



**Draft Minutes of the Social Equity in Cannabis Task Force**  
**December 14, 2020**  
Virtual Meeting

**Task Force members present:**

Tamara Berkley	Michelle Merriweather
Rep. Kelly Chambers	Rep. Melanie Morgan (Co-Chair)
Ollie Garrett	Christopher Poulos
Pablo Antonio Gonzalez	Carmen Rivera
Raft Hollingsworth	Sen. Rebecca Saldaña
Sen. Curtis King	Paula Sardinias (Co-Chair)
Cherie MacLeod	Joe Solorio
Monica Martinez	Yasmin Trudeau
David Mendoza	

**Task Force members absent:**

Craig Bill

**Guests and other participants:**

Baljit Bassi, Public Participant	Matthew Gregg, Public Participant
Paul Brice, Happy Trees Cannabis Retail	Christopher King, KingCast
Edgar Castaneda, Public Participant	Cait Lang-Perez, State Board of Health
Darlene Conley, Public Participant	Jim Makoso, Woodpeg Inc.
Christy Curwick Hoff, Task Force Staff	Emily Pinckney, Public Participant
Judy Edwards, Liquor and Cannabis Board	Elise Rasmussen, Task Force Staff
	Tony Tilton, Public Participant,

Additionally, members of the public participated in some or all of the meeting by contributing to the discussion and/or sharing their comments and questions via the virtual meeting platform's chat function. A summary of community's comments from the meeting platform's chat function is included at the end of the minutes.

Rep. Melanie Morgan, Task Force Co-Chair, called the public meeting to order at 8:32 a.m. Paula Sardinias, Task Force Co-Chair read from a prepared statement (on file).

Co-Chair Sardinias gave a land acknowledgement, and acknowledgement for Black and African American people, Jewish people, and Latinx people. She encouraged members of the public to sign up for public comment in the chat box.

Co-Chair Sardinias reviewed the conversation norms (on file) for today's meeting.

**1. APPROVAL OF AGENDA**

Ms. Hoff reviewed the agenda for the meeting.

**Motion:** The Task Force approves the December 14, 2020 agenda.

**Motion/Second:** Rep. Morgan/Michelle Merriweather. Approved unanimously

## 2. APPROVAL OF OCTOBER 26, 2020 MEETING MINUTES

Ms. Hoff briefly reviewed the meeting minutes.

**Motion:** The Task Force approves the October 26, 2020 meeting minutes.

**Motion/Second:** Ollie Garret/Rep. Chambers. Approved unanimously

## 3. PUBLIC COMMENT

Paula Sardinas, Co-Chair, introduced this agenda item and asked to provide space for new voices to be heard.

Christopher King, KingCast, Public Participant, shared he is a citizen activist and former civil rights attorney. He commented that Mayor Jenny Durkan selectively prosecuted people on federal law and did not prosecute white neighbors. When Mr. King wrote the city of Seattle he was continuously ignored. Mr. King went through the public disclosure process, which resulted in no written responses provided, implying the request was taken offline. Co-Chair Sardinas, clarified that Mr. King wants to look at those disproportionately impacted, so the Task Force (TF) can help new owners in communities and put them at the forefront of the social equity process. Mr. King agreed and wants the TF to carry the torch. Co-Chair Sardinas added that the representatives and senators are present as members to support this process.

Jim Makoso, Woodpeg Inc., shared he is an immigrant and owns three businesses in the cannabis industry, including a processing business and two cannabis research companies. He is not involved in politics, and wants to thank the social equity work group for getting a hold of the political process, giving a voice to be heard, and to observe how it happens. Mr. Makoso looks forward to contributing.

Christy Curwick Hoff, Staff, shared that four written comments were submitted prior to the meeting and available (on file).

Edgar Castaneda, Public Participant, asked for data on open allotments in the region of South King County. Co-Chair Sardinas, stated that the Liquor and Cannabis Board (LCB) controls the allotment and has between 34-37 licenses and asked if Member Garrett may be able to answer. Ollie Garrett, Member, stated she did not have the information at this time but can try to get the information.

Cait Lang-Perez, Task Force Staff, shared a question from the chat box. Jacqye, Public Participant, asked if there is a status update on the workgroup created in the last meeting. Rep. Melanie Morgan, Co-Chair, replied that first they needed to establish the foundation of the TF, and asked to table the question for when the TF discusses the direction of TF later in the meeting.

