

1 COMMITTEE ON ECONOMIC DEVELOPMENT JOINTY WITH THE  
COMMITTEE ON CONSUMER AND WORKER PROTECTION 1

2 CITY COUNCIL  
3 CITY OF NEW YORK

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5 TRANSCRIPT OF THE MINUTES

6 Of the

7 COMMITTEE ON ECONOMIC DEVELOPMENT  
8 JOINTLY WITH THE  
9 COMMITTEE ON CONSUMER AND WORKER  
PROTECTION

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10 June 28, 2022  
11 Start: 10:22 A.M.  
12 Recess: 1:03 P.M.

13 HELD AT: HYBRID HEARING - COUNCIL CHAMBERS  
- CITY HALL

14 B E F O R E: HONORABLE AMANDA FARÍAS,  
15 CHAIRPERSON,  
COMMITTEE ON ECONOMIC DEVELOPMENT

16 HONORABLE MARJORIE VELÁZQUES,  
17 CHAIRPERSON,  
COMMITTEE ON CONSUMER AND WORKER  
18 PROTECTION

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- 20 Alexa Avilés
- Jennifer Gutiérrez
- 21 Ari Kagan
- Keven C. Riley
- Rafael Salamanca, Jr.
- 22 Nantasha M. Williams

23 COUNCIL MEMBERS - COMMITTEE ON CONSUMER AND WORKER  
PROTECTION:

- 24 Shaun Abreu
- Erik D. Bottcher
- 25 Gale A. Brewer
- Amanda Farías

1 COMMITTEE ON ECONOMIC DEVELOPMENT JOINTY WITH THE  
2 COMMITTEE ON CONSUMER AND WORKER PROTECTION 2

2 Shekar Krishnan  
3 Julie Menin  
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2 A P P E A R A N C E S (CONTINUED)

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7 Senior Associate, Strategic Investments Group

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8 Sideya Sherman

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Mayor's Office of Equity

10 Steven Ettannani

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18 Public Affairs Team Member

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21 Co-Founder

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1 COMMITTEE ON ECONOMIC DEVELOPMENT JOINTY WITH THE  
COMMITTEE ON CONSUMER AND WORKER PROTECTION 4

2 A P P E A R A N C E S (CONTINUED)

3 Katie Shane  
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11 Wanda Salaman  
12 Director  
13 Mothers on the Move

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2 SERGEANT AT ARMS: This is a microphone check.

3 Today's is June 28, 2022. Joint Committee on Economic  
4 Development with Consumer and Worker Protection.

5 Being Recorded by John Beyondo (SP?).

6 Good morning and welcome to today's hybrid New  
7 York City Council hearing for the Committees on  
8 Consumer and Worker Protection and Economic  
9 Development. To minimize disruption on Zoom, please  
10 place all electronic devices to vibrate or silent  
11 mode.

12 If you'd like to submit testimony, please send  
13 via email to [testimony@council.nyc.gov](mailto:testimony@council.nyc.gov). Once again,  
14 that is [testimony@council.nyc.gov](mailto:testimony@council.nyc.gov). Thank you for your  
15 cooperation. Chairs, we are ready to begin.

16 [GAVEL]

17 CHAIRPERSON FARIÁS: Good morning and welcome to  
18 this joint hybrid hearing of the Economic Development  
19 and Consumer and Worker Protections Committees of the  
20 New York City Council. Today is Tuesday, June 28,  
21 2022. My name is Amanda Fariás, and I have the  
22 privilege of chairing this hearing alongside my  
23 colleague Council Member Marjorie Velázquez, Chair of  
24 the Committee on Consumer and Worker Protection.

3 I'd like to thank my Co-Chair and the Members of  
4 our Committees for coming together for this hearing.  
5 We are joined today by Council Members Ossé,  
6 Bottcher, Avilés, Salamanca, Krishnan, and Williams.

7 The purpose of this hearing today is to, to  
8 discuss two bills relating to New York's fledgling  
9 adult-use cannabis industry, and to have a public  
10 discussion about how the administration is preparing  
11 for adult-use cannabis shops, what they are doing to  
12 ensure licenses go to the most harmed by cannabis  
13 prohibition, and how the Council can assist in those  
14 efforts towards making sure this new industry  
15 develops as equitably as possible.

16 The first bill, Introduction 285, co-sponsored by  
17 Council Members Riley, Williams, Stephens, myself,  
18 and Council Member Nurse, would create a new Office  
19 of Cannabis Business Services within the Department  
20 of Small Business Services. This Office would be  
21 responsible for establishing goals and promoting  
22 equitable ownership of cannabis businesses in the  
23 City.

24 The Office would achieve goal, these goals  
25 through monitoring implementation of state-wide  
cannabis regulations, establishing city-wide goals

3 for cannabis ownerships from communities  
4 disproportionately impacted by prohibition, assisting  
5 applicants from those communities in applying for  
6 retail cannabis licenses, and offering incentive  
7 programs to encourage residents of those communities  
8 to apply.

9 These programs would include legal and technical  
10 advice, subsidized loans, assistance in finding  
11 appropriate retail space, and any other incentives  
12 not expressly prohibited by the state's  
13 cannabis law.

14 This Office could lay the foundation for  
15 developing retail dispensaries across New York City  
16 that are owned and operated by and for New Yorkers  
17 instead of the large-scale cannabis that have  
18 obtained most of the licenses in other states without  
19 robust cannabis equity programs.

20 This Office would assist New Yorkers in building  
21 upon lessons learned in other states where equity  
22 applicants lost their opportunities to compete due to  
23 the Byzantine regulations that ultimately delayed  
24 their entrance into the market.

25 Prioritizing a proactive approach to governance  
has always been important to me, especially when

3 government directly impacts black and brown New  
4 Yorkers in both equity, regulations, opportunity, and  
5 safety.

6 The second bill we are hearing today is  
7 Introduction 504, co-sponsored by Council Member  
8 Rivera. This bill would build upon Introduction 285  
9 in requiring the new Office of Cannabis Businesses  
10 Service to create and maintain a directory of active  
11 cannabis establishments in the City and critically  
12 identify which establishments are operated by equity  
13 applicants. This would provide New Yorkers with  
14 insight into which cannabis establishments are run by  
15 people from their communities and enable them to make  
16 informed decisions about how and where they purchase  
17 adult-use marijuana.

18 Furthermore, it would prevent the illicit sale of  
19 cannabis in our neighborhoods that has not only not  
20 been lab tested, but also not paying the taxes needed  
21 to maintain equity programs. This is critical in  
22 maintaining the safety of our neighborhoods while  
23 also creating the space for those in the legacy  
24 community who are most impacted by over-policing of  
25 cannabis.



3 At today's hearing, we look forward to hearing  
4 from the Department of Small Business Services and  
5 the Economic Development Corporation on how the  
6 administration is preparing for the adult-use  
7 cannabis industry, what mechanisms are in place to  
8 assist equity applicatns, and what the Council can do  
9 to ensure that New York's cannabis industry  
10 successfully bridges the gap between business and  
11 community.

12 Before we begin, I would like to also thank the  
13 Economic Development Committee staff, Committee  
14 Counsel, Alex Paulenoff, Senior Policy Analyst  
15 William Hongach, and Finance Unit Head Alia Ali for  
16 their work on this hearing.

17 Finally, before we hear from the administration,  
18 I'd like to turn to my Co-Chair Marjorie Velázquez to  
19 say a few words.

20 CHAIRPERSON VELÁZQUEZ: Good morning. I am Council  
21 Member Marjorie Velázquez, Chair of the Committee on  
22 Consumer and Worker Protection. And I'd like to  
23 welcome you to our joint hearing today with the  
24 Committee on Economic Development, chaired by my  
25 colleague and Bronxite, Council Member Farías.

3 Our oversight and legislative hearing today is  
4 on, uh, adult-use cannabis and the regulatory and  
5 licensing environment that is being developed for  
6 this new industry. For decades, the criminalization  
7 of marijuana and the War on Drugs led to a war  
8 against communities of color.

9 An ACLU report from 2013 found that African-  
10 Americans were over three and half times more likely  
11 than white Americans to be apprehended for marijuana-  
12 related violations, despite identical usage rates.  
13 The consequences of criminalization of marijuana, the  
14 immense harm it has caused for families in the City  
15 is truly untenable.

16 Finally, in March of 2021, New York state  
17 legalized cannabis and created a regulatory framework  
18 for the new industry. Given the disproportionate  
19 impact of the War on Drugs on communities of color,  
20 the New York state legislature has emphasized that  
21 the new industry should benefit those communities. To  
22 ensure previously illegal legacy cannabis businesses  
23 can enter the legal marketplace, New York City must  
24 minimize the red tape and licensing requirements  
25 needed to qualify for a retail license. It has been  
unfortunate to see thus far that the initial rules

3 proposed for social and economic equity applications  
4 have expansive requirements. The rules include, for  
5 example, that the applicant list any charitable  
6 contributions they've made for the last five years,  
7 and details of any state or federal administrative or  
8 judicial proceedings the applicant took part in.

9 These regulations make it difficult and dissuade  
10 legacy cannabis businesses from applying for a retail  
11 license, and therefore undermine the state's goals of  
12 ensuring the economic benefits of this industry  
13 directly benefit the communities impacted by the War  
14 on Drugs.

15 It is important to note that many non-equity  
16 applicants that enter the cannabis industry will have  
17 a competitive edge in comparison to these legacy  
18 businesses. Business people new to the cannabis  
19 industry in New York will enter the marketplace with  
20 clean cash and records and experience with navigating  
21 regulatory landscapes. The need for minimizing red  
22 tape and unnecessary burdens is therefore essential  
23 to ensuring the industry can truly be equitable.

24 I was therefore glad to see that the Adam's  
25 administration is developing resources to help New  
Yorkers through the licensing process. As part of the

3 Mayor's blueprint for the City's recovery, the  
4 administration proposed nearly \$5 million to develop  
5 the cannabis industry, including outreach, community,  
6 uh, engagement campaigns. These campaigns intended to  
7 make New Yorkers aware of opportunities to  
8 participate in the industry, provide technical  
9 assistance to support applicants navigating the  
10 licensing process, and help businesses access  
11 financing, pro bono legal services, and marketing  
12 assistance.

13 I look forward to hearing from the administration  
14 today about the, the state of these resources and  
15 other ways the City's going to work with our state  
16 partners to ensure that equity-centered goal of New  
17 York's cannabis legislation is able to come into  
18 fruition.

19 While the state licensing process is currently  
20 being developed, businesses in New York City have  
21 already begun selling cannabis products without a  
22 license. The Office of Cannabis Management has sent  
23 over 50 cease and desist letters to stores selling  
24 cannabis products. For the consumers of New York,  
25 unlicensed stores selling cannabis products may pose  
certain dangers. There's no quality control for these

3 products and these stores threatened the carefully  
4 established framework for social and economic equity  
5 applicants.

6 I look forward to hearing from the administration  
7 today on how they are collaborating with the Office  
8 of Cannabis Management to identify and enforce the  
9 law against unlicensed stores selling cannabis  
10 products.

