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<https://escholarship.org/uc/item/1wx6w6w2>

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Publication Date

2021-09-23

CAL-IN-SACRAMENTO FELLOWSHIP PROGRAM, FALL 2021 DIVERSITY AND ENTREPRENEURSHIP IN CALIFORNIA

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In the spring of 2021, IGS launched a two-year Diversity and Entrepreneurship Fellowship Program. Cal-in-Sac Fellows conducted original research focused on the challenges and opportunities facing women- and POC-owned small businesses and diverse entrepreneurs in California. This series includes Op-Eds, blogs, policy briefs and other research products that capture key findings of the students' research. Learn more at <https://igs.berkeley.edu/matsui-center/fellowships/cal-in-sacramento>.

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Oakland's Cannabis Social Equity Program: Reversing The War on Drugs

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Introduction

Since 1996, California's legal medical marijuana market has grown exponentially becoming a \$20 billion business industry.¹ As cannabis becomes more mainstream, the cannabis market could exceed the \$70 billion market for U.S wine by 2030, according to an estimate by investment bank Cowen & Co.² However, many racial minorities are often unable to reap the benefits of this emerging, yet highly exclusive industry.

California's Proposition 64 allows cities to adopt cannabis regulations at the local level. However, local and state regulation measures complicate participation by small businesses

¹ Monga, Vival. "Jay-Z Joins Push to Boost Minority-Owned Cannabis Businesses." The Wall Street Journal. January 20, 2021. Accessed March 11, 2021.

<https://www.wsj.com/articles/jay-z-joins-push-to-boost-minority-owned-cannabis-businesses-11611163595>.

² Monga, Vival. "Jay-Z Joins Push to Boost Minority-Owned Cannabis Businesses." The Wall Street Journal. January 20, 2021. Accessed March 11, 2021.

<https://www.wsj.com/articles/jay-z-joins-push-to-boost-minority-owned-cannabis-businesses-11611163595>.

compared to well funded business ventures in the cannabis industry. Victims of the War on Drugs are unable to participate in the cannabis industry and jumpstart their own small business because national banks refuse to lend to risky cannabis ventures given the federal prohibition. The lack of capital investment essentially impedes on small businesses' ability to comply with California's significantly regulated cannabis industry consisting of costly licenses, fees, high taxes, and leases. *Thus, social equity programs at the local level have been designed to reconcile with the devastating effects of the War on Drugs by empowering its victims to pursue their entrepreneurial goals in the face of significant barriers in the cannabis industry.*

Research Question and Significance

The implementation of social equity programs by cities in California are part of a new trend towards making amends with communities of color which have been disproportionately affected by the War on Drugs in the past. Because these social equity programs are part of a modern phenomena, they are subject to flaws and unintentional consequences. Thus, an evaluation of Oakland's social equity program will not only provide an in-depth analysis, but possible solutions and modifications which can be made to improve these new policies. The analysis of Oakland's social equity program is significant for policymakers and scholars because these two groups are capable of collaborating on a data driven policy solution and ensuring that these programs fulfill their purpose in assisting minorities' small businesses. *How does the City of Oakland's Social Equity Program reduce barriers for those affected by the War on Drugs to enter the commercial cannabis industry?*

Brief Literature Review

The recent implementation of California cities' social equity programs has made it difficult to gather consistent data. Simultaneously, there is very little existing literature available

on social equity programs. Nonetheless, as regulatory agencies continue to make ground in the last few years, data and research has become more widely available.

First, the definition of social equity program can vary from city to city; however, the general consensus has been the following: provides priority application processing and technical business assistance and support to those affected by the War on Drugs.

Existing literature has held aspects of social equity programs in high regard such as incentivizing established cannabis businesses and investors to give social equity applicants access to capital investment, rent-free real estate and assistance with regulation processes.³

However, the lack of study on social equity programs remains troubling. There is a lack of literature highlighting the several significant barriers to entry and aspects in the cannabis industry including, but not limited to: lack of capital investment, logistical support and unintended consequences of the social equity program.

