



BREANNA LUNGO-KOEHN
MAYOR

City of Medford

OFFICE OF THE MAYOR

City Hall - Room 202
Medford, Massachusetts 02155
Telephone (781) 393-2408

FAX: (781) 393-2514
TDD: (781) 393-2516
E-mail: mayor@medford-ma.gov

CITY OF MEDFORD

SOCIAL EQUITY PLAN AND HOST COMMUNITY AGREEMENT POLICY

INTRODUCTION

Chapter 180 of the Acts of 2022, “An Act Relative to Equity in the Cannabis Industry” (the “Act”) made numerous changes to Massachusetts’ cannabis laws, G.L. c. 94G, effective November 9, 2022, including those governing Host Community Agreements (“HCAs”). Pursuant to the Act, the Cannabis Control Commission (the “Commission”) implemented regulations, 935 CMR 500.000 *et seq.* and 935 CMR 501.000 *et seq.* (the “Regulations”), which require municipalities to promote and encourage full participation in the regulated marijuana industry during HCA negotiations with social equity program businesses and economic empowerment priority Applicants.

In accordance with the Act, Regulations and Guidance issued by the Commission, the City of Medford hereby adopts this Policy in an effort to promote and encourage full participation in the regulated marijuana industry by people from communities that were disproportionately harmed by marijuana prohibition and enforcement and to positively impact those communities.

SCOPE

This Policy shall apply to HCA negotiations with Social Equity Businesses, Social Equity Program Participants, Economic Empowerment Priority Applicants, and all other Applicants seeking to locate and operate a Marijuana Establishment and/or Medical Marijuana Treatment Center in the City of Medford; provided however, that nothing in this Policy shall be construed to supersede federal, state and local laws. In the event of a conflict between this Policy and relevant federal or state laws or regulations, certain provisions of this Policy may be suspended pending clarification of applicable law.

DEFINITIONS

Terms used in this Policy that are not defined below shall have the meaning ascribed to them in 935 CMR 500.000 *et seq.* and 935 CMR 501.000 *et seq.*

Area of Disproportionate Impact: A geographic area identified by the Commission for the purposes identified in M.G.L. c. 94G, § 4(a½)(iv), and which has had historically high rates of arrest, conviction, and incarceration related to Marijuana crimes.

Economic Empowerment Priority Applicant: An Applicant who, as an entity or through an individual certified by the Commission, meets and continues to meet three or more of the following six criteria, at least one of which shall be a majority-equity-ownership criterion:

A. Majority-equity-ownership Criteria:

- i. A majority (more than 50%) of ownership belongs to people who have lived for five of the preceding ten years in an Area of Disproportionate Impact, as determined by the Commission.
- ii. A majority (more than 50%) of ownership has held one or more previous positions where the primary population served were disproportionately impacted, or where primary responsibilities included economic education, resource provision or empowerment to disproportionately impacted individuals or communities.
- iii. A majority (more than 50%) of the ownership is made up of individuals from Black, African American, Hispanic or Latino descent.

B. Additional Criteria:

- i. At least 51% of current employees or subcontractors reside in Areas of Disproportionate Impact and by the first day of business, the ratio will meet or exceed 75%.
- ii. At least 51% of employees or subcontractors have drug-related CORI and are otherwise legally employable in Cannabis enterprises.
- iii. Other significant articulable demonstration of past experience in or business practices that promote economic empowerment in Areas of Disproportionate Impact. This Applicant has priority for the purposes of the review of its license application.

Equity Party: Equity parties include an Applicant that is a Social Equity Business; an Applicant that has been designated by the Commission as Social Equity Program Participants, Economic Empowerment Priority Applicants or both; or an individual or entity verified or pre-verified pursuant to 935 CMR 500.101(7), including pre-verified individuals or entities that are not yet an Applicant but have already been designated by the Commission as an Social Equity Business, Economic Empowerment Applicants, or both.

Social Equity Business (“SEB”): A Marijuana Establishment comprised of at least 51% (majority) ownership of individuals who are Social Equity Program Participants, or who have

been certified as meeting the Commission's criteria for designation as an Economic Empowerment Priority Applicant, or both.

Social Equity Program Participant: An individual who qualified to participate in the Social Equity Program and is designated as a program participant by the Commission.

POLICY

It is the City's intention to comply with the Commission's regulatory requirements, insofar as they are consistent with federal, state, and municipal anti-discrimination laws and regulations. Therefore, the City shall:

1. Establish transparent practices to promote and encourage full equity participation by publicizing this Policy and the information required by Commission's equity standards at 935 CMR 500.181(3)(b) and 935 CMR 501.181(3)(b), in a conspicuous location at its offices and on its website.
2. Adhere to the Commission's best practices for HCA negotiations in accordance with 935 CMR 500.181(3)(c) and 935 CMR 501.181(3)(c) by using the standard evaluation form that scores components of completed HCA applications. The evaluation form will include consideration of equity in the overall evaluation score, which will comprise not less than twenty-five percent (25%) of the total evaluation score.
3. Prioritize negotiations of HCAs with Equity Parties in accordance with 935 CMR 500.181(4)(a) and 935 CMR 501.181(4)(a).
4. Adhere to the Commission's required practices for HCA negotiations with Equity Parties in accordance with 935 CMR 500.181(4)(b) and 935 CMR 501.181(4)(b).

The City does not discriminate against members of protected classes defined under Massachusetts state law in the administration of this Policy. As reflected in the Commission's Regulations, it is the Commission (and not the City) that determines an applicant's status as a Social Equity Business, Social Equity Program Participant, and/or Economic Empowerment Priority Applicant.

PROCEDURES

1. The City's Cannabis Advisory Committee (the "CAC"), in coordination with its Director of Economic Development (the "Director"), shall review HCA applications to determine if an Applicant has submitted the requisite information needed to proceed with negotiation of an HCA. The application process and requirements are incorporated hereto as Schedule A. The CAC reserves the right to reject any application it deems to be incomplete; however, the CAC may, at its discretion, request that the omitted information or further clarifications be provided by the Applicant.
2. Complete applications shall be forwarded by the CAC to other City boards and departments

for review and comment. City departments shall include, but are not limited to, Fire, Police, Building, Health, and Director of Diversity, Equity, and Inclusion. The CAC may ask to meet with the Applicant to present information and respond to questions.

3. The CAC, in coordination with its Director, shall score Applicants based on the Host Community Agreement Evaluation Form (the "Evaluation Form") developed and published by the City, attached hereto as Schedule B. The CAC shall invite Applicants who score a 110 or higher on the Evaluation Form to enter into negotiations for an HCA with the Mayor, or the Mayor's designee.
4. Any proposed draft HCA shall be subject to final review, approval, and execution by the Mayor. Applicants may be asked to appear before the Mayor to present the proposed HCA in person and respond to questions.
5. To promote transparency and access, the CAC shall publish data regarding the City's total Applicant pool, which shall identify each pre-verified or verified SEB, Social Equity Program Participant, or Economic Empowerment Priority Applicant. Additionally, the CAC shall publish the scoring rubric for each Applicant.
6. Transfer of any HCA shall require the prior written approval of the Mayor.

This Policy may be updated from time to time and amended at the discretion of the Mayor.

Submitted by:



Mayor Breanna Lungo-Koehn