11 As a new industry is established in New York  
12 City, there may be issues in the developed  
13 regulations and enforcement actions taken by the  
14 state and City agency. The input of advocates at this  
15 stage is therefore so essential in ensuring the state  
16 and the City do not make avoidable mistakes.

17 I look forward to hearing from advocates today  
18 about what City resources are needed to develop this  
19 industry equitably and how the Council can be a  
20 partner on these issues.

21 That said, I'd like to thank my central staff  
22 team, Senior Counsel Stephanie Jones, Senior Policy  
23 Analyst Noah Meixler, and my Chief of Staff, Alex  
24 Anderson, for their hard work. I'll now turn it over  
25 to our moderator, Alex.

3 CHIEF OF STAFF ANDERSON: Uh, Members of the  
4 administration who will be testifying or answering  
5 questions today, please raise your right hands. Do  
6 you swear or affirm to tell the truth, the whole  
7 truth, and nothing but the truth before these  
8 Committes today, and to respond honestly to Council  
9 Member Questions?

10 COMMISSIONER DEKIM: I do.

11 CHIEF OF STAFF ANDERSON: Thank you. You may begin  
12 when ready.

13 COMMISSIONER KIM: Great. Thank you. Good morning,  
14 Chairs Farias, Velazquez and Members of the  
15 Committees on Economic Development and Consumer  
16 Worker Protection. My name is Kevin D. Kim. I am the  
17 Commissioner of the New York City Department of Small  
18 Business Services, or SBS. I am joined today by  
19 Commissioner Sideya Sherman of the Mayor's Office of  
20 Equity and Monique Reichenstein, Senior Associate at  
21 the New York City Economic Development Coroporation,  
22 or EDC.

23 We are pleased to testify today on the City's  
24 efforts to support the emerging adult-use cannabis  
25 industry. We are eager to work closely with the  
Council to deliver equity in the industry.

3 On March 31, 2021, New York state enacted  
4 Marijuana Regulation and Taxation Act, or MRTA,  
5 legalizing adult-use cannabis. The law also created  
6 new state offices, the Office of Cannabis Management,  
7 OCM, and the Cannabis Control Board, CCB, to oversee  
8 and regulate the new industry, including the  
9 licensing process.

10 The MRTA has several ambitious equity components  
11 including a goal that 50% of licenses be for social  
12 and economic equity applicants, defined as those from  
13 communities disproportionately impacted by the  
14 enforcement of cannabis prohibition among other  
15 criteria.

16 In spring 2022, OCM began to release regulations  
17 and award licenses, the first of which, was a quote,  
18 "conditional cultivator license." OCM has indicated  
19 it will finalize rules and open applications for the  
20 first tranche of roughly 100 to 150 conditional  
21 adult-use retail dispensary, or CARD, licenses in the  
22 coming weeks.

23 CARD licenses will be reserved for justice-  
24 involved individuals with the goal for this group to  
25 be the first to market with additional general retail  
licenses coming online shortly afterwards.

3 The legalization of cannabis represents the City  
4 with the opportunity to address the harms of the War  
5 on Drugs and ensure equitable access to the jobs and  
6 wealth created. Despite near equal rates of cannabis  
7 use across communities, and historic inequality in  
8 enforcement, the historic inequality and enforcement  
9 is stark. In 2020, 90% of cannabis-related arrests in  
10 New York City were people of color.

11 With the industry expected to generate nearly  
12 \$1.3 billion in sales in its first year, and create  
13 between 19,000 to 24,000 jobs over the next three  
14 years in New York City, the Adams's administration  
15 recognizes this once in a generation opportunity to  
16 invest meaningfully in economic equity and justice.

17 From day one, Mayor Adams made the promotion of  
18 equity a primary focus of this administration. It is  
19 at the center of our work at SBS and at the heart of  
20 the City's approach to the cannabis industry. SBS  
21 along with our sister agencies is proud to speak  
22 today on behalf of the City's on the ground outreach,  
23 public education, and business service efforts.

24 We have already hit the ground running by  
25 convening legacy entrepreneurs, potential licensees,  
community stakeholders, and industry experts because



3 we know that listening and learning is critical to  
4 this industry's success.

5 Having received \$4.8 million approximately in the  
6 fiscal year '23 adopted budget, we are actively  
7 building a dedicated team here at SBS to work hand in  
8 hand with OCM, community stakeholders, and elected  
9 leaders like yourselves to get deep into the  
10 communities. We will leverage the partnership of  
11 community-based organizations with trusted  
12 relationships to ensure we reach all New Yorkers  
13 interested in getting involved in the cannabis  
14 industry, particularly those most harmed by the War  
15 on Drugs.

16 SBS will provide services throughout every step  
17 of the business process from license application to  
18 launch, and beyond. Even before application for  
19 licenses open, we are connecting aspiring cannabis,  
20 cannabis entrepreneurs to SBS business support  
21 services including no-cost business courses, business  
22 planning, and additional technical assistance.

23 Once applications are available, SBS will provide  
24 direct one on one technical assistance to help  
25 business owners prepare and submit their  
applications. However, applying for and receiving a

3 license is just the first step for a small business  
4 and SBS is here to help for all the steps that come  
5 afterwards, including navigating through New York  
6 City government.

7 Moreover, as the industry grows, we will  
8 integrate workforce programming to connect New  
9 Yorkers to good jobs in the cannabis industry and  
10 ancillary industries including those business that  
11 don't touch the plant, such as accounting services,  
12 security services, and others.

13 At SBS, we know we need to work closely with our  
14 sister agencies to build the strongest foundation for  
15 this industry to succeed. For example, in partnership  
16 with EDC, we are exploring ways to support social  
17 equity applicants access to affordable financing and  
18 real estate that compliment the state's existing  
19 efforts. With Mayor's Office of Criminal Justice,  
20 MOCJ, we are identifying credible messengers for  
21 outreach into the justice-involved and legacy  
22 communities. We are working closely with MOE to  
23 ensure equity is centered across the City's overall  
24 strategy. We've recognized that New Yorkers will have  
25 questions about public health and community safety,

3 and we collaborating with Department of Health and  
4 Mental, DOHMH, proactively to answer those questions.

5 In closing, New York has the opportunity and the  
6 responsibility to develop a thriving and truly  
7 equitable cannabis industry that creates good jobs  
8 and builds wealth in communities most adversely  
9 impacted by the War on Drugs. For New Yorkers  
10 interested in learning more, we encourage checking  
11 out the City's resources at [nyc.gov/cannabis](http://nyc.gov/cannabis) or  
12 reaching out to SBS at [cannabis@sbs.nyc.gov](mailto:cannabis@sbs.nyc.gov) as well  
13 as frequenting the state's website at [cannabis.ny.gov](http://cannabis.ny.gov)  
14 for the latest information on licenses and  
15 regulations.

16 Thank you for your time today on a topic that  
17 reflects the core values of what we do at SBS. As  
18 always, we value your partnership and support in  
19 putting equity at the forefront of this industry. And  
20 we are happy to answer any questions you may have  
21 today. Thank you.

22 CHAIRPERSON FARIAS: Thank you so much for your  
23 testimony, Commissioner. I'd lost, I'd also like to  
24 acknowledge Council Member Brewer has joined us.  
25 Okay.

3 So, we'll just get right into it, if that's okay.

4 Um, my first question is, uh, to, to kind of go back  
5 to the state regulations, does the administration  
6 have any concerns about the current regulations from  
7 the state around social and economic equity  
8 applicants.

9 COMMISSIONER KIM: Thank you for the question,  
10 Council Member. As you know, the state is currently  
11 diligently working to finalize the regulations.  
12 During the public comment period, uh, DOHMH, who  
13 unfortunately couldn't be here today, did also make  
14 comments, uh, on the public comment period and  
15 emphasized the, the need for equity and, uh, equity  
16 investment in the proper tracking for those services.  
17 Um, so we know that this is a true opportunity for  
18 New York City to have, uh, have a, a, the ability to  
19 really take advantage of a once in a generation  
20 opportunity.

21 CHAIRPERSON FARIÁS: Great. And how is the  
22 administration assisting the state's Office of  
23 Cannabis Management in encouraging more New Yorkers  
24 to apply from communities that have been  
25 disproportionately impacted by cannabis prohibition,  
if at all?

3 COMMISSIONER KIM: So, we are working very closely  
4 with OCM. We have multiple calls with them on a  
5 weekly basis and we are already talking with them  
6 about how we can best support all of their efforts,  
7 extending into New York City. We know that the pre-  
8 application process, even as I mentioned in my  
9 testimony, is very important. It's not just about  
10 getting a license. It's about being able to run a  
11 successful business once you get a license.

12 So, with OCM, they've been great partners to  
13 explain to us where they are at different stages and  
14 we are able to prepare and get ready for that moment.  
15 But in the meantime, they've been also referring  
16 people over to us to help with the pre-business  
17 application stage, meaning we are able to provide at  
18 no cost to New Yorkers, the various services to run a  
19 successful business including business courses,  
20 including learning about, uh, how to incorporate a  
21 business, how to create a business plan, how to do  
22 bookkeeping. So, those are all services that anyone  
23 needs to run a successful business, including those  
24 that will eventually get a license.

25 CHAIRPERSON FARIÁS: And just, just for me,  
because I'm actually not quite sure on it fully, what

3 does the Department or the division look like in SBS?  
4 How many personnel? Who's listening, that kind of?

5 COMMISSIONER KIM: Sure, so, currently we have  
6 about 370 people in our agency. Uh, we are fortunate  
7 to have received the approximately \$4.8 million in  
8 funding for the fiscal year '23, through the fiscal  
9 year '23 adopted budget to be able to add a dedicated  
10 team working on cannabis. Just today, the posting  
11 went up for the Founding Director of Cannabis  
12 Services.

13 CHAIRPERSON FARIÁS: Okay.

14 COMMISSIONER KIM: And so, that team will be  
15 housed within SBS and they will be working solely on  
16 doing the outreach and the education and everything  
17 else that's needed to ensure that we promote equity  
18 in this industry.

19 CHAIRPERSON FARIÁS: What's the goal for the team  
20 size? Are we looking at five people, 30 people for  
21 the five Boroughs?

22 COMMISSIONER KIM: So, there will be the Founding  
23 Director, as well as, uh, a, a team that will  
24 incorporate our entire outreach team. So, right now,  
25 SBS, we, we have our in-house outreach team that's  
going to assist and prioritize the education and

2 outreach for the cannabis industry. Uh, but the  
3 Founding Director plus there will be people  
4 dedicated. The exact number is something we're just  
5 trying to finalize to maximize capacity within SBS.  
6 But, that's something we can share with you once we  
7 set that down.

8 CHAIRPERSON FARIÁS: Great. Thank you. Um, and in  
9 terms of outreach and materials to get people in, can  
10 you provide an update on what resources the City has  
11 currently launched to benefit City residents seeking  
12 to participate in the cannabis industry? Like, is  
13 there a marketing campaign, promotional materials,  
14 subway ads? I've seen New York state stuff.