Data and Methods Plan

I will be using one main data source, the City of Oakland's Ordinance No. 13504. I will also assess the Oakland Cannabis Regulatory Commission's data and performance in granting business licenses to individuals affected by the War on Drugs. These data sources will be used to evaluate the effectiveness of Oakland's Social Equity Program by determining successful and flawed components of the social equity program.

Second, I will conduct interviews with owners of cannabis small businesses and leading experts in the field of cannabis from Oakland to gain a more in-depth and nuanced understanding of Oakland's social equity program. Moreover, these interviews will serve as qualitative research

³ Quinton, Sophie. "Black-Owned Pot Businesses Remain Rare Despite Diversity Efforts." The Pew Charitable Trusts. January 15, 2021. Accessed September 21, 2021. <https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2021/01/15/black-owned-pot-businesses-remain-rare-despite-diversity-efforts>.

embedded throughout the research project. Additionally, I will rely on news publications such as the San Francisco Chronicle and other publications to provide insight on the current social equity programs statuses and performances in Oakland.

Cannabis Industry Background: Hefty Regulations & Lack of Capital

California's heavily regulated cannabis industry has caused significant financial barriers for individuals affected by the war on drugs, seeking to gain a foothold in the legal cannabis market. Cannabis small businesses are inordinately expensive to run because of meticulous regulation standards such as installing special ventilation systems and security protocols. A survey reveals how equity applicants ranked city approvals, slow build-outs and establishing banking services among the top three barriers to their businesses.⁴ Those affected by the War on Drugs face significant financial barriers and costly regulations when entering the cannabis industry. Victims of the War on Drugs are largely excluded from penetrating into California's most promising cannabis industry due to lack of capital investment and regulatory requirements.

The City of Oakland's Cannabis Social Equity Program

In February of 2017, the City of Oakland adopted the first social equity program in the United States. Oakland's social equity program aims to empower individuals affected by the war on drugs to enter the legal cannabis market with resources and opportunities. The Equity Permitting Program reserves 50% of the cannabis business licensing permits for equity applicants and allows non-equity applicants to obtain a license by partnering with and incubating equity applicants.⁵

Because policymakers are unable to favor certain groups under federal law, cities have developed social equity programs comprising of residency requirements, income limits and

⁴ Cannabis Regulatory Commission Thursday, December 5, 2019
<https://cao-94612.s3.amazonaws.com/documents/Dec.-5th-Packet.pdf>

⁵ 112 OAKLAND MUN. CODE, §§ 5.80.045, subd. (D), and 5.81.060, subd. (D)).

criminal background. Equity applicants must be Oakland residents, earn less than 80% of the average city income, reside in a specified high-crime zone for at least 10 of the past 20 years or have been convicted of a cannabis-related crime in Oakland after November 5, 1996.⁶ Moreover, Oakland's cannabis regulatory commission provides an abundance of resources such as a loan/grant and legal program and technical assistance. Oakland's social equity program provides applicants with loans/grants that range from \$5,000 to \$100,000 per applicant.⁷ In addition, the program offers technical assistance to applicants, empowering their cannabis venture.

While in the making, Oakland's social equity program was dedicated towards using a racial and economic lens to uplift marginalized individuals that were affected by the war on drugs. The City of Oakland used research and collaborated with their Department of Race and Equity and the City Administrator's Office of Special Activity.⁸ The permits division of the program took into account racial and economic disparities. The City of Oakland's program officially states its goal is: "to promote equitable business ownership and employment opportunities in the cannabis industry in order to decrease disparities in life outcomes for marginalized communities and address the disproportionate impacts of the War on Drugs in those communities".⁹ Lastly, Oakland uses neighborhood data as criteria for their Equity Applicants;

⁶ Ravani, Sarah. "Oakland's Groundbreaking Cannabis Equity Program Showing Modest Results so Far." San Francisco Chronicle. May 25, 2019.

<https://www.sfchronicle.com/bayarea/article/Oakland-s-groundbreaking-cannabis-equity-13895654.php>.

⁷ Ravani, Sarah. "Oakland's Groundbreaking Cannabis Equity Program Showing Modest Results so Far." San Francisco Chronicle. May 25, 2019.

