

Don't
compromise
away the
opportunity
for those
MOST
HARMED
to benefit
from
marijuana
legalization

ECONOMIC RESTORATIVE JUSTICE

Marijuana legislation must contain Economic Restorative Justice provisions. It should be crafted with a single goal - to repair the damage marijuana prohibition and biased policing has inflicted on those most harmed, the majority of whom are Black individuals, families, and communities. The objectives should prioritize business development, workforce development, and community development, creating a facility for wealth attainment and self-sustaining community economic growth.

Specific provisions in MRTA will perpetuate the existing underrepresentation of Black New Yorkers in programs like M/WBE and Affirmative Action that were conceived during the civil and economic rights struggle but diluted to include groups not involved in the struggle.

The legislation must be changed to meet the goal of providing Economic Restorative Justice to those most harmed only. Every opportunity should be taken to develop legislation that provides a business advantage for the **MOST HARMED**.

green revolution



CANNABIS & ENTREPRENEURSHIP



"The Negro has been inflicted with 244 years of slavery and 100 years of segregation. And so, with the legacy of these two unjust systems facing him, it is only natural that he is way behind. And he has been out of the mainstream of American life, he has been on the periphery of American life for all of these years. And it would really be a miracle, that history hasn't seen for someone to start exactly 344 years behind in a race and get ahead or catch up—unless something special is done. We've had special treatment in the negative sense for 344 years. Now we've got to get special treatment in the positive sense, in order to catch up and improve these lagging standards."

— Dr. Martin Luther King Jr., 1964 —



**say no
to CRTA
change
MRTA
explained**

Day One

Creating a board, to create a plan, after obtaining public input will delay entry of Restorative Justice applicants for years. The plan and sufficient funding must be part of the legislation and be ready to launch upon passage.

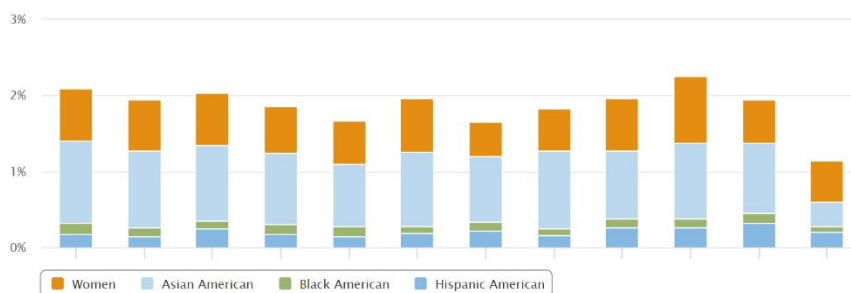
Not one of the Social Equity programs in the United States has succeeded in meeting their stated goals. As of February 9, 2021, no restorative justice licenses have been issued in Los Angeles or Illinois; and only 1.2% issued in Massachusetts.

Among the numerous reasons why no social equity plan has succeeded is the practice of allowing existing medical marijuana providers to transition to the adult-use market first, before social equity licensing plans are even defined. This places Restorative Justice licensees at an insurmountable disadvantage to compete and develop companies of the stature that the current medical marijuana providers enjoy.

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MOST HARMED

Data from NYC comptroller Scott Stringer’s annual NYC spending reports Black companies have been last in earnings every year since reporting by demographics began.

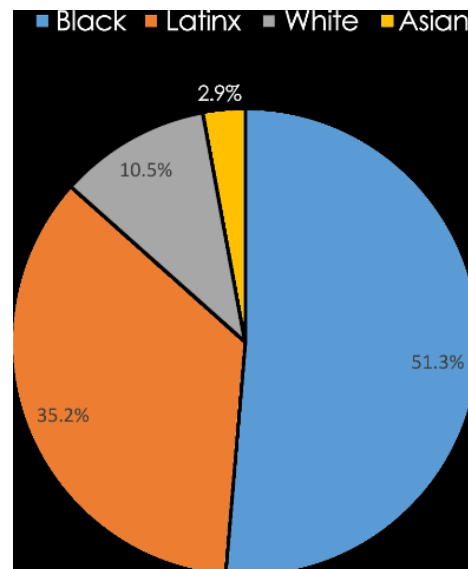


Asian American	Black American	Women	Hispanic American
48%	6%	34%	11%

FY 2020 NYC spending by Prime M/WBE share, comptroller Scott Stringer

Inversely, the arrest rate for Black people between 2010 and 2017 was 51.3% according to Stringer, and still 53% in Q1 2020 according to NYC police data.