15 COMMISSIONER KIM: Right.

16 CHAIRPERSON FARIÁS: Driving around my community.  
17 Um, but haven't seen quite much from the City just  
18 yet.

19 COMMISSIONER KIM: So, currently we've had flyers  
20 made, distributed as you may know, we have our mobile  
21 RV that goes out deep into the communities and we've  
22 been handing out flyers to really direct people both  
23 to the state website, because there you can find the  
24 latest and greatest on the rules and regulations, but

3 to also understand, again, all the business services  
4 that we're providing right now.

5 Once the applications are out, SBS is getting  
6 ready to be able to help with the technical  
7 assistance part as we do with, for example, the MWB  
8 program and applications and, uh, in other areas. But  
9 we are also creating, well, we have created a website  
10 as well. And that is something that we're helping to  
11 direct people to. Again, a lot of the finalization of  
12 the rules and regulations are being undertaken right  
13 now by the state, so the, uh, website itself is  
14 directing people to those business services that we  
15 provide, maybe not specifically tailored to, um,  
16 cannabis yet because we want to make sure that it's  
17 aligned with everything that the state comes out in  
18 the final rules and regulations.

19 CHAIRPERSON FARIÁS: Sure. Thank you. Um, with the  
20 legalization at the state level, each of our  
21 communities has seen an uptick in like bodegas, smoke  
22 shops, etc, selling without a license. And my  
23 colleague Chair Velázquez will jump, deep dive into  
24 licensing for sure, um, but I just want, have a  
25 couple questions around it. Does the administration  
have a sense of how many stores right now in the City



3 are currently selling cannabis products without a  
4 license, outside of what you've testified on with,  
5 the 50 or so cease and desist letters?

6 COMMISSIONER KIM: So, we don't have an exact  
7 number. But what is clear is that currently there are  
8 no legal retail licenses out there, so that anybody  
9 is selling is not selling within the regulated, uh,  
10 MRTA structure, and that's something that we're  
11 waiting for the state on to finalize not just the  
12 future licensing rules, but how they're going to  
13 proceed with enforcement. And we want to be strong  
14 partners with them, and that's something we're  
15 discussing with them.

16 But until those get finalized on exactly how they  
17 will approach enforcement, uh, we want to be ready  
18 and prepared to be their partners here in New York  
19 City on that front.

20 CHAIRPERSON FARIAS: Sure, I guess one of, uh, I  
21 guess our larger concern, and I'm going to say our  
22 because our communities both are very concerned  
23 around this, is that these protocols or rules and  
24 regulations from the state might not come until the  
25 new year.

3 And so, what is the City doing in the meantime,  
4 either in anticipation or in creating a database or  
5 how are we regulating or maintaining this, um, in and  
6 around until we get, you know, regulations? Right  
7 now, that seems more reactive or like, we're, we're  
8 hoping that we can coast and things will be fine  
9 until the state gives us some direction. But, we're  
10 New York City, we can, we can give direction.

11 COMMISSIONER KIM: I, I think the key point here  
12 is that, uh, the state law makes it clear that  
13 they're not trying to criminalize.

14 CHAIRPERSON FARIAS: Sure.

15 COMMISSIONER KIM: The sale of cannabis at this  
16 time. They've made it clear that they want to get  
17 people who are selling currently to come into the  
18 regulated market. And so, a lot of our reach and a  
19 lot of our focus right now is reaching out to the  
20 legacy market, to people who are currently selling,  
21 to explain to them that this opportunity is coming  
22 and it's very near, and that they should prepare. And  
23 one of the ways to prepare, is not to be involved in  
24 selling illegally. Uh, and the other way to prepare,  
25 is to understand again, all the business principles

3 that are needed to have a successful business when  
4 the market does come.

5 The unregulated market in other states, and we've  
6 studied other states, EDC has done an extensive  
7 research on that, and, and so has OCM. And what we've  
8 learned is that the unregulated market still plays a  
9 big part, for example, in California, there's 75%,  
10 80%. And, and what we're trying to learn from that  
11 lesson, is that we need to do a better job right now  
12 at the outset, outreaching to the legacy market to  
13 explain the benefits of actually participating in  
14 this market.

15 Uh, but that, that's something that we're  
16 constantly talking to OCM about. And I think the  
17 enforcement rules will come sooner than later. I, I  
18 don't want to speak for the state, but I don't, I  
19 think that it would be best that we align our  
20 strategies in line with what the state law is  
21 mandating.

22 CHAIRPERSON FARIAS: Yeah, I'm, I, I totally hear  
23 that. There's a part of me that's, quite frankly,  
24 frustrated with a little bit of that response only  
25 because what we've in states like California, like  
Massachusetts, is that the unregulated market

3 actually gets to thrive because there isn't actually  
4 preliminary steps taken beforehand. And so, whether  
5 or not the state wants to take their time and give us  
6 something in September, or December, or February of  
7 next year, we will still have a market that can still  
8 thrive, that people will still feel comfortable with  
9 or go to. And those folks, you know, that were just  
10 as involved or part of that illicit market, if we're  
11 not actually giving them the cash, right, or giving  
12 them the loan, or giving them the heads up, they're  
13 going to be able, they're going to have to maintain  
14 that market or maintain in the place because there  
15 aren't any actual steps to bring them in.

16 So, like, I, I hear you. I mean, I'm going to go  
17 into my next question because it does involve, um,  
18 the social and economic equity applicants, but I  
19 really do think the City needs to look at a plan or  
20 create something in between, um, or be, or have a  
21 more robust effort to pulling people from the legacy  
22 market in that's actually going to give them, uh,  
23 the, the three steps ahead.

24 Right now, we have folks that are starting at  
25 third base and be able to come, come, you know, make  
a, make a play home. And all of those folks in the

3 legacy market are literally starting outside of the  
4 stadium, right. They're not even involved yet. Um,  
5 So, I'm sorry, I'm a Bronxite using a baseball  
6 reference here. But, um, that's literally what we're  
7 up against in our community.

8 Um, so under the state cannabis law, uh,  
9 individual social and economic equity applicants need  
10 to demonstrate that they are justice involved, which  
11 means that either they or their close family members  
12 were convicted of a marijuana related offense during  
13 prohibition and that they have held at least a 10%  
14 stake in a profitable business for at least two  
15 years. Doesn't this seem like an onerous requirement?  
16 Um and won't it preclude a large percentage of  
17 potential justice involved applicants who are not  
18 also small business owners?

19 COMMISSIONER KIM: I think what is very important  
20 is to just clarify a little about the first tranche  
21 of licenses versus the general license opportunities  
22 that will come thereafter. So, in terms of the first  
23 tranche that they're talking about where I said the  
24 card applicants, that's where you need to qualify  
25 with those two particular criteria that you  
mentioned, that you have to have a marijuana

3 conviction in the state of New York, uh, either  
4 yourself, your spouse, your parents, or your  
5 children, not your siblings, but the family members  
6 that I just outlined. And, as you mentioned, have a  
7 10% stake in a business that we profitable at some  
8 point in your life, two years of life.

9 So that, those criteria only apply to the first  
10 100 to 150 CARD licenses that was referenced in my  
11 testimony. Uh, thereafter, the licensing process  
12 opens up to everyone. And even if you don't have  
13 either of those two, uh, criteria, you will be  
14 eligible to get a license. The, the benefit to what's  
15 happening with the CARD is similar to what you just  
16 about what other states did wrong in that New York  
17 state's law, MRTA, is specifically designed to give  
18 these folks that they want to, uh, help and target,  
19 and, and really focus on to get a head start and be  
20 first in market.

21 So that's why those 100 to 150 conditional  
22 licenses, CARD licensees will get this head start,  
23 not just with getting their licenses first, but New  
24 York state has created a \$200 million fund around  
25 supporting those particular CARD licensees in the  
first tranche. They will help them get through

2 DASNY's partnership as well, actual space. They will  
3 get money to actually renovate and open up the space.  
4 So, it's almost, I would say, uh, the, the financial  
5 support that you had mentioned and referenced, this,  
6 for this conditional first group of CARD licensees  
7 there is that support.

8 And thereafter, I think the state wants to take a  
9 look at that and, and figure out what works and  
10 doesn't work. And the City too. I think this is  
11 something that we're all going to learn from. But it  
12 is different from what they've done in other states,  
13 and so, I feel like, um, just to clarify that those  
14 two criterias that you mentioned only apply for this  
15 first tranche of licenses and not for everyone else.

16 CHAIRPERSON FARIAS: Great. Um, so, just a, I  
17 guess another potential reason for denial of an  
18 equity application is a finding that the individual  
19 is not a person of good moral character. Doesn't that  
20 seem really subjective? Um, and I'm, I mean, I'm  
21 quite, I don't even know if it's a legal, enforceable  
22 standard, but do we know if that's language that's in  
23 there, if that's legally enforceable?

24

25

2 COMMISSIONER KIM: I think it'll be out of place  
3 to opine on kind of state law and the way they've  
4 written it, so I'll just leave it at that.

5 CHAIRPERSON FARIAS: It's going to impact us.

6 COMMISSIONER KIM: Um, yeah, I think a lot of  
7 what's come out of the MRTA laws stems from some of  
8 the state liquor authority laws that have been in  
9 place, and that's where that language may or may not  
10 have come from. Um, but I, it's, I don't think it's  
11 in my place to opine on whether it's legal or not.

12 CHAIRPERSON FARIAS: Okay. Um, in, in relation to  
13 figuring out the, the data and the statistics of  
14 people that were previously justice involved and now  
15 have a business or some of these other requirements,  
16 are we working with any of our other agency partners  
17 and/or non-profit organizations throughout the City  
18 to say. I mean, obviously we can't, there's a lot of,  
19 uh, different reasons why we can't ask folks if they  
20 were previously incarcerated or anything like that.  
21 Um, but we do have non-profit partners that get City  
22 money that have helped folks get a leg up, start. Are  
23 we working with any of these partners to find those  
24 people to bring them in ahead of time.



3 So, one of the things we've done is we held a  
4 round table, a round table where we brought in, uh,  
5 30 or so stakeholders and we're continuing to  
6 outreach to various partners, um, and continuing that  
7 conversation. Some of the folks are here in this room  
8 for the public hearing sessions. And, uh, we're also  
9 working very closely with MOE, MACJ. We've also  
10 outreached to the District Attorney's offices.

11 And so, we are, we very much know that this is  
12 going to be an all-out, all-in, uh, inter-agency  
13 collaboration. And that's something else that I think  
14 really, we recognized from watching other states fail  
15 is that they created, in many ways, and many times,  
16 just an office to try to do this without  
17 understanding all the, uh, relationships and inter-  
18 agency, uh, collaboration that's really required to  
19 succeed.

20 And that's something we're getting ahead of and  
21 doing right now. And all these calls, we have, not  
22 just multiple calls with OCM, but we have inter-  
23 agency City Hall calls. And I think, uh, frankly  
24 speaking, this is something that's been the hallmark  
25 of this administration thus far, if there's a lot of  
inter-agency calls and conversations because we

3 understand we don't operate in a silo. For this  
4 industry in particular to succeed, EDC, MOE, MACJ,  
5 DOHMH, SBS, we've all got to be working very closely  
6 together as one unit.