<https://www.sfchronicle.com/bayarea/article/Oakland-s-groundbreaking-cannabis-equity-13895654.php>.

⁸ Brown, Rebecca. "Cannabis Social Equity: An Opportunity for the Revival of Affirmative Action in California" Willamette University College of Law. 2019.

<https://willamette.edu/law/resources/journals/sjelj/publications/pdf/3-1/6.-brown.pdf>

⁹ Brown, Rebecca. "Cannabis Social Equity: An Opportunity for the Revival of Affirmative Action in California" Willamette University College of Law. 2019.

<https://willamette.edu/law/resources/journals/sjelj/publications/pdf/3-1/6.-brown.pdf>

this data is used to determine qualifying neighborhoods solely based on their history of cannabis-related arrests and does not include race.¹⁰

Incubation

The Equity Incubator aspect of the program is a business and mentor partnership between equity and non-equity applicants, bridging the gap between established entrepreneurs and incoming small-business owners. In the partnership, the non-equity applicant provides the equity applicant with a 1,000 square-foot space, used for cultivating cannabis and operating their own business, rent-free for three years.¹¹ In return, the non-equity applicants receive priority in the permitting process. Oakland has also designated \$3.4 million in interest-free loans for Equity Applicants. Additionally, there are now new sources of funding such as from California's Bureau of Cannabis Control and Department of Business and Economic Development. Phase 1 is the restricted phase where no more than 50% of the permits can be issued to general applicants.¹² Meanwhile, Phase 2 does not restrict the amount of general applicant permits issued and can begin "after the Equity Assistance Program has been funded and implemented".¹³

However, other equity programs have been subject to increasing scrutiny over an increasingly prominent unintended consequence of the program's incubation provision which requires a partnership between the incubator and the equity applicant. In Los Angeles, there are notable cases of incubators preying upon equity applicants by taking advantage of their lack of resources. In one case, a contract between the incubator and equity applicant allowed the incubator to buy out the equity partners should they refuse "lawful direction/instruction" from

¹⁰ Brown, Rebecca. "Cannabis Social Equity: An Opportunity for the Revival of Affirmative Action in California" Willamette University College of Law. 2019.

<https://willamette.edu/law/resources/journals/sjelj/publications/pdf/3-1/6.-brown.pdf>

¹¹ OAKLAND MUN. CODE, §§ 5.80.045, subd. (D).

¹² OAKLAND MUN. CODE, §§ 5.80.045, subd. (D).

¹³ OAKLAND MUN. CODE, §§ 5.80.045, subd. (D).

the incubator's company which manages the partnership.¹⁴ The buyout price was \$200,000 which is significantly lower than what the market goes for a licensed cannabis shop in Los Angeles.¹⁵

In order to address and resolve the program's unintended consequence, equity programs must adapt by revising their incubation provisions to prevent predatory behavior and exploitation by investors and partners of equity applicants during the incubation phase. Language should be adopted to explicitly bar conditions which force the transferring of ownership from the equity applicant to the incubator during the incubation phase. Clear and concise language is also needed to state equity applicants' complete control over their license, business operations and decision-making in order to thwart any predatory behavior from partners and investors.

Sources of Funding: Bureau of Cannabis Control and Go-Biz

The City of Oakland has two significant sources of funding: the Bureau of Cannabis Control and the Governor's Office of Business and Economic Development (Go-Biz). In the spring of 2020, Oakland received a grant of approximately \$1,650,000 from the Bureau of Cannabis Control.¹⁶ In the summer of 2020, Oakland received a \$6,576,705 grant from the Governor's Office of Business and Economic Development (Go-Biz).¹⁷ In the summer of 2021, Oakland received a \$2,434,712.51 grant from Go-Biz.¹⁸ Oakland has utilized funding from the state as a result of Senate Bill 1294 which funds most of Oakland's social equity program.

Oakland uses this state funding towards the revolving loan program encompassing equity

¹⁴ Elmahrek, Adam. "L.A.'s 'social Equity' Program for Cannabis Licenses under Scrutiny." Los Angeles Times. June 23, 2020. Accessed September 22, 2021. <https://www.latimes.com/california/story/2020-06-23/cannabis-licenses-social-equity-4th-mvmt>.

