



# CITY OF LONG BEACH OFFICE OF CANNABIS OVERSIGHT

## **RULES AND PROCEDURES IMPLEMENTING COMMUNITY REINVESTMENT PLAN REQUIREMENT**

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### **Purpose**

It is the purpose of this regulation to establish rules, policies, and procedures to implement an administrative program for the Community Reinvestment Plan (CRP) requirement established in Long Beach Municipal Code (LBMC) Section 5.92.1540. All Adult-Use Cannabis Businesses shall cooperate with the Office of Equity in the City Manager's Office, in the administration of the Community Reinvestment Plan.

### **Scope**

This regulation is applicable to all adult-use cannabis business and/or co-located cannabis business licensed under LBMC § 5.92.

### **Amendment**

The Office of Cannabis Oversight (OCO) in the City Manager's Office may amend the rules, policies, and procedures set forth in the regulation as required.

### **Definitions**

"Adult-Use Cannabis Business" means any person, entity, or operation, in whole or in part, whether operating for-profit or not-for-profit, and all associated owners, employees, managers, and agents, engaged in adult-use commercial cannabis activity that does not qualify for the Equity Business Owner Program and is subject to the requirements in LBMC Chapter 5.92.1540.

"Certificate of Attendance" means the document provided by the Office of Equity to an Adult-Use Cannabis Business who has attended a Community Reinvestment Plan Orientation.

"City" means the City of Long Beach.

"Community Reinvestment Plan Orientation" means the optional orientation provided by the Office of Equity for all Adult-Use Cannabis Businesses.

"Community Priorities" means the four priority areas identified through the City's Reconciliation & Racial Equity listening process that included eleven listening sessions and four town halls for the community. Two additional listening sessions were hosted by community partners. The process was intended to listen to accounts and experiences of racial injustice, inequity, or harm to community members and develop recommendations to advance racial equity.

"Eligible Non-Profit Organization" means a 501(c)(3) tax-exempt non-profit organization.

"Equity Business Owner Program" means the portion of the program established in Division X of LBMC Chapter 5.92 that provides assistance to individuals applying for an Adult-Use Cannabis Businesses where fifty-one percent (51%) or more of the entity holding, and applying for, an Adult-Use Cannabis Business Permit is owned by an individual that meets the criteria of subsections (A) and (B) of LBMC Chapter 5.92.1520.

“Los Angeles – Long Beach – Glendale (Los Angeles County) Area Median Income (AMI)” means the household income for the median household in the Los Angeles County region.

“Social Equity Program Census Tract” means Long Beach census tracts where at least fifty-one percent (51%) of current residents have a household income at or below eighty percent (80%) of the Los Angeles County Area Median Income (AMI).

### **Regulation #1: Applicability**

#### *Determination of Applicability*

All Adult-Use Cannabis Businesses that do not qualify for the Equity Business Owner Program shall prepare and submit a Community Reinvestment Plan to the City.

#### *Exemption from Community Reinvestment Plan Requirement*

The 40% Equity Hire Requirement shall not apply to Adult-Use Cannabis Businesses where one (1) or more owners are verified as an Equity Business Owner pursuant to LBMC Chapter 5.92.1520.B. To be eligible for this exemption, at least one (1) owner must obtain approval from the City for the Equity Business Owner Program prior to obtaining an Adult-Use Cannabis Business License.

### **Regulation #2: Community Reinvestment Plan Orientation**

Adult-Use Cannabis Businesses may attend an optional Community Reinvestment Plan Orientation. The orientation will provide information on how to prepare and comply with the Community Reinvestment Plan requirements. Upon completion of a Community Reinvestment Plan Orientation, Adult-Use Cannabis Businesses will receive a Certificate of Attendance from the Office of Equity.

### **Regulation #3: Community Reinvestment Plan Requirements**

Adult-Use Cannabis Businesses shall prepare and submit a Community Reinvestment Plan to the Office of Equity by December 18, 2020, or within three (3) months of obtaining a new business license, whichever occurs later.