7 CHAIRPERSON FARIAS: Sure. Um, what ways are SBS  
8 and EDC working to incorporate existing programs and  
9 resources available today in the cannabis industry  
10 that are planned into like outreach efforts in  
11 collaboration with social equity entrepreneurs?

12 COMMISSIONER KIM: So, as I mentioned from SBS's  
13 side, and I'll turn it over to EDC shortly  
14 thereafter, but, um, from SBS's side, we're doing  
15 continuous outreach with the stakeholders. I'm having  
16 one on one calls. Again, we're trying to identify the  
17 new Founding Director of Cannabis Services, someone  
18 who is going to be a credible messenger to the  
19 community. That's another thing we've learned from  
20 speaking with the legacy market players is that you  
21 need a credible messenger to be able to communicate  
22 and to outreach.

23 Government is necessarily going to cut it in a  
24 lot of these communities, as you referenced before.  
25 There's a trust issue. We need to make sure we find  
the right team, dedicated team, that's going to lead

3 this effort. And so, that's what we're working on  
4 right now with the, uh, adopted budget money that's  
5 coming in. And then on EDC, I'll turn it over to, uh,  
6 Monique Reichenstein.

7 SENIOR ASSOCIATE REICHENSTEIN: As Commissioner  
8 Kim mentioned, the City's work to develop an  
9 equitable cannabis industry cuts across agencies and  
10 focuses on individuals and communities most impacted  
11 by the War on Drugs.

12 At EDC, in collaboration with SBS, we're  
13 exploring how to support cannabis entrepreneurs with  
14 a focus on access to capital and real estate required  
15 to start and grow their businesses. We recognize  
16 that, you know, we are two agencies here speaking to  
17 you today, but there are many agencies that are not  
18 represented that are also part of this conversation.  
19 Um, and we look forward to working with you as with  
20 the other agencies as well on this work.

21 CHAIRPERSON FARIÁS: Yeah. For sure. Thank you.  
22 I'd like to even just offline, just kind of throw  
23 around some folks that you are talking to to make  
24 sure the folks that are helping me prepare for things  
25 like this.

COMMISSIONER KIM: Absolutely.

2 CHAIRPERSON FARIÁS: And in the know are included  
3 in that dialogue.

4 COMMISSIONER KIM: And, and, and that's something  
5 I'd like to emphasize today is that this a new,  
6 emerging industry and there's nobody better than the  
7 Council Members who know their district, who know the  
8 people who have been most impacted, we need your  
9 help. And we are open to that, so if there's anything  
10 you'd like to do to setup regular communication just  
11 on this topic alone, uh, SBS, EDC, MACJ, all of us,  
12 we're very open to that.

13 And we, we really are asking for your help in  
14 this time because we've learned so much from  
15 listening to the legacy players, the community  
16 stakeholders. Community boards as well are chiming  
17 in, and they obviously are very much in line with  
18 what you're doing in your districts. And so, those  
19 are conversations we'd like to have upfront now to  
20 avoid misunderstandings, the education that's  
21 necessary to make sure that the roll out is  
22 successful.

23 Because the work thing that'll happen is we end  
24 up in a community and because of misinformation, that  
25 misunderstanding happens and then the, the, uh,

3 equity goals that we are trying to achieve are being  
4 hampered by that misinformation and misunderstanding.

5 CHAIRPERSON FARIÁS: Yeah, absolutely. I mean, I  
6 think our priority as local electeds is to keep our  
7 communities safe but also to make sure those that can  
8 take advantage of opportunities, especially if  
9 they've been policed for decades, uh, and left out,  
10 get included in that.

11 I have one follow up for you, Commission Kim, and  
12 then I just have a couple EDC questions, then I'll  
13 turn it over to my colleague. How big is that second  
14 round, cause I won't use that word, Alex, of licenses  
15 and when will those start getting issued?

16 COMMISSIONER KIM: So that, again, will be up to  
17 the state. They're the ones who are driving the  
18 entire licensing process. But what I do know is that  
19 there is no defined limit as of now for the second  
20 round, that it will be open to, uh, to the public,  
21 general public, and all New Yorkers. I think it's  
22 similar to, currently anyway, and, and again,  
23 anything can change while they're deliberating and  
24 diligently working to finalize this, but it's similar  
25 to liquor licenses where there's no defined limit,  
but there will be factors probably considered in, in

3 making sure that a community, uh, either isn't  
4 impacted with over-saturation issues, or, you know,  
5 that, uh, that you're not leading to a situation  
6 where you're not helping these businesses succeed.

7 So, the short answer though, is that, currently,  
8 as I know, there is no limit. Um, and that's been the  
9 understanding thus far but things can change over  
10 this period.

11 CHAIRPERSON FARÍAS: Okay. Great. Um, just  
12 reading, just going back to some of your testimony,  
13 I'm sorry, they've, they've come up. I've written  
14 them down. There was a commitment from the City to  
15 include workforce programming, as you mentioned, to  
16 connect New Yorkers for good, to good jobs. Will  
17 there be a partnership with the Office of Workforce  
18 Development? And how does SBS see their role and  
19 commitment to workforce?

20 COMMISSIONER KIM: So, one of the major things we  
21 do at SBS is workforce development, and that's why we  
22 know that in this industry, as I had mentioned in a  
23 testimony, the market isn't just about, and the  
24 industry isn't just about businesses that touch that  
25 plant. It's not just about the licenses. It, it does  
also have an enormous economic impact when you start

3 talking about all the ancillary services, uh,  
4 accounting services, security services. There are so  
5 many other, uh, legal services, there are so many  
6 other services that will benefit from this industry,  
7 and we want to make sure that those most impacted by  
8 the War on Drugs, not just have the first  
9 opportunities to get licenses, but to also be in a  
10 prime position to benefit when the supporting  
11 industries, uh, the foundational industries to  
12 support this industry are up and running.

13 And so, that's something we're very much focused  
14 on. I don't know if EDC has anything they want to add  
15 to that on workforce.

16 SENIOR ASSOCIATE REICHENSTEIN: No, we agree. We  
17 think cannabis is both an economic opportunity as  
18 well as a racial justice opportunity, and one of  
19 those once in a generation opportunities where you  
20 kind of get one shot to get this right. And we think  
21 that ensuring access to wealth-generating  
22 opportunities means focusing on the licenses, the  
23 nine different license types, as well as other  
24 opportunities that will arise from the legal market.

25 CHAIRPERSON FARIAS: Thank you. Um, and just a  
clarifying question. In your testimony, Commissioner,

3 you have here, in 202, 90% of cannabis-related  
4 arrests in New York City were of people of color, and  
5 the industry expected to generate nearly \$1.3 billion  
6 in sales in its first year and create between 19,000  
7 and 24,000 jobs over three years. Um, just wanted to  
8 know where these numbers are exactly coming from? Is  
9 there a commitment somewhere or?

10 COMMISSIONER KIM: Uh, I think those are  
11 estimates, but I will get you the exact source.

12 CHAIRPERSON FARIÁS: Perfect.

13 COMMISSIONER KIM: And I don't have that right  
14 with me, but we will send that over.

15 CHAIRPERSON FARIÁS: Thank you so much. Um, and  
16 I'll just ask a couple questions of EDC. Hey, team  
17 EDC. Um, so just to kind of discuss around some of  
18 the opportunities we have for dispensary owners, are  
19 there, um, banking options that dispensary owners  
20 will have in New York City? Um, are there options  
21 beyond local credit unions? And is EDC partnering  
22 with the private sector to develop any bridge local  
23 programs for the cannabis industry?

24 SENIOR ASSOCIATE REICHENSTEIN: So, as  
25 Commissioner Kim mentioned, New York state is  
launching a \$200 million public/private fund to



3 provide loans and real estate for conditional  
4 licensees. At EDC, our goal is to complement the  
5 state's efforts. To that end, we've released a  
6 request for expressions of interest, or also known as  
7 an RFEI, to gauge potential interest in capitalizing  
8 and operating a loan fund in addition to gathering  
9 feedback on broader capital access, real estate  
10 interventions.

11 We are currently reviewing those responses to  
12 assess next steps and need with our partners across  
13 City agency and will continue to keep your office  
14 apprised.

15 CHAIRPERSON FARIAS: Um, has the City established  
16 or does it have plans to establish programs that help  
17 inform the public who, who qualifies for a dispensary  
18 license and how to apply for those? And is EDC  
19 partnering with the private sector to promote that  
20 for City residents to apply?

21 SENIOR ASSOCIATE REICHENSTEIN: So, as  
22 Commissioner Kim mentioned, a lot of our work at EDC  
23 overlaps with SBS and that is something that we are  
24 working on in collaboration, um, also with the state,  
25 um, and community and industry partners.

3 CHAIRPERSON FARIÁS: Um, so, just a question  
4 around some of the, the City and EDC properties that  
5 we've had, has the City and the EDC considered  
6 alternative uses of City-owned property for cannabis?  
7 I know we've seen some sale of our City properties  
8 and I just wanted to know if there's any general  
9 interest instead of selling City property to  
10 revitalize that and maybe offering opportunity to  
11 those in the legacy community or for start up?

12 SENIOR ASSOCIATE REICHENSTEIN: We are surely  
13 happy to explore those possibilities. Um, that was  
14 one of the reasons of our Request for Expressions of  
15 Interest, to understand what our options are and what  
16 makes sense as next steps with regards to our real  
17 estate assets. I personally do not, uh, manage our  
18 real assets so, uh, I would be happy to connect you  
19 with some of our team members to discuss this  
20 further.

21 CHAIRPERSON FARIÁS: Yeah, I would love that. Um,  
22 and last question for now, will the City help promote  
23 the cannabis business to residents and tourists? And  
24 if so, in what ways? Yeah.

25 COMMISSIONER KIM: Oh, absolutely. So, again, as I  
mentioned, we have our website up which will continue

3 to get populated with the latest information. We're  
4 also working with NYC and Co who does a lot of the  
5 international tourist outreach and we're making sure  
6 that we want to direct people to the regulated  
7 market. And, as you mentioned, we want people who are  
8 going to be partaking in the, in the industry in  
9 whatever form as consumers or realtors, to be dealing  
10 with the safest products.

11 The, the, uh, idea is to direct them to the  
12 regulated market because we know without supporting  
13 the regulated market, this whole, uh, endeavor may  
14 not be successful, as, as much as we'd like it to be.

15 CHAIRPERSON FARIÁS: Great. Thank you, folks, for  
16 entertaining my questions. I'll now turn it over to  
17 Chair Velázquez:

18 CHAIRPERSON VELÁZQUEZ: Hi. Great seeing you  
19 again. Um, and thank you for coming to the Bronx and  
20 having, um, a forum to reach out where we're at. So,  
21 when we're talking about outreach, I appreciate that  
22 very much. Um, we understand New York City, uh, New  
23 York state as whole will be the next green rush, if  
24 you will, and how we manage this, we need to give it  
25 back to the communities that are affected. Um, we are  
Bronxites and, um, it's, it's hurt our community so

3 much and so, we want to make sure that we're driving  
4 this back home and making sure our communities are  
5 close enough to being made whole, if not made whole  
6 entirely.