¹⁵ Elmahrek, Adam. "L.A.'s 'social Equity' Program for Cannabis Licenses under Scrutiny." Los Angeles Times. June 23, 2020. Accessed September 22, 2021. <https://www.latimes.com/california/story/2020-06-23/cannabis-licenses-social-equity-4th-mvmt>.

¹⁶ City of Oakland. EQUITY LOAN AND GRANT PROGRAMS MONTHLY MEETING. Tuesday, September 8, 2020 <https://cao-94612.s3.amazonaws.com/documents/Equity-Loan-and-Grant-September-8.-2020-Agenda.pdf>

¹⁷ City of Oakland. EQUITY LOAN AND GRANT PROGRAMS MONTHLY MEETING. Tuesday, September 8, 2020 <https://cao-94612.s3.amazonaws.com/documents/Equity-Loan-and-Grant-September-8.-2020-Agenda.pdf>

¹⁸ City of Oakland. EQUITY LOAN AND GRANT PROGRAMS MONTHLY MEETING. Tuesday, September 8, 2020 <https://cao-94612.s3.amazonaws.com/documents/Equity-Loan-and-Grant-September-8.-2020-Agenda.pdf>

applicants' licensing fees, supporting shared-use manufacturing spaces, workforce development, and technical assistance. The following tables and the figure illustrate the allocation and uses of various funds from both the Bureau of Cannabis Control and Go-Biz.

Table 1

Use of BCC FUNDING	
Grants to Operators	\$850,000
Commercial Kitchens	\$250,000
Commercial Kitchens OR Events Featuring Equity Businesses	\$200,000
Workforce Development	\$200,000
Program Analyst Position	\$150,000
TOTAL BCC FUNDING	\$1,650,000

Source: EQUITY LOAN AND GRANT PROGRAMS MONTHLY MEETING Proposed Agenda, Tuesday September 8, 2020
<https://cao-94612.s3.amazonaws.com/documents/Equity-Loan-and-Grant-September-8.-2020-Agenda.pdf>

Table 2

Use of Go-Biz Funds	
Grants to Operators for All Eligible expenses	\$1,510,239
No Interest Loans to Operators for All Eligible Expenses	\$1,510,239
No Interest Loans to Purchase Property	\$1,510,239
Workforce Development Programs	\$800,000
Loan and Grant Administration	\$350,000
Technical Assistance	\$250,000
Legal Assistance	\$165,000
City Staff Costs Administering Equity Program	\$480,987
TOTAL GO-BIZ FUNDING	\$6,576,705

Source: EQUITY LOAN AND GRANT PROGRAMS MONTHLY MEETING Proposed Agenda, Tuesday September 8, 2020

<https://cao-94612.s3.amazonaws.com/documents/Equity-Loan-and-Grant-September-8.-2020-Agenda.pdf>

Figure 1

Figure-2: LOAN PROGRAM DEMOGRAPHICS:

Gender	#	Race	% of Total
Female	11	AfAm	78.6%
	2	Hispanic	14.3%
	0	White	0.0%
	0	Vietnamese	0.0%
	1	Dual	7.1%
	0	DNR	0.0%
	14	Total Female Race	100.0%
Gender	#	Race	% of Total
Male	31	AfAm	79.5%
	0	Hispanic	0.0%
	2	White	5.1%
	1	Vietnamese	2.6%
	1	Native American	2.6%
	2	Dual	5.1%
	2	DNR	5.1%
	39	Total Male Race	100.0%
Gender	#	Race	% of Total
Total	42	AfAm	79.2%
	2	Hispanic	3.8%
	2	White	3.8%
	1	Vietnamese	1.9%
	1	Native American	1.9%
	3	Dual	5.7%
	2	DNR	3.8%
	53	Total Borrowers Race	100.0%
	Gender	#	Gender
	14	Female	26.4%
	39	Male	73.6%
	53	Total	100.0%