Mr. Castaneda, added that he is seeing the racism from the processor side, and asks how the LCB is going to help applicants with this. Co-Chair Sardinias, answered that we have to acknowledge the racism in the industry, the TF will work through policy and make recommendations. Co-Chair Sardinias asked Mr. Castaneda what the TF can do to help make the process easier. Mr. Castaneda replied more inclusion on the production side instead of only Caucasian-run companies. Co-Chair Rep. Morgan, stated that democracy is slow. Even though disenfranchisement has been in place for a long time it will take time as we have to take recommendations back and write new policy. Even if policy is passed in session it will take 90 days to go in effect. Raft Hollingsworth, Member, added that so much depends on the first impression. Member Hollingsworth expressed that he doesn't experience people that don't want to work with Black people, but that it really comes down to who you know and how they can profit from your business. Forming that initial bond and relationship is where race plays a part and he is unsure how to overcome that without mandates for percentages of product to ensure that stores are buying from diverse companies, and he isn't sure if that is possible.

Mr. Makoso, shared he is seeking what the social equity program initiatives offer with respect to giving resources to address the high costs of licensing. He has been through the process several times, and his interest in involvement is helping to provide resources and to make sure social equity applicants are able to be competitive and able to succeed. Mr. Makoso suggests successful industry members usher in a mentorship program.

Co-Chair Sardinias extended an open invitation to producers/processors to come to the table for incubator-in-training programs, for existing owners to help new members. This is a collaboration with existing owners to come together and work together.

Ms. Lang-Perez, Staff read a question from the chat box, Tony Tilton, Public Participant, asked if successful license applicants will be required to secure retail location or leases in advance. Co-Chair Sardinias stated LCB would have to respond. Member Garrett, stated that there hasn't been any discussion on what the requirements will be from the social equity program, LCB is waiting for TF recommendation. The TF would take that consideration for what the requirements will be.

Ms. Lang-Perez, Staff read a question from the chat box, Matthew Gregg, Public Participant, asked will the task force push the agenda against limitations for cannabis businesses to monitor, maintain and control vertically integrated business. Co-Chair Rep. Morgan, stated that the TF is in the process of getting ideas from what the community notices and tabulate a list so that the TF can look into community requests and start addressing.

#### **4. TASK FORCE BYLAWS**

Christy Curwick Hoff, Staff, shared screen of bylaws (on file) and went through bylaws in detail from last meeting. Ms. Hoff added a reminder that the bylaws membership is already outlined in statute. Ms. Hoff read through the sections of the bylaws. Ms. Hoff

called out the new section on staffing. Ms. Hoff and Ms. Rasmussen provide primary staffing on TF, and are the primary contacts.

**Motion:** The Task Force approves the Bylaws presented at the December 14, 2020 meeting with changes that were agreed upon by the whole Task Force.

**Motion/Second:** Senator King/Senator Saldaña. Approved unanimously

## 5. HISTORY OF RACISM IN CANNABIS POLICY AND ENFORCEMENT

Jason Clark, Northwest Credible Messengers, introduced himself and shared his connection to how he was impacted by cannabis and now works on capacity building and technical assistance for leaders impacted by systems.

Christopher Poulos, Task Force Member, shared as a member he is formally a representative from the Department of Commerce, but today is wearing the hat of a formerly incarcerated person. He teaches a class on the history of drug policy, racism and classism, focused on cannabis prohibition and how it was developed and impacted Black and Brown communities.

Mr. Clark shared The War on Drugs: From Prohibition to Gold Rush video (on file). Mr. Clark continued the slide deck and presented graphs displaying the gap in homeownership and household wealth by race. White household wealth was seven times higher than Black household wealth in 2016. Disparities and educational opportunities are lower in communities of color, and people who have less opportunity are more likely to be incarcerated. University of Washington data shows the arrest rates for cannabis in Washington up until 2010 was two times greater in Black communities and one time greater in Latino communities than in white communities. The same inequity is present in retail cannabis licenses. Mr. Clark continued with examples of implementation and to pay attention to other states to develop standard of success.

Member Poulos discussed the disproportionality in licensing guidelines by the criminal history record checks used at LCB. Communities of color are disproportionately targeted by law enforcement and are also disproportionately excluded from licensing with current LCB guidelines. This needs to be addressed to move forward.