7 Um, with that being said, I wanted to understand  
8 how has the administration, um, thought about or had,  
9 uh, conversations on planning to establish a grant or  
10 loan program for New Yorkers seeking to apply for  
11 this retail license.

12 SENIOR ASSOCIATE REICHENSTEIN: As I mentioned  
13 before, um, we have released a Request for  
14 Expressions of Interest for, um, this exact thing. We  
15 are currently in the process of reviewing those  
16 responses with our City agencies, um, and determine  
17 next steps and assess need. We will definitely keep  
18 you in the loop on how that progresses, but we would  
19 love to, uh, further the conversation with you on how  
20 we meet those needs best.

21 CHAIRPERSON VELÁZQUEZ: Thank you. Um, and so just  
22 taking it a couple of steps back, uh, for folks that  
23 don't know, you had mentioned nine licenses that will  
24 be released. What are those and how, um, are folks  
25 applying to them? And are there any unique situations

3 where you couldn't only apply to certain ones, right,  
4 two out of four and things of that nature.

5 COMMISSIONER KIM: I can give you the list of the  
6 nine licenses. There's the, they all start with  
7 adult-use, so I'll skip that. But there's the  
8 cultivator license. There's the processor license.  
9 There's the nursery license. There's the distributor  
10 license. There's the microbusiness license. There's  
11 the retail dispensary license. And that's one of,  
12 that's pretty much what many people are talking about  
13 right now. But it is important as you have emphasized  
14 to know that there are eight other licenses.

15 There's the deliver license. There's the  
16 cooperative license. And there's the on-site  
17 consumption license. Uh, that's where people will be  
18 able to consume, usually probably mixed in with food  
19 products. Um, and so, those are the nine licenses.

20 The two license categories only available to the  
21 licensed hemp growers are the conditional cultivator  
22 and the conditional processor license, so, unless  
23 you're a licensed hemp grower, you're really dealing  
24 with seven other potential licenses.

25 CHAIRPERSON VELÁZQUEZ: Thank you for that. Um,  
you mentioned earlier about outreach, right, making

3 sure our communities, um, are aware of what's going  
4 on. How do you target the communities? How do you  
5 find, what, what's your level of detail?

6 COMMISSIONER KIM: Well, we know, uh, through our  
7 sister agencies where the communities most targeted  
8 during the War on Drugs were and if, where they  
9 continue to exist, so a lot of our efforts are  
10 focused on getting into those communities. Uh, we,  
11 again, we are partnering up with MACJ and MOE and  
12 everybody else that we know has data on that, and  
13 making sure that, for example, uh, the community  
14 partners that we're outreaching to are located in  
15 those particular communities. Um, I don't know if you  
16 had anything you'd like to add, Commissioner Sherman.

17 COMMISSIONER SHERMAN: Sure, just to build on  
18 Commissioner Kim's point, um, you know, in addition  
19 to the outreach that's happening now, we're working  
20 with those groups to really inform a robust marketing  
21 and outreach strategy across the City with a  
22 particular focus on black and brown communities and  
23 communities that have had high rates of incarceration  
24 and arrests, um, as well as bringing in a variety of  
25 community-based organizations, but particularly

3 organizations that have worked with justice-involved  
4 individuals.

5 CHAIRPERSON VELÁZQUEZ: And so, and I know Amanda  
6 alluded, I mean, Chair Farias alluded to it earlier,  
7 um, when California and Massachusetts and those  
8 lessoned learned, um, how to make sure, ensure that  
9 those folks that are coming from those states are not  
10 priority? How do we ensure that our communities come  
11 first, right? How do I know if like, a California  
12 business comes in and says, "Hey, I know you," and  
13 just becomes friends with one person and there drives  
14 the whole, um, market? How do I, how do, what are we  
15 thinking about that? How are we stopping that?

16 COMMISSIONER SHERMAN: Sure, I can start, I can  
17 start and jump in. Um, so, you know, the, the focus  
18 on the City's efforts are on these communities,  
19 right, and so making sure that we have the resources  
20 and supports for them to enter the market, go through  
21 the licensing process and then be able to succeed.  
22 Um, you know, we also as part of the training and  
23 technical assistance to those businesses, want to  
24 make sure that they also are able to, um, understand  
25 predatory business arrangements as well, too. Right,  
and, and that they have templates and understanding

3 of agreements, um, so that they also, um, are, are  
4 able to succeed and be a, be a local business. But  
5 I'll turn it to Commissioner Kim around some of our  
6 other efforts.

7 COMMISSIONER KIM: And I know the state has been  
8 very active in, in knowing the communities that they  
9 need to hit. And they've been partnering with us,  
10 sharing information, and we've been doing the same.  
11 But I think that's again, another point of emphasis  
12 where we really could use your partnership to  
13 identify the people who are local, who are a  
14 community, who are New Yorkers first and foremost.

15 But the emphasis of leveraging our community-  
16 based organization partnerships is so important  
17 because they know who the people are in their  
18 communities, and they know who came from, like, you  
19 may have mentioned, I don't want to single out  
20 particular states, but if they are the ones who had  
21 been or their family members had been the most  
22 impacted by the War on Drugs in New York, those are  
23 the people we're prioritizing.

24 CHAIRPERSON VELÁZQUEZ: Thank you. Um, so,  
25 modeling the usage and the licensing when we're  
talking about the way that these laws were structured



3 or are being structured, we often hear it compared to  
4 the state liquor authority, right, and how the  
5 process is. And we know, right, that there are flaws.  
6 Serving on a community board for so long, I saw the  
7 dangers and how it impacted our businesses, uh, and  
8 our communities. Any lessons learned there and how  
9 are we addressing any challenges that have been  
10 presented with the liquor, um, licenses?

11 COMMISSIONER KIM: I think there are different,  
12 uh, important, uh, very important differences that  
13 the state has pointed out. But I, I would defer to  
14 the state in giving you more of a clarification of  
15 how the MRTA is, uh, housed under the state liquor  
16 authority officially, but how they've taken that as a  
17 model, but then made changes to try to, um, I, I  
18 think correct or, or make it appropriate for the  
19 cannabis industry as they know it. And so, I would  
20 have to really defer to the state on the particular  
21 legal differences that they've made.

22 I, I think the important point is that they did  
23 study the state liquor authority laws very well, very  
24 carefully and have made the, uh, changes they deemed  
25 necessary to avoid the pitfalls of other states and  
what's happened there to make it better here.

3 CHAIRPERSON VELÁZQUEZ: So, the state's cannabis  
4 law prohibits the sale of marijuana on the same  
5 premises as alcohol or food. But, at the same time,  
6 you mentioned a license that does include, um, food,  
7 it, it being used as food. So, um, A, can we explain  
8 what's the rationale behind the initial requirement,  
9 and, two, how is this license going to work?

10 COMMISSIONER KIM: So, the portion where, uh,  
11 currently as the, as the law is written and it may  
12 change again, but currently as it's written, it is my  
13 understanding that, you are correct, that you cannot  
14 have on-site consumption and a liquor license. And,  
15 you know, I would leave it again to the state to have  
16 to explain that to you. Um, my understanding is, my  
17 personal understanding is that there is science and  
18 data behind the dangers of when you mix a certain  
19 level of cannabis consumption with alcohol. And, you  
20 know, that's part of the rationale that may have  
21 initiated the initial part of the rule. But again,  
22 it's all state laws that, um, I wouldn't be qualified  
23 to comment on at this.

24 CHAIRPERSON VELÁZQUEZ: I mean, just, we're just  
25 talking here, so, I mean.

COMMISSIONER KIM: We are, we are.

3 CHAIRPERSON VELÁZQUEZ: Would it, would it  
4 preclude like existing food and beverage  
5 establishments from entering into the market.

6 COMMISSIONER KIM: Right.

7 CHAIRPERSON VELÁZQUEZ: Like, our goal is to make  
8 sure our communities have an opportunity and it seems  
9 like when we have such a narrow scope for these  
10 initial licenses that we are excluding so many folks  
11 from within, and that the only ones that are going to  
12 make it are the ones from outside. So that's, I  
13 guess, our frustration and our concern.

14 COMMISSIONER KIM: Yeah, go for it.

15 SENIOR ASSOCIATE REICHENSTEIN: Um, I, you know, I  
16 would add some clarification that we are not the  
17 state but I think some of the reasoning behind  
18 creating nine different license types was to actually  
19 create more opportunities, that there are more  
20 opportunities for an individual to access a license  
21 and start a business. Um, but at EDC and SBS we, we,  
22 we recognize that are, there are real challenges to  
23 enter the cannabis business, not only to get in but  
24 to be successful. And there will be a lot of pressure  
25 from outside operators. Our biggest focus, um, is  
ensuring that those who want to be involved in the

2 industry in New York City have the resources,  
3 supports, access to education, and access to  
4 education doesn't just mean how do you run a cannabis  
5 industry, right. It's the whole process of who do you  
6 need to talk to you, what are the zoning questions,  
7 et cetera.

8 So, we definitely, we, we share your, your  
9 concern, um, for the challenges that entrepreneurs  
10 will face. And we are working very closely to one,  
11 hear from community members of what are they seeing  
12 on the ground, but also learning from other states  
13 and the challenges they have faced because I think,  
14 the one advantage that New York City has is we are  
15 not the first people, um, to legalize cannabis. Um,  
16 so. I'm not sure if anyone else has anything to add.

17 CHAIRPERSON VELÁZQUEZ: And I guess, just one  
18 like, uh, last question before I turn it back to Alex  
19 here. Um, when we're talking about that \$200 million  
20 fund for these 100 to 150 licenses, um, that's set up  
21 initially, how are you going to measure success with  
22 these businesses and what's the involvement  
23 thereafter, right? If it's initial, initial for how  
24 long, two years, five years? When are you going to go  
25

3 back and evaluate and what does that evalutaiton  
4 process look like?

5 So, that run is, will be run by the state. Um,  
6 they will have their own reporting standards set up.  
7 As for the City's efforts, um, to a loan fund, we're  
8 still reviewing responses. Um, but we recognize that  
9 transparency in reporting will be important, so we'll  
10 definitely consider that as we develop those  
11 strategies.

12 CHAIRPERSON VELÁZQUEZ: Are we providing, or  
13 looking to provide assistance for that state  
14 reporting and are we going to createa comprehensive  
15 plan in place for that?

16 We are in conversation with the state, um, and  
17 with all the regulations, there are, there is an  
18 opportunity to provide comments, um, on what, how we  
19 think, it should be better. Um, those comments are  
20 open to everyone, um, the City, um, individuala, and  
21 so, the, the City is definitely working to  
22 incorporate comments across agencies to reflect and  
23 advocate for, for the, for that transparency.