Source: EQUITY LOAN AND GRANT PROGRAMS MONTHLY MEETING Proposed Agenda, Tuesday September 8, 2020
<https://cao-94612.s3.amazonaws.com/documents/Equity-Loan-and-Grant-September-8.-2020-Agenda.pdf>

As of September 4, 2020, Oakland has lent \$2,513,000 to 54 borrowers.¹⁹ 20 of the 54 borrowers of whom were repeat borrowers, for an average of \$47,415 per borrower and \$34,424 per loan.²⁰ In regards to demographics, 79.2 percent of these no-interest loan recipients are African Americans and 26.4 percent were women.²¹

Table 3

Application Type	# Completed	# Applied
Grant - Basic	28	107
Grant - Emergency	11	18
Total Grants	39	125

Source: EQUITY LOAN AND GRANT PROGRAMS MONTHLY MEETING Proposed Agenda, Tuesday September 8, 2020

<https://cao-94612.s3.amazonaws.com/documents/Equity-Loan-and-Grant-September-8.-2020-Agenda.pdf>
<https://cao-94612.s3.amazonaws.com/documents/Equity-Loan-and-Grant-September-8.-2020-Agenda.pdf>

As of September 4, 2020, Oakland has received 125 grant applications and has provided \$99,000 in funding to 4 grantees, each grant averaging \$24,750.²² In regards to demographics, 75 percent of these grant recipients are African Americans and 50% were women.²³

¹⁹ City of Oakland. EQUITY LOAN AND GRANT PROGRAMS MONTHLY MEETING. Tuesday, September 8, 2020 <https://cao-94612.s3.amazonaws.com/documents/Equity-Loan-and-Grant-September-8.-2020-Agenda.pdf>

²⁰ City of Oakland. EQUITY LOAN AND GRANT PROGRAMS MONTHLY MEETING. Tuesday, September 8, 2020 <https://cao-94612.s3.amazonaws.com/documents/Equity-Loan-and-Grant-September-8.-2020-Agenda.pdf>

²¹ City of Oakland. EQUITY LOAN AND GRANT PROGRAMS MONTHLY MEETING. Tuesday, September 8, 2020 <https://cao-94612.s3.amazonaws.com/documents/Equity-Loan-and-Grant-September-8.-2020-Agenda.pdf>

²² City of Oakland. EQUITY LOAN AND GRANT PROGRAMS MONTHLY MEETING. Tuesday, September 8, 2020 <https://cao-94612.s3.amazonaws.com/documents/Equity-Loan-and-Grant-September-8.-2020-Agenda.pdf>

²³ City of Oakland. EQUITY LOAN AND GRANT PROGRAMS MONTHLY MEETING. Tuesday, September 8, 2020 <https://cao-94612.s3.amazonaws.com/documents/Equity-Loan-and-Grant-September-8.-2020-Agenda.pdf>

In the summer of 2020, the Special Activity Permits Division developed a BCC and Go-Biz funded grant program for equity operators for all eligible expenses. This grant program is managed with the no-interest loan program conducted by 4Front Partners and Elevate Impact.

In September 2020, staff launched two shared-use manufacturing facilities funded by the BCC grant.²⁴ The two teams have selected 15 manufacturers to use the sites and obtained all necessary approvals for the location. Operators are currently utilizing the shared-use facilities.²⁵

In October 2020, staff created a workforce development grant program providing equity operators with grants of up to \$50,000 to recruit, train, or retain equity employees.²⁶ Staff approved 27 applications received in 2020. Nineteen of the workforce grant applicants have received funding so far.²⁷

On November 20, 2020, staff released a Request for Proposals (RFP) for the \$2 million available to equity operators to purchase property(ies) that support multiple equity operators.²⁸ The City received 18 applications for Phase One of the RFP.²⁹ A panel of City staff from the Departments of Race and Equity, Economic and Workforce Development and the City Administrator's Office reviewed and scored the applications; five applicants moved forward to the last phase of the RFP.³⁰ The top five applicants submitted their Phase 2 responses on March 12th with a letter of intent to purchase a property and a detailed budget. On April 30th, staff