If MRTA’s stated goal for Social Equity is to “end the racially disparate impact of existing cannabis laws” and “make substantial investments in communities and people most impacted by marijuana criminalization to address the collateral consequences of such criminalization”, then the pool of Restorative Justice Applicants should not be diluted with minorities and women who do not meet this criterion.





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First and Only

Only issue adult use dispensary, delivery, and consumption licenses to Restorative Justice applicants for a period of at least three years. Alternatively, to preclude court challenges and delays like those experienced in Cambridge Mass, don't issue any adult-use licenses for two years while the Restorative Justice Applicants get incubated, and accelerated.

If MRTA's stated goal for Social Equity is to *"end the racially disparate impact of existing cannabis laws"* and *"make substantial investments in communities and people most impacted by marijuana criminalization to address the collateral consequences of such criminalization"*, then the social equity plan that includes provisions to restrict the issuance of adult use dispensary licenses to Restorative Justice licensees for at least 5 years must be developed *before* legalization to level the playing field.



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Exclusivity

Studies in several states have found that both licensed and unlicensed cannabis retailers tend to locate in areas with more racial and ethnic minority residents, more poverty, and more alcohol outlets (Nicholas et al., 2019, Morrison et al., 2014, Shi et al., 2016, Tabb et al., 2018, Thomas and Freisthler, 2016).

Large monied cannabis companies cannot be allowed to open dispensaries or consumption businesses in communities that were ravished by the war on drugs and whose members must overcome the barriers to entry in order to try to compete in their own neighborhoods.

If MRTA's stated goal for Social Equity is to "end the racially disparate impact of existing cannabis laws" and "make substantial investments in communities and people most impacted by marijuana criminalization to address the collateral consequences of such criminalization", then the social equity plan must include a provision giving Restorative Justice licensees exclusive rights to open dispensaries in communities most harmed for at least 5 years.



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Vertical License

Restorative Justice Licensees should have the same opportunities as registered organizations to develop seed-to-sale businesses. The ability to leverage economies of scale in a vertically integrated business model generates the highest profit margins which is a clear advantage.

New York State has not attempted to implement a registered organization social equity plan that would allow Restorative Justice licensees to develop their vertically integrated medical marijuana businesses in anticipation of adult use.

If MRTA's stated goal for Social Equity is to "end the racially disparate impact of existing cannabis laws" and "make substantial investments in communities and people most impacted by marijuana criminalization to address the collateral consequences of such criminalization", then the social equity plan must include a provision providing at least 10 vertical licenses to Restorative Justice applicants who can raise the capital required to develop competitive businesses.



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No Income Restrictions

Income neutrality will increase the pool of Day One Restorative Justice licensees with the business skills and financial acumen necessary to build competitive businesses that integrate with the legacy market and incubates other Restorative Justice licensees.

The current annual income for 80% AMI for New York City for an individual is \$63,680. The requirement that Restorative Justice applicants make less than \$63,680 excludes sanitation workers (\$77,300), firefighters (\$110,293), police officers (\$85,292), MTA bus drivers (\$65,399), and college graduates (\$69,384).

Limiting restorative justice licenses in this way discriminates against those individuals who otherwise qualify as Most Harmed.



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Business Development

Day One funding to community organizations with deep roots in the Most Harmed communities for on-going, high touch C suite technical assistance interactions that includes among others startup business development, business operations, compliance, and back-office support.

MRTA includes provisions for the incubation of Restorative Justice Licensees. Funding for incubators should go to business development organizations located in Communities Most Harmed that have a proven track record of helping entrepreneurs start and expand their business.