Each Community Reinvestment Plan shall follow the Community Reinvestment Plan Guidelines and describe how the Adult-Use Cannabis Business intends to support one or more of the following Community Priorities within eligible Social Equity Program Census Tracts:

- **Child & Youth Development:** Organizations that promote positive outcomes for children and youth (age 0-24) by providing opportunities, fostering positive relationships, and providing for basic needs—physical and mental health, food, shelter, belonging, and safety. This may also include organizations that provide education or employment support through training, mentorship, tutoring, leadership development, and youth advocacy. Please describe the Child & Youth Development work your organization offers. (Max 1500 characters)
- **Violence Prevention:** Organizations that focus on reducing or preventing violence, including but not limited to services or advocacy related to trauma-informed care, crisis intervention, gang violence interruption, elder abuse prevention, gun violence prevention, intimate partner violence, and sexual violence.

- **Re-Entry:** Organizations that are designed to assist formerly incarcerated individuals with a successful transition to the community after they are released. Re-entry assistance may include but are not limited to services or advocacy related to job training and placement, access to safe and adequate housing, peer support, and meeting other basic needs.
- **Economic Inclusion:** Organizations that provide services or advocacy to ensure equitable access to economic opportunity by closing the race and gender wealth gaps, increasing access to capital for small business owners and aspiring entrepreneurs, closing the digital divide, promoting good, accessible jobs that lead to pathways to the middle class, and creating pathways to home ownership.

Support for Community Priorities within eligible Social Equity Program Census Tracts ([map here](#)) must be provided through eligible non-profit organizations in any of the following ways:

- Direct financial contributions;
- Volunteer hours (valued at \$50/hour);
- In-kind donations (includes contributions of equipment, supplies and goods).

The *Community Reinvestment Plan FAQs* and *Plan Template* is available at [www.longbeach.gov/health/healthy-living/office-of-equity/cannabis-equity/](http://www.longbeach.gov/health/healthy-living/office-of-equity/cannabis-equity/).

#### **Regulation #4: Community Reinvestment Plan Evaluation**

Community Reinvestment Plans will be scored by the Office of Equity using the following evaluation criteria. Point scores will be based on how well the plan addresses the items listed under each section. Community Reinvestment Plans can receive a total of 100 points.

<b>Community Reinvestment Plan Evaluation Criteria</b>	<b>Max Points</b>
Contact Information of Adult-Use Cannabis Business with at least two individuals.	10
Identification of community priorities within eligible social equity program census tracts provided through eligible non-profit organization.	30
Itemized list of how direct financial contribution(s), volunteer hours, and/or in-kind contributions will be used; including the monetary value of each item	30
Total value of support is of equal or greater value to one-percent (1%) of total gross receipts generated by the Adult-Use Cannabis Business in the last year	30
<b>Total Possible Points</b>	<b>100</b>

Based on the total number of points received, plans will then be assigned a corresponding letter grade score. Community Reinvestment Plans and corresponding letter grades will be made available to the public on the City's website.

<b>Total Point Score</b>	<b>Letter Grade</b>
90-100	A
80-89	B

70-79	C
60-69	D
>59	F

**Regulation #5: Community Reinvestment Annual Report**

Adult-Use Cannabis Businesses shall prepare and submit a Community Reinvestment Annual Report one year from the date the plan was approved by the Office of Equity. Each annual report shall detail how the commitments outlined in the Community Reinvestment Plan were fulfilled and shall include supporting documentation.

Adult-Use Cannabis Businesses shall also renew and/or submit a new Community Reinvestment Plan for the following year within 30 days from the one-year deadline the previous plan was approved by the Office of Equity. The Office of Equity may, at its discretion, consider additional criteria when evaluating or scoring renewed and/or new Community Reinvestment Plans submitted after the first year.

*Community Reinvestment Annual Report Guidelines* will be available at [www.longbeach.gov/health/healthy-living/office-of-equity/cannabis-equity/](http://www.longbeach.gov/health/healthy-living/office-of-equity/cannabis-equity/).

**Regulation #6: Enforcement**

If the Office of Equity determines that an Adult-Use Cannabis Business is not in compliance with the Community Reinvestment Plan Requirement, the Office of Equity will notify the Adult-Use Cannabis Business. Enforcement actions may include, but are not limited to; administrative penalties, civil fines, permit suspension, and permit revocation. Enforcement actions will follow the procedures identified in Chapter 5.92, Division IX – Enforcement and Penalties, of the Long Beach Municipal Code.