²⁴ City of Oakland. EQUITY LOAN AND GRANT PROGRAMS MONTHLY MEETING. Tuesday, September 8, 2020 <https://cao-94612.s3.amazonaws.com/documents/Equity-Loan-and-Grant-September-8.-2020-Agenda.pdf>

²⁵ City of Oakland. EQUITY LOAN AND GRANT PROGRAMS MONTHLY MEETING. Tuesday, September 8, 2020 <https://cao-94612.s3.amazonaws.com/documents/Equity-Loan-and-Grant-September-8.-2020-Agenda.pdf>

²⁶ City of Oakland. EQUITY LOAN AND GRANT PROGRAMS MONTHLY MEETING. Tuesday, September 8, 2020 <https://cao-94612.s3.amazonaws.com/documents/Equity-Loan-and-Grant-September-8.-2020-Agenda.pdf>

²⁷ City of Oakland. EQUITY LOAN AND GRANT PROGRAMS MONTHLY MEETING. Tuesday, September 8, 2020 <https://cao-94612.s3.amazonaws.com/documents/Equity-Loan-and-Grant-September-8.-2020-Agenda.pdf>

²⁸ City of Oakland. EQUITY LOAN AND GRANT PROGRAMS MONTHLY MEETING. Tuesday, September 8, 2020 <https://cao-94612.s3.amazonaws.com/documents/Equity-Loan-and-Grant-September-8.-2020-Agenda.pdf>

²⁹ City of Oakland. EQUITY LOAN AND GRANT PROGRAMS MONTHLY MEETING. Tuesday, September 8, 2020 <https://cao-94612.s3.amazonaws.com/documents/Equity-Loan-and-Grant-September-8.-2020-Agenda.pdf>

³⁰ EQUITY LOAN AND GRANT PROGRAMS MONTHLY MEETING Proposed Agenda, Tuesday September 8, 2020 <https://cao-94612.s3.amazonaws.com/documents/Equity-Loan-and-Grant-September-8.-2020-Agenda.pdf>

provided the top two applicants a conditional commitment letter for the purchase of a shared-use manufacturing facility that will both support the equity applicants involved in the RFP process and equity applicants that can utilize the space each year.³¹

The Social Equity Effect: Empowering Victims of the War on Drugs

My research findings provide evidence of Oakland's cannabis social equity program's immense role in impacting victims of the War on Drugs and its transformative capability to invest in communities affected by War on Drug policy blunders.

The first individual I interviewed was Jessie Grundy, Chief Executive Officer of The Green Peakz LLC. Jessie participated in Oakland's cannabis equity program in 2018. He told me he had a great experience with the program. He said "the incubator phase of the program went smoothly and very beneficial". When asked what are some of the most significant aspects of the program for him personally, he remarked that the "coupling of both the priority in licensing and grants/low-interest loans made all the difference for him". He emphasized that the most important part of the program was the funding. He said without it, he probably wouldn't be the CEO of his own cannabis business.

Following Mr. Grundy's interview, I interviewed Tucky Blunt, one of the first applicants of the social equity program. In fact, Mr. Blunt was the first person to receive a dispensary license in the City of Oakland. I asked Mr. Blunt about the impact the equity program had on his ability to start a business in the cannabis industry given so many financial and regulatory hurdles. He said: "Oakland's social equity program was a reverse war on drugs in my opinion. I never thought I'd be able to legally sell cannabis in my life". He expressed how important an equity program's role is in the cannabis industry. I asked Mr. Blunt about the equity program's

³¹ City of Oakland. EQUITY LOAN AND GRANT PROGRAMS MONTHLY MEETING. Tuesday, September 8, 2020 <https://cao-94612.s3.amazonaws.com/documents/Equity-Loan-and-Grant-September-8.-2020-Agenda.pdf>

incubation phase. I brought up how the City of Los Angeles equity program's incubation partnership and its unintended consequences. I referred to a trend of incubators exploiting equity applicants who tend to be vulnerable in the face of incubators' significant financial means and legal backing to draw up predatory contract provisions. He responded: "There should definitely be better enforcement of the incubation process and partnership with the equity applicant. Social equity programs can be improved by better enforcing the rules of the agreement".