24 CHAIRPERSON VELÁZQUEZ: Are there any deadlines  
25 with, um, that testimony or that information that we  
can give?

2 SENIOR ASSOCIATE REICHENSTEIN: Right now, there  
3 are three regulations that are out for comment.

4 CHAIRPERSON VELÁZQUEZ: Okay.

5 SENIOR ASSOCIATE REICHENSTEIN: Um, there's the,  
6 the home grow. Um, but I can also give this to Kevin  
7 because, uh, I would say that, there are, there are  
8 three out right now, but the, the deadlines are not  
9 for another month or so.

10 CHAIRPERSON VELÁZQUEZ: Okay.

11 COMMISSIONER KIM: I, I actually can't give you  
12 the exact, but I will definitely get you that  
13 information right after the hearing.

14 CHAIRPERSON VELÁZQUEZ: I appreciate that. Thank  
15 you. Alex? Sorry, Chair Farías.

16 CHAIRPERSON FARÍAS: That's okay. I just have one  
17 follow up on the licenses and this has just like  
18 peeked my interest. So, with a delivery license and  
19 with our efforts to wanting to keep more cars off the  
20 road and the municipality having public/private  
21 partnerships with Citi Bike and Lime, and our, just  
22 our E-scooter partners, um, have we looked at  
23 developing, or has there been a discussion around,  
24 um, monitoring or creating a partnership between the  
25 municipal multi-modal transit options and the

3 delivery license? I think if we're looking at  
4 delivery, um, for cannabis with local businesses,  
5 it's technically like last mile transport or  
6 logistics. And, I'm just wondering off of, off of any  
7 conversations that maybe have been had, are we  
8 interested in maybe continuing that conversation?

9 COMMISSIONER KIM: I think we're definitely  
10 interested in continuing this conversation with you  
11 about the delivery aspect of it. Um, we're, to be  
12 honest, we've been focused on the CARD and the other  
13 licenses but we have also been studying all the other  
14 licenses, and so, I think, having that conversation  
15 with you and taking in ideas and feedback would be  
16 very important at this time. So, we look forward to  
17 that.

18 CHAIRPERSON FARIAS: Yeah, I would love to maybe  
19 start thinking about that, especially if we're  
20 looking at legacy partners and folks that are already  
21 trusted in communities, um, we might as well look at  
22 other ways to make them more mobile that's not a car.  
23 Uh, at this moment, and I don't have any other follow  
24 up, I'd like to first acknowledge that we've been  
25 joined by council Member Kevin Riley and he will give  
a short statement, or a long statement, however long,

3 um, on your bill. Oh, and Council Member For the Day  
4 is with him. Awesome.

5 COUNCIL MEMBER: Yeah, I'm with my daughter,  
6 Brooke Riley, too. Uh, thank you Chair Farias, and,  
7 and Chair Velazquez, for, uh, for having and hosting  
8 this hearing. Uh, we're talking about cannabis,  
9 something that, uh, I feel that New York City, uh,  
10 should be a part of the conversation. And today, I'm  
11 introducing, uh, Intro 285, establishing an office  
12 that's sole responsibility is dedicated to ensuring  
13 comprehensive, equitable, and economic expansion of  
14 New York City's cannabis industry is fundamental to  
15 advancing the state legislation and regulation.

16 Our underserved communities need to be educated  
17 on the health and wellness of cannabis, cancelling  
18 the negative stereotypes that have systematically  
19 positioned black and brown people on the losing side  
20 of the cannabis regulation legislation and  
21 criminalization.

22 Having the opportunity to start the ground work,  
23 meeting with organizations, partnering with business  
24 owners, hosting spaces to hear the needs of the  
25 community, there is a growing interest and eagerness



3 to be successful participants in the cannabis rollout  
4 in NYC. And they deserve a seat at the table.

5 We are starting to see a rise in unlicensed  
6 cannabis businesses in our neighborhoods. People want  
7 to be involved but they don't know, but they don't  
8 have or know about the resources, information, and  
9 the financial assistance to jumpstart their  
10 businesses the right way.

11 A City-wide Office of Cannabis Business Services  
12 will be the instrument in this groundwork. This  
13 agency will advocate for marginalized communities of  
14 color, giving them the tools to be successful in the  
15 business, making Intro 285 essential to New York City  
16 success in cannabis and protecting communities who  
17 are historically targeted and imprisoned during the  
18 prohibition of marijuana. Thank you so much.

19 CHAIRPERSON FARIAS: Thank you so much, Council  
20 Member Riley. Um, we will now go to Member questions.  
21 If the Sergeants can put a five-minute timer on the  
22 clock. Thank you. And we will now go to Council  
23 Member Brewer.

24 COUNCIL MEMBER BREWER: Thank you very much. I  
25 have a few questions. One, um, I've been in touch a  
lot with, uh, Senator Cougar, who obviously is a

3 sponsor on the state level. And I am a little  
4 confused even listening to you, um, about how you're  
5 going to coordinate with the state.

6 I know that you certainly have been talking to  
7 them and you're looking to them for guidance and so  
8 on, but for those of us in the community who are  
9 trying to figure out, cause I do get tons of calls  
10 about the illegal selling, not the individuals but  
11 the trucks and the stores, and the trucks and the  
12 stores. My entire district is full of trucks. Those  
13 green trucks are everywhere. I think I've got about  
14 10 of them, minimum. So, we're trying to get them  
15 towed. I got one towed, not bad. And we're working to  
16 get the rest of them towed. So, the, but in order to  
17 do it, I had to have a meeting with the Police  
18 Department, the state cannabis office, and, uh,  
19 consumer affairs, city, all three on the phone,  
20 getting one towed, truck.

21 So, my question is, down the line, do you have  
22 some sense of how you're going to be working? Does  
23 the public call 311? Does the public call, um, you, I  
24 guess for getting the business started? Do we call  
25 the state for all the? How, how is that all going to  
work? Because you've got two issues. You got the

3 folks who wants jobs and entrepreneurial under nine  
4 categories. And then you got the people complaining.  
5 So, how does that work out in the future? Or do you  
6 have any sense?

7 COMMISSIONER KIM: I, I think the answer is that,  
8 honestly, we are waiting for the enforcement  
9 regulations to get finalized.

10 COUNCIL MEMBER BREWER: Okay.

11 COMMISSIONER KIM: Because once we know what the  
12 actual enforcement regulations are, then I think the  
13 plan will become more apparent. I think that we know  
14 that we have to support the regulated market and do  
15 everything we can because if the unregulated market  
16 remains, then, um, we won't be able to achieve the  
17 goals that the state and the City are all striving  
18 for. Which goes back to why outreach, education,  
19 everything that we're doing to get the unregulated  
20 market ready and prepared for the regulated once all  
21 the rules are finalized, um, that, that, that's where  
22 there, uh, crux of our efforts are right now, to, um,  
23 avoid some of the mistakes that happened in the other  
24 states with leaving the unregulated market untouched.

25 COUNCIL MEMBER BREWER: Okay.

2 COMMISSIONER KIM: And not including them early on  
3 in the process.

4 COUNCIL MEMBER BREWER: Okay. So, the trucks are  
5 considered the unregulated market?

6 COMMISSIONER KIM: Currently anyone selling  
7 cannabis in New York state is, uh, not any, well,  
8 currently anyone selling retail cannabis is, uh, is  
9 not.

10 COUNCIL MEMBER BREWER: I, I know it's.

11 COMMISSIONER KIM: Obeying the law, so, yeah, so.

12 COUNCIL MEMBER BREWER: That's what people say.

13 COMMISSIONER KIM: Yeah.

14 COUNCIL MEMBER KIM: But you give me a tee shirt  
15 and put some cannabis in it, that's a donation,  
16 right? I can do, I got some tee shirt, I don't need  
17 another tee shirt. I got a tee shirt and some  
18 cannabis last night. Not bad, you know, but that's a  
19 donation. That's what the trucks are doing.

20 COMMISSIONER KIM: I, I.

21 COUNCIL MEMBER BREWER: Nice tee shirts.

22 COMMISSIONER KIM: Yeah, and, yes, I.

23 COUNCIL MEMBER BREWER: Anybody want it?  
24  
25

2 COMMISSIONER KIM: Council Member, I know that the  
3 state is very aware of, uh, the, this gift exception  
4 that they had in the MRTA that people are taking.

5 COUNCIL MEMBER BREWER: Liberties.

6 COMMISSIONER KIM: Liberties, advantage, however  
7 you want to look at it. Um, I think they're looking  
8 at that very closely and so, we're waiting to.

9 COUNCIL MEMBER BREWER: Okay. I don't, I, you  
10 know, I've been around too long, so I got all stuff.  
11 I'm just saying the trucks are out there, the smoke  
12 shops are selling. It's all happening. So, I assume  
13 that once the regulations exist, then whoever is in  
14 those trucks, someone has a lot of money in those  
15 trucks. I don't know who's paying for those. Um, will  
16 no longer be able to get a license. I don't know. I  
17 hope somebody's paying attention to that, just FYI,  
18 when you do your regulations.

19 Second thing is people are concerned about  
20 children, um, getting, um, you know, being sold  
21 without regulations because, I mean, they're putting  
22 them in the M&M's. That's the newest thing, too,  
23 cannabis in the M&M's. That's also coming out of the  
24 truck and it goes with the tee shirt. So, so, that's  
25 for kids. So, how do we, again, which agency should

2 constituents being reached, reach out to now with  
3 their concerns? Do you have any sense of that or  
4 we're just waiting for the state regulations? Cause  
5 kids' candy is part of the deal right now. It's not  
6 supposed to be. No candy is supposed to include  
7 cannabis.

8 COMMISSIONER KIM: Correct. And anyone under 21  
9 should not be using cannabis, according tot eh  
10 current before they get finalized.

11 COUNCIL MEMBER BREWER: Right.

12 COMMISSIONER KIM: Um, I, I would say that they  
13 can reach out to us and we would definitely take, uh,  
14 the appropriate action as.

15 COUNCIL MEMBER BREWER: We've been working,  
16 reaching out to the state, just FYI.

17 COMMISSIONER KIM: Got it.

18 COUNCIL MEMBER BREWER: But, so you know, it's.

19 COMMISSIONER KIM: Well enforcement I think will  
20 be led by the state in terms of how they are going  
21 to, um, it's similar to the liquor laws, like they do  
22 the enforcement part of it.

23 COUNCIL MEMBER BREWER: Okay.

24 COMMISSIONER KIM: Yeah.  
25

2 COUNCIL MEMBER BREWER: I'm just letting you know  
3 all of that's happening on the street, and I think  
4 you know it.

5 COMMISSIONER KIM: Yeah.

6 COUNCIL MEMBER BREWER: But it's happening. The,  
7 finally NYCHA. I'm a big believer in NYCHA. I believe  
8 in the residents. I believe in the TA. Are you  
9 working with NYCHA? Because that would be an obvious  
10 place for entrepreneurial to be the, um, way in which  
11 people could participate in this fabulous industry.  
12 Is somebody coordinating with residents in NYCHA?

