers within these communities could result in negative health, social, and economic outcomes over time, especially for young people exposed to cannabis, and could displace other community-serving businesses such as family restaurants, small grocers, and laundromats. Comparisons have been made to the overconcentration of liquor stores in some of these communities, which sometimes results in elevated rates of alcoholism, crime, and blight.

Under this view, local regulations for cannabis businesses should prevent an overconcentration of cannabis businesses and ensure that cannabis businesses advance economic development within these communities, not impede it.

**WORKSHOP QUESTIONS:**

*How can the County appropriately expand economic opportunities in the cannabis industry while preventing the negative impacts potentially associated with an overconcentration of cannabis businesses?*

*Should cannabis businesses engage with local communities to foster economic development and prevent negative impacts, such as loitering and crime? How so?*

*What programs do you think the County should offer to advance economic development in communities where cannabis businesses locate?*

*Is there anything else you would like to tell the County about equity and economic development as it relates to the cannabis industry?*

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*NOTE: All information submitted orally or in writing at this meeting will become public record and may be published in its entirety. Please do not include any personal or confidential information you do not wish to become public record.*

To submit additional comments, please visit <http://cannabis.lacounty.gov/connect/>