Following Mr. Blunt's interview, I interviewed Keith Stephenson, founder of the first Black-owned cannabis business in the United States, founder of the fourth oldest cannabis business in America, a thought leader of the cannabis "social equity" concept and a member of the California Cannabis Advisory Committee under the Bureau of Cannabis Control. I began by asking Mr. Stephenson about his experience in the cannabis industry. He responded with: "I used to always say that I'm the only person that has a chance to go to jail for going to work". My follow up question asked what impact did the War on Drugs have on communities of color; he replied: "People don't understand how the war on drugs was utilized by the government to subjugate African Americans and exclude them from doing business". When asked about what makes Oakland's cannabis social equity program stand out from other programs, he said, "Oakland has an expedited licensing process compared to other social equity programs. More so, Oakland has provided the infrastructure and the information to applicants to gain footing in this industry". I pressed Mr. Stephenson about a noticeable trend among incubators who exploit equity applicants during the incubation process. He remarked, "They need to follow up. Cities need to follow up through the phone and visit their site to make sure both parties are actually operating in accordance with their agreement. For example, a task force on behalf of the social equity program should be following up. Not every equity applicant has to give up equity".

Lastly, I interviewed Amber Senter, founder and CEO of Breeze Distro, a distribution and infused cannabis products company, co-founder, chair of board, and executive director of Supernova Women, an organization which empowers people of color to become self-sufficient cannabis industry shareholders. Supernova Women worked with the City of Oakland to create the first cannabis social equity program in the entire country. Breeze Distro has developed EquityWorks! Incubator, the first shared-use social equity cannabis manufacturing facility in the United States. Her organization, Supernova Women, has worked with State Senator Steven Bradford's office to create SB 1294, a bill which funds local social equity programs throughout the state of California. Recently, Supernova Women has worked with the City of Oakland to develop the country's first social equity workforce development program for cannabis.

I started off by asking Ms. Senter about her experience working with the Oakland cannabis social equity program and its team. She responded with: "The Oakland Social Equity Program and those who run it are very open to criticism and collaborating with others to improve the program". I asked about significant barriers for those seeking to establish themselves in the cannabis industry. She claimed: "There are three main barriers: access to real estate, capital investment, access to legal/technical assistance. Capital investment is not enough. It costs millions of dollars to build these cannabis businesses. It's a heavily regulated industry. The social equity program gives applicants just enough to get started".

Shifting the topic of conversation, I asked her about the social equity workforce development program she had helped establish and its significance for the community at large. Ms. Senter claimed the goal was to "recruit, train and place workers within equity applicants' cannabis small businesses. Everyone is not cut out to be an owner, which is why this program is

really important because everyone should be able to have a role in a cannabis business, especially those affected by the war on drugs, yet didn't want to become an owner of a business”.

Analysis

Although there are unintended consequences of equity programs, every policy faces backlash for unforeseen circumstances. Equity program policies are a new phenomena in public policy discourse. Researchers and policymakers need more time to adjust and evaluate and implement best practices. Nonetheless, equity programs produce significantly more benefit than harm to its targeted group, victims of the War on Drugs, in which it aims to uplift.

Moreover, Oakland’s social equity program reveals the government's significant role in the private sector, having the potential to initiate a catalyst for the victims of the War on Drugs to launch a career and become owners and stakeholders in the cannabis industry. Oakland’s equity program has proven to empower those affected by the War on Drugs, providing ample resources for equity applicants to jumpstart their small businesses. Grants and low/no interest loans have enabled applicants to establish cannabis small businesses which otherwise would have been out of reach due to the banks’ refusal to lend to an industry posing risks at the national level. The combined impact of the state and local governments’ role in serving as an intermediary, providing and distributing grants and loans to historically disadvantaged and underserved communities has highlighted the importance of what the private sector doesn't do and what the government has the potential to do. Hence, Oakland’s cannabis social equity program is tailored towards enabling the victims of the War on Drugs to open cannabis small businesses by overcoming significant barriers with government-facilitated assistance in the cannabis industry.

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