Paula Sardinias, Co-Chair, thanked Mr. Clark and Member Poulos for the presentation, it was powerful and opened the meeting for questions.

Baljit Bassi, Public Participant, shared he is East Indian and had no resources for support. It took two years for him to find shop, in which he became depressed and used substances to cope while searching for a location. He continued the process up through final inspection, when he had substance charges and was never able to open the shop. Co-Chair Sardinias asked to please send comments to the TF, and asked what the TF can bring forward that would have helped, and thanked Mr. Bassi for sharing honestly.

Peter Manning, Public Participant, stated that social equity is good, but somebody needs to pay the price for how past decisions affected the community. Co-Chair

Sardinas, thanked Mr. Manning and appreciated voicing comments and asks the community to trust the TF and let the TF do the work.

Rep. Melanie Morgan, Co-Chair, thanked Mr. Clark and Member Poulos for the presentation and encouraged the community to send in comments. She expressed the need to take a look at accountability and ensuring new recommendations are not having stop gaps in what was overlooked.

Paul Brice, Happy Trees Cannabis Retail, stated the LCB took away Black minorities' ability to advertise or have a voice. A big problem is the LCB stopping freedom in advertising. Co-Chair Sardinas, thanked Mr. Brice for comments and courage.

## 6. TASK FORCE OPERATING PRINCIPLES

Elise Rasmussen, Task Force Staff, shared the TF Operating Principles (on file) and stated the purpose is to ground the TF in its values as it makes decisions. There was broad support by the members for the majority of the principles.

Ms. Rasmussen opened the discussion whether to focus on racism more broadly or specifically on anti-Black racism. Paula Sardinas, Co-Chair, shared her personal mixed race background and commented on the tremendous disproportionality in the Black community. Senator Curtis King, Member, commented we should be focusing on racism broadly not just for the Black community. Rep. Melanie Morgan, Co-Chair, said it is important we focus on dismantling anti-Black racist systems. Carmen Rivera, Member, said we need to take a critical look at our history and focus on anti-Black racism specifically. It is overtly apparent that darker skinned Black people have been disproportionately affected and if we focus on anti-Black racism it will help all other communities of color as well.

Monica Martinez, Member, referenced the letter from the Castaneda's on how the Latinx community has been affected by the war on drugs and including all Black and Brown and people of color is important. She doesn't want any community members to feel like they are being left out. Co-Chair Sardinas thanked Member Martinez and said they don't want any community to feel like they are being disregarded. All inequities are being addressed. Member Rivera stated when we focus on anti-Black racism that includes the Latinx community and other communities who have Black skin. Peter Manning, Public Participant, commented that this is the system they designed for us to fight over. We need to understand we are all in this together. Emily Pinckney, Public Participant, works in cannabis justice, reiterated that colorism is real. Black people exist in every single community. Michael Gordon, Public Participant, reiterated comments from others.

Senator Rebecca Saldaña, Member, suggested a friendly amendment. She commented focusing on anti-Black racism is the right approach to promote equity for all communities. The data shared calls out how specifically there have been lasting impacts on the Black and Latinx communities, but after more discussion Member Senator Saldaña stated that she would like to withdraw the friendly amendment. Member Martinez, stated the Latinx community in Eastern WA has a majority Latino

population being affected and would like the Latinx added to the Washington State sentence in the bylaws. Members continued the conversation about centering on anti-Black racism. Co-Chair Sardinias closed the debate.

**Motion:** The Task Force accepts changes to the Operating Principles focusing on anti-Black racism that were agreed upon by the Task Force majority.

**Motion/Second:** Ollie Garret/Carmen Rivera. Majority approved.

**Vote No:** Senator King, Pablo Gonzalez, Rep. Chambers, Monica Martinez

The Task Force took a break at 11:10 a.m. and reconvened at 11:25 a.m.

## 7. DISCUSSION—TASK FORCE ROLES IN GUIDING THE SOCIAL EQUITY PROGRAM & POSSIBLE LEGISLATIVE NEXT STEPS

Paula Sardinias, Co-Chair, called the meeting back to order at 11:26 a.m.