13 COMMISSIONER SHERMAN: Sure, I can speak to that.  
14 Um, so there will be a focus on, uh, communities of  
15 color, right, NYCHA residents being certainly in  
16 communities of color, um, as well as folks who have  
17 been justice-involved and that we certainly  
18 coordination with our colleagues at NYCHA to make  
19 sure that we're reaching out to folks who want to  
20 start a business. Um, there's already business  
21 support and development services that exist through  
22 the, through the authority as well as with SBS, um,  
23 so there certainly is a pipeline for entrepreneurs to  
24 tap into as well as making sure the people are  
25 connected to workforce opportunities.

3 COUNCIL MEMBER BREWER: I don't mind your answer,  
4 but it's not exactly what I want to hear, because the  
5 business work that goes on in NYCHA needs  
6 improvement. So, I would suggest that somebody make a  
7 concerted effort, not just, um, um, you know, they're  
8 one of the groups to work with the residents and  
9 Tenants Associations because A, there would be many  
10 people who might qualify of the first 100 or whatever  
11 it is, but also, they need support. And so, I'm, I  
12 would love to hear more like, we are talking every  
13 day. We're getting, we're talking to Tenants  
14 Association, community-based organizations, CBOs, et  
15 cetera, to work with individuals so that they do  
16 qualify. Is that something that you might think about  
17 doing?

18 COMMISSIONER SHERMAN: Absolutely. And just to  
19 build on that, um, I, I certainly know first-hand  
20 that, um, all the talent that exist at NYCHA.

21 COUNCIL MEMBER BREWER: Right.

22 COMMISSIONER SHERMAN: And the need for customized  
23 services, and there certainly have been really  
24 successful models of very targeted customized  
25 services and supports, um, for NYCHA entrepreneurs.  
And so, we certainly will make sure that that is



1 COMMITTEE ON ECONOMIC DEVELOPMENT JOINTLY WITH THE  
COMMITTEE ON CONSUMER AND WORKER PROTECTION 65

2 incorporated in this program, um, as well as making  
3 sure that NYCHA residents are prepared for the  
4 workforce opportunities that will emerge.

5 COUNCIL MEMBER BREWER: Okay.

6 COMMISSIONER SHERMAN: And making sure that that's  
7 targeted, that's customized in working with the Tas.

8 COUNCIL MEMBER BREWER: Could you update this  
9 committee.

10 COMMISSIONER SHERMAN: Absolutely.

11 COUNCIL MEMBER BREWER: With specifically what  
12 somebody is doing?

13 COMMISSIONER SHERMAN: Sure.

14 COUNCIL MEMBER BREWER: And not, I really feel  
15 strongly about it. All right. Thank you very much.  
16 But I still, I'll let you know, it's pretty much the  
17 wild west out there right now. I'd love to find out  
18 who owns the trucks. Thank you.

19 CHAIRPERSON FARIAS: Thank you, Council Member  
20 Brewer. We will now go to Council Member Williams  
21 followed by Council Member Salamanca.

22 COUNCIL MEMBER WILLIAMS: Hello. I just wanted to  
23 clarify, you said that you don't know when the  
24 licenses are, because is that, that was what you all  
25 said, cause there's a conditional processor license

3 that came out today that closes August 31<sup>st</sup>. And  
4 there was a cultivator license that came out back in  
5 March and will be closing this week. So, I think  
6 maybe that speaks to some of the things that we're  
7 saying is we want the City to be, um, ahead of the  
8 curve, and so, if we have agencies here that are not  
9 even all the way aware of like the opening and  
10 closing of licenses, that's alarming to me, um.

11 SENIOR ASSOCIATE REICHENSTEIN: Just to clarify,  
12 this is the opening, closing of the public comment  
13 periods which we can get back to you on the exact  
14 dates. Um, but this is.

15 COUNCIL MEMBER WILLIAMS: No, I think that there  
16 are like license applications that are out.

17 COMMISSIONER KIM: Yeah. Well, yeah, no, you're,  
18 you're correct about the cultivator.

19 COUNCIL MEMBER WILLIAMS: Yeah, okay.

20 COMMISSIONER KIM: And the processor licenses, um,  
21 with the processor license literally opening today,  
22 right. So, those are the two licenses that are only  
23 available to licensed hemp farmers. I think when we  
24 were talking about when we don't, we're not sure when  
25 the rules would be finalized, we were talking more

3 about the retail licenses as well as some of the, the  
4 other seven licenses.

5 COUNCIL MEMBER WILLIAMS: Okay.

6 COMMISSIONER KIM: That are open to the general  
7 public.

8 COUNCIL MEMBER WILLIAMS: Okay. I just wanted to  
9 make sure.

10 COMMISSIONER KIM: Oh, of course. No, that's.

11 COUNCIL MEMBER WILLIAMS: That like, as agencies,  
12 we are aware of what's coming down the pike.

13 COMMISSIONER KIM: Yes, we definitely are aware.

14 COUNCIL MEMBER WILLIAMS: Because that allows us  
15 to like plan and support, um, the residents of New  
16 York City. SO, I know that some of my questions might  
17 be out of your wheelhouse, and so I do hope, in  
18 advance, that you work within your respective  
19 administrations, I'm sure the Mayor's Office is in  
20 here somewhere, to get us back the questions. Um, so,  
21 you mentioned that you're working with a host of  
22 agencies that are involved in cannabis. Can you share  
23 the agencies?

24 COMMISSIONER KIM: So, as I had mentioned, we are  
25 working with MOE, with EDC, MACJ, with DOHMH. We also  
are talking to DCP about zoning, potential zoning

2 issues. Um, we've talked to BSA, um, DCWP. I mean, we  
3 include as many of the agencies on these calls as we  
4 find the issue to be relevant, but those are, I  
5 think, some of the core agencies that are on, on the  
6 calls.

7 COUNCIL MEMBER WILLIAMS: So, would you say SBS is  
8 almost serving as like a coordinator agency around  
9 cannabis?

10 COMMISSIONER KIM: Yes.

11 COUNCIL MEMBER WILLIAMS: Okay.

12 COMMISSIONER KIM: Yeah.

13 COUNCIL MEMBER WILLIAMS: Um, so, actually, to  
14 that point, the, the bill that Council Member Riley  
15 introduced, do you have any opinions? Do you feel  
16 like it should be a separate office of cannabis?

17 COMMISSIONER KIM: We are excited about the nearly  
18 \$4.8 million dollars that the adopted budget has  
19 placed in our, in our agency to create the dedicated  
20 team, uh, to be, uh, leading the City's efforts and  
21 all the coordination that we've just discussed. Uh,  
22 the Founding Director position was just posted today.  
23 Um, we know that a lot of people have given  
24 recommendations on people who would be, uh, really  
25 well qualified to help with those efforts. So, we

3 believe that that dedicated team housed at SBS will  
4 be, uh, a strong advocate for the coordination  
5 efforts and for the community outreach and education  
6 portion.

7 COUNCIL MEMBER WILLIAMS: Okay. Um, has the  
8 administration, um, thought through strategies around  
9 local zoning, locations of licenses, hours of  
10 operation, building codes? I know some of this stuff  
11 will come through the community boards, but has there  
12 been some thinking around strategy and rules of  
13 engagement?

14 COMMISSIONER KIM: A lot of it, again, will get  
15 dictated by the state licensing process because they  
16 may limit the number of hours and type, like, for  
17 example, with the liquor laws, you know, four a.m.  
18 kind of limit on serving. Uh, we don't know what the  
19 final portion of the retail license, uh, for the  
20 state until they get finalized. Um, in terms of  
21 siting and other types of opportunities, I know EDC  
22 has been very active. And I don't know if you want to  
23 speak on it.

24 SENIOR ASSOCIATE REICHENSTEIN: Uh, yes. We're in  
25 active conversations with DOB and DCP so that when

2 the regulations come out, uh, we will understand the  
3 laws and be able to provide guidance.

4 COUNCIL MEMBER WILLIAMS: Okay. And to that point,  
5 um, with EDC, um, I think I was in, told that there's  
6 incubator programs. Do you, can you talk about the  
7 potential incubator programs that you have for  
8 cannabis?

9 SENIOR ASSOCIATE REICHENSTEIN: Um, so you're,  
10 you're correct that the state in their law.

11 COUNCIL MEMBER WILLIAMS: No, not the state. EDC,  
12 I know there, there is a health and beauty incubator  
13 and there's been conversations around potential to do  
14 stuff around cannabis in terms of supporting  
15 businesses.

16 SENIOR ASSOCIATE REICHENSTEIN: I'm not familiar  
17 with the health and beauty incubator. But I can  
18 surely connect you with a team to discuss this  
19 further.

20 COMMISSIONER KIM: Yeah.

21 COUNCIL MEMBER WILLIAMS: Okay.

22 COMMISSIONER KIM: I think that might be something  
23 over at the Brooklyn Navy Yard, you're talking about.

24 COUNCIL MEMBER WILLIAMS: Yes.

25 COMMISSIONER KIM: With the RBNYC.

3 COUNCIL MEMBER WILLIAMS: Yes.

4 COMMISSIONER KIM: Black Entrepreneur NYC program.

5 We can get you more information on that with respect  
6 to cannabis. But in terms of specifically cannabis  
7 siting, EDC is actively in discussions and, and doing  
8 research on potential sitings, siting, um,  
9 opportunities.

10 COUNCIL MEMBER WILLIAMS: Okay. The other question  
11 that I have, I know there was a lot of conversation  
12 around the social equity investment fund. There's  
13 also, um, the Community Grants Reinvestment Fund. I  
14 know MACJ isn't here, but again, I'm wondering how  
15 the administration views that money, um. Are we  
16 proactively like working with the state to make sure  
17 that New York City is getting the most benefits  
18 because our City has been most disproportionately  
19 affected by the War on Drugs? So, just trying to  
20 understand if the administration is looking at that  
21 fund, aware of that fund, and thinking through when  
22 we do get the money, hopefully get the money, how we  
23 could utilize it to support the communities.

24 COMMISSIONER KIM: Absolutely. So, the state MRTA  
25 has it so that the money goes, uh, back, reinvests it  
into the community and the City is definitely

2 prioritizing that. We want to make sure that when  
3 there's an allocation of the tax money that comes to  
4 the City that we work very closely with OMB to  
5 understand how best to reinvest it into the  
6 communities that have been most harmed by the War on  
7 Drugs.

8 COUNCIL MEMBER WILLIAMS: Okay. I think I'm done  
9 for now.

10 COMMISSIONER KIM: Thank you.

11 COUNCIL MEMBER WILLIAMS: Thank you.

12 CHAIRPERSON FARIÁS: Thank you so much, Council  
13 Member Williams. We'll now go to council Member  
14 Salamanca.

15 SERGEANT AT ARMS: Starting time.

16 CHAIRPERSON FARIÁS: Who is virtual. Can you  
17 unmute yourself? Can the Sergeants?

18 COUNCIL MEMBER SALAMANCA: Hello? Can you hear me?

19 SERGEANT AT ARMS: Yes. Starting time.

20 COUNCIL MEMBER SALAMANCA: How are you? Thank you.  
21 Um, first I want to thank the two Chairs, uh, for,  
22 uh, today's hearing. Uh, Commissioner, um, hope all  
23 is well. Um, Commissioner, I know that, um, Council  
24 Member Brewer asked all the tough questions, uh, but  
25 I want to ask some of those same tough questions. Um,



3 in terms of enforcement, what agency is going to do  
4 the enforcement for the black market?