Rep. Melanie Morgan, Task Force Co-Chair, began discussion on the next steps. Co-Chair Sardinias, added we need to have robust conversation about technical assistance (TA), allotments, and more licenses. Senator Rebecca Saldaña, Member, stated at minimum, we need to have adequate funding to staff the TF. We need to discuss what kinds of licenses or ancillary businesses, how we are building capacity and mentorship opportunities and certificate holders held in jurisdictions where there are bans.

Co-Chair Rep. Chambers wanted to ask about I-502 and the request to get policy staff to present at the next meeting. She also asked about the LCB lottery and how there were so many applicants in Tier 1 that they never got to Tier 2 and 3. Ollie Garrett, Member, clarified that the lottery and the tiers are two different things. She confirmed that there were more people waiting than there were available licenses. Member Garrett requested that we have a thorough presentation on licensing from the LCB.

Senator Curtis King, Member, asked when the census data will be available so we know the growth of WA, and especially King county and the city of Seattle and asked the LCB what that growth means for issuing new licenses. He cautions against adding hundreds of new licenses because it might negatively affect existing businesses. Co-Chair Sardinias said that we have to remember that there are more licenses than just retail. Member Sen. King said that he doesn't have a problem with creating more licenses aside from retail, but asked these questions to understand if there are going to be too many producers and nowhere to sell the product, for example.

Co-Chair Sardinias said there might even be things the LCB can do right now. Member Garrett said the LCB can present on data questions. She added that the LCB is already in the process of doing the outreach to lift the bans for licenses and certificate holders. Co-Chair Rep Morgan asked why we are limiting an industry that could create generational wealth. Peter Manning, Public Participant, stated the root of our problem is the LCB and the focus is on fixing the LCB. Member Garrett said that it was the AG's office that allowed bans and moratorium. Yasmine Trudeau, Member, asked if that was

a legal opinion or the AGO's legal advice. Cherie MacLeod, Member, said that was a legal opinion. Member Trudeau offered to look into this more for the TF. Pablo Gonzalez, Member, spoke to the licensing process flaws were the biggest barrier.

Member Garrett agreed there is a need for TA and additional resources to work with the applicants. She commented that there is a complete enforcement reform going on at the LCB. Some enforcement officer positions are turning into new non-commissioned positions called compliance consultants. They will have no guns and will work with the licensees when they find things that are not in compliance. They are working to hire for these positions now and many of the enforcement officers are interested in these positions. Paul Brice, Public Participant, asked that the LCB also present data related to population versus allotments of licenses for different geographies in the state. He stated that retailers are all treated the same, which is not the case for processors or growers, and limits the ability to have multiple stores. Mr. Brice continued that there is more room for additional Black growers to exist in Washington State. Darlene Conley, Public Participant, stated that she is concerned about out-of-state investment coming in because most of the industry is controlled by a few growers. She stated that she has to sell so low in order to get her product on the shelves. Ms. Conley said that African Americans cannot have a special status, but that they are struggling and would appreciate technical assistance. She confirmed that she and Member Hollingsworth are the only Black growers in the state. Raft Hollingsworth, Member, agreed technical assistance is a good idea. Since I-502 there is such a steep learning curve and they don't want to see new minority-owned businesses fail. Ms. Conley said she likes the ideas of mentors. She stated she was concerned that the technical assistance funding would go to a white-owned, big business, and it would be beneficial if the money could go to minority-owned businesses to conduct the technical assistance.

David Mendoza, Member, summarized the conversation today is around unclear information and processes from the LCB. He stated that store allocations were never clear because it was not per capita, and it is unclear how those were made. He stated that there were likely moratoriums to avoid federal legal implications.

Co-Chair Rep. Morgan stated that HB 2870 (Section 3) included technical assistance and asked all members to review that and make sure it captures this conversation.

Member Senator King asked that we first figure out what, legally, we can do with that money because there are often limitations in law. Co-Chair Rep. Morgan stated that this bill also includes allocations designated for certain entities in the bill, such as \$1.1 million is allocated to a technical assistance grant program and that it behooves us to look at it to ensure it is equitable.

Member Gonzalez stated that a mentorship program is important for new license holders and that he would like to be involved to ensure people have a fair chance to succeed. He stated it is important to understand LCB rules and other regulations. He stated that stores near the border of Washington are very profitable. He stated that we have a good strict system in Washington.

Co-Chair Sardinas discussed the next steps and stated we need to consider what will be in the clean-up bill and discuss taking a race-based approach.

Co-Chair Rep. Morgan began discussion on the recommendation to create sub-groups. Member MacLeod asked if a group could look at disproportionately impacted areas and definitions in the bill as part of another subgroup. Co-Chair Rep Morgan proposed to create two subgroups: 1) Disproportionality by location; and 2) Mentorship/Technical Assistance. Co-Chair Sardinas asked if the disproportionality subgroup could also look at race. She asked if we could also consider a third group to look at additional licenses outside of retail licenses to be considered for the Social Equity Program (e.g. outside of retail stores).

**Motion:** The Task Force create a subgroup focusing on disproportionate impacts.

**Motion/Second:** David Mendoza/Paula Sardinas. Approved unanimously

**Motion:** The Task Force create a subgroup focusing on TA/mentorship.

**Motion/Second:** Senator Rebecca Saldaña/Ollie Garrett. Approved unanimously

**Motion:** The Task Force that a subgroup is considered to discuss additional licenses outside of retail licenses.

**Motion/Second:** Cherie MacLeod/Ollie Garrett. Approved unanimously

Co-Chair Rep. Morgan asked for volunteers to lead each subgroup:

- Disproportionate Impacts:
  - Member MacLeod and Member Chris Poulos volunteered to co-lead
- Mentorship/TA subgroup:
  - Member Hollingsworth volunteered to lead
- Additional licenses:
  - Member Merriweather and Member Gonzalez volunteered to co-lead

Senator Rebecca Saldaña, Member, asked if community members could serve on or join the sub-groups. Co-Chair Rep. Morgan asked members to email Christy Hoff and let her know which subgroup they would like to be on. She said that we need to discuss further community involvement of community members and we can come back to that at the next meeting.

## **ADJOURNMENT**

Rep. Melanie Morgan, Co-Chair, adjourned the meeting at 12:36pm.

## **SUMMARY OF CHAT BOX COMMENTS FROM 12/14/20 SECTF MEETING**

Additionally, members of the public participated in some or all of the meeting by contributing to the discussion and/or sharing their comments and questions via the virtual meeting platform's chat function. A summary of community's comments from the meeting platform's chat function is included here.

## **Community Questions**



- What data are available related to open allotments in south King County?
- What is the status of the workgroup discussed during October's meeting?
- What are the qualifying conditions for a retail license through the Social Equity Program?
- Will a person of color be considered for this program if they no longer live in a disproportionately impacted community or do not have an arrest? How will the program consider time periods when an applicant experienced homelessness?
- Will the background process be different than LCB's previous approach?
- What requirements will successful license applicants be required to meet in advance of opening their retail location?
- Is there an estimated timeframe for the entire process of planning, establishing, and issuing Social Equity Program licenses? (e.g., 6 months, 1-2 years, 5+ years)
  - Context: An estimated timeline would be very helpful for applicants to plan (e.g., consider supply chains and retail locations versus making contractual and bonding agreements).
- Will the public have time to provide input during this process? How can the public provide input to the Task Force?
- Is there a draft bill to adjust the legislative language? Has it been shared?
- Can members of the public volunteer to be a part of one of the workgroups?

### **Community Comments**

- Two community members provided feedback in the chat box regarding the Task Force's discussion of Operating Principles (Agenda Item 6). One person indicated that Black discrimination needs to be the focus. Another community member stated that historically Native Americans suffered more than any other group.
- One community member noted that who chooses which applicants receive licenses is a problem.
- One community member expressed interest in the Task Force considering how the regulations could allow for vertically integrated canna-businesses.

### **Suggestions for Presentations at Future SECTF Meetings**

- LCB briefing on I-502 and original license allotment process.

### **Resources**

- The Office of Financial Management posted updated population estimates by race and Hispanic origin on their website earlier this year (April). Information available at: <https://www.ofm.wa.gov/washington-data-research/population-demographics/population-estimates/estimates-april-1-population-age-sex-race-and-hispanic-origin>
- The Attorney General's Opinion (2014), "Whether Statewide Initiative Establishing System for Licensing Marijuana Producers, Processors, and Retailers Preempts Local Ordinances", is available at: <https://www.atg.wa.gov/ago-opinions/whether-statewide-initiative-establishing-system-licensing-marijuana-producers>

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Rep. Melanie Morgan, Co-Chair

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Paula Sardinias, Co-Chair

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