5 COMMISSIONER KIM: I think that's something that  
6 we're waiting to see what the final regulations are  
7 because I know that the state, um, and again, I, I'll  
8 have to defer to the state, but I know that they're  
9 not trying to criminalize the, the unregulated  
10 market. And so, all the strategies that they're  
11 considering, uh, that's what we're waiting for so  
12 that we can then have an appropriate City response.

13 COUNCIL MEMBER SALAMANCA: Yeah. But there has to  
14 be some type of enforcement. You know, if you,  
15 you're, if not, what you're going to have, is you're  
16 going to have individuals working to sell black  
17 market cannabis in front of these businesses at a  
18 discounted rate, which will hurt the businesses. So,  
19 there has to be some type of enforcement to, to  
20 prevent these, um, black market businesses from  
21 taking away from legal businesses.

22 COMMISSIONER KIM: I think the state is very  
23 keenly aware of that because as I mentioned earlier,  
24 in other states where they didn't do the proper steps  
25 or have had challenges. I don't want to say they  
26 didn't do proper steps. Actually, take that back.

3 They have had challenges in dealing with the  
4 unregulated market. The, the state is devising I know  
5 civil recourses and exactly to, as to what they are,  
6 they haven't been finalized. But once we know what  
7 they are, I think the City can appropriately  
8 coordinate the response on enforcement.

9 COUNCIL MEMBER SALAMANCA: Is your agency, uh,  
10 going to have oversight over the cannabis industry?

11 COMMISSIONER KIM: I don't know if oversight's the  
12 right word, but our agency did get allocated the  
13 approximately \$4.8 million in the adopted budget to  
14 be able to house a dedicated team, uh, to lead the  
15 City's outreach and education and business services,  
16 the technical assistance portion. And so, we are  
17 definitely in coordination with all the agencies we  
18 had mentioned before, uh, to just make sure that this  
19 is really a City response and not just an SBS  
20 response.

21 COUNCIL MEMBER SALAMANCA: Okay. Can your agency  
22 handle that responsibility? Do you have the, you  
23 know, the manpower, uh, to do that? Or do you think  
24 that this, uh, responsibility should be handed off to  
25 another agency such as, for example, BIC, the  
Business Interpreting Commission?

2 COMMISSIONER KIM: I think that the agency, at  
3 SBS, I think what we do very well is outreach, public  
4 education, business services, technical assistance,  
5 uh, workforce development programming. We do a lot of  
6 the areas that we know any emerging industry will  
7 touch upon and to make sure that we create the best,  
8 uh, foundation and opportunity for this particular  
9 industry to also succeed, I think that having the  
10 dedicated team at SBS in close cooperation with our  
11 sister agencies is the correct location for this team  
12 at this time.

13 COUNCIL MEMBER SALAMANCA: Okay. Alright. Well,  
14 thank you for your, uh, for your answers. And thank  
15 you, uh, Madam Chairs, uh, for allowing me to speak.

16 CHAIRPERSON FARIÁS: No problem. Thank you so  
17 much, Council Member Salamanca. Next up will be  
18 Council Member Riley.

19 COUNCIL MEMBER RILEY: Thank you, Chair. Uh,  
20 thank you, Commissioner, for your testimony. Uh, \$4.8  
21 million, I know you said that you guys would be  
22 hiring staffers, uh, and to piggyback on what Council  
23 Member Salamanca said, I think this industry is very  
24 delicate. Um, I think that outreach out there has to  
25

3 be very delicate. Um, and it's going to need a lot of  
4 manpower.

5 I personally don't believe SBS, um, should be the  
6 agency that does this. I believe that you guys have a  
7 lot on your plate right now, um, and I just think  
8 that the sensitive, um, issue on cannabis in our  
9 communities needs to be addressed and needs to have  
10 an agency that can actually focus on it, um, with a  
11 clear lens.

12 So, with that being stated, I know the \$4.8  
13 million, um, that was given to the administration,  
14 uh, I mean, excuse me, given to SBS from the  
15 administration, um, do you know how many community  
16 outreach staffers SBS will be hiring to kind of do  
17 this outreach? Um, and I know I came in late, excuse  
18 my tardiness, but what marketing strategies have SBS  
19 been utilizing so far, uh, that could get communities  
20 updated on what's going on with cannabis?

21 COMMISSIONER KIM: Thank you for your comment and  
22 question. I think that the, well, let me start with  
23 the second part of your question. So, the outreach  
24 that we've been focused on, um, has been partnering  
25 up with OCM and being in many places that they are.  
We've gone to, uh, the Bronx for a President's

3 cannabis forums. We, we'll go into local council  
4 member's community forums. State senators have  
5 invited us. Uh, Queens College, the education  
6 services at Medgar Evers. Wherever that portion, uh,  
7 wherever the community has been inviting us, we've  
8 been going out to.

9 But, we no, we're not just waiting for  
10 invitations. We've been proactive about wherever our  
11 RV goes, we have flyers made out. We have a website  
12 that's created, um, that, that we've had out there.  
13 And then the dedicated team that becomes part of the  
14 fiscal year '23 budget, so July 1<sup>st</sup> when the money  
15 comes in, uh, we have just posted for the Founding  
16 Director position. It will be a team that will be  
17 very robust. We are trying to figure out how, however  
18 many people we need to get this right, is going to  
19 be, uh, allocated to this particular team.

20 But we also have already embedded at SBS an  
21 extensive outreach team that works on getting all of  
22 our services out there. And so, we are leveraging all  
23 of their relationships, every community partner that  
24 we've worked with, CDFI, you know, community boards  
25 and, um, merchant associations. Our BIDs, we've  
invited the OC, OCM Executive Director to come to

3 our, uh, BID meetings, the Business Improvement  
4 Districts, 76 of them throughout the City. We are out  
5 there trying to get the word out, uh, in terms of  
6 just physical flyers but also through our website,  
7 through our community partners, and then through all  
8 of our sister agency relationships as well.

9 But OCM has been a great partner with us and  
10 invited us to many of the places they're going into  
11 or they're being invited into in the City as well.  
12 So, uh, we look forward to just continuing this  
13 massive outreach. And we could really use your  
14 partnership.

15 COUNCIL MEMBER RILEY: Yes.

16 COMMISSIONER KIM: And the City Council Member's  
17 support on that.

18 COUNCIL MEMBER RILEY: And, and we're looking  
19 forward to giving you that partnership. And I do know  
20 it's kind of difficult because it's, you have to wait  
21 for the state. Is there any way we could be more  
22 aggressive, uh, to actually ask the state to allow us  
23 to have a seat at the table? Um, I don't believe  
24 they're allowing us to have a seat at the table and I  
25 believe this market is really going to impact New  
York City. When you think about New York state and

3 cannabis, it's really going to impact New York city  
4 the most.

5 Uh, so, is there any way we can be more  
6 aggressive with the state, uh, to make sure that  
7 they're allowing us the seat at the table because it  
8 feels like our hands are tied behind our back, and we  
9 are waiting for the state to come up with these  
10 regulations, enforcements. We have things going on in  
11 our communities right now, so we're just trying to  
12 figure out a collaborative way we can actually  
13 address this. So, thank you.

14 COMMISSIONER KIM: Thank you.

15 CHAIRPERSON FARIÁS: Thank you so much, Council  
16 Member Riley. And I just want to say for the record,  
17 I agree with you. We were asked to be reached out to  
18 by the Office of Cannabis Management at the state  
19 level and they have yet to reach out to either one of  
20 the Chairs for this hearing.

21 Um, uh, Chair Velázquez and I have a couple of  
22 follow ups and then we will go into second round of  
23 questioning where we have, um, uh, Council Member  
24 Williams. Chair Velázquez?

25 CHAIRPERSON VELÁZQUEZ: So, focusing a little bit  
more on the consumer side, um, as both, uh, Council

3 Member Brewer and Salamanca have mentioned, the  
4 market that is existing now, right, the ones that are  
5 all of a sudden popping up, as a community leader,  
6 I've got a lot of community members saying, "What is  
7 being done about this?" So, what are your  
8 recommendations currently for community members that  
9 see a cannabis retail shop pop up that we all know  
10 is, is illegal, how do we go, um, and do we ask our  
11 community to go call 311? Who do you recommend they  
12 reach out to immediately?

13 COMMISSIONER KIM: I think they can certainly  
14 reach out to 311 any time, but they can also reach  
15 out to us and we can help coordinate, I think. One of  
16 the things you've been seeing is that, uh, in terms  
17 of the mobile food trucks anyway, that if they're  
18 violation, they're all subject to City laws currently  
19 on the books including parking regulations. And  
20 that's something that has been a, uh, way to get  
21 certain trucks off because of unpaid parking tickets,  
22 for example. Um, so I think there's way to contact us  
23 and we can help coordinate where they need to go to  
24 address those concerns.

25 CHAIRPERSON VELÁZQUEZ: So, my district doesn't  
have the food trucks. What I have are brick and



3 mortars popping up and more importantly, it's parties  
4 being thrown, where they take event spaces, catering  
5 halls, these like mini catering halls, not the bigger  
6 ones, but the small ones. And they say, "Hey, for \$50  
7 you get food and weed." Or, "You get liquor and  
8 weed."

9 And so, how do we go about that and, and make  
10 sure that we're working, uh, with the DA's office,  
11 with our local precinct, and with you guys? Um, is  
12 there, um, something now during this transition that  
13 we can go to?

14 COMMISSIONER KIM: I, I think the, the challenging  
15 part is that we don't, we want to make sure that  
16 enforcement, that rules that come down from the  
17 state, and I'm sorry to continue to harp on that,  
18 but, you know, we want to be in alignment with state  
19 laws, and the, and state initiative on this. So, I  
20 think if you've been going to the state, I don't  
21 know what, how their response has been, but enforcement  
22 will be led by the state as it is in the case of the  
23 liquor initiative, for example.

24 So, it, it's, it's tricky but I think that we are  
25 waiting for the enforcement guidelines to be set

3 forth by the state before we can respond, respond  
4 accordingly and appropriately.

5 CHAIRPERSON VELÁZQUEZ: And I hear. And, and I'm  
6 not trying, um, to minimize your efforts right now. I  
7 think our frustration is what can be done now? Um, in  
8 situations and in districts like ours that have been  
9 impacted by K2, and so, we're not monitoring what  
10 type of cannabis is being sold. We don't know the  
11 potency. We don't know all that. And it's coming into  
12 our communities, and these are businesses that are  
13 undermining a whole process as well. And so, what can  
14 we do right now? And it doesn't seem like there is  
15 anything we can do, so it's a dangerous world to look  
16 at, wouldn't you say?

17 COMMISSIONER KIM: I think you mentioned it in  
18 your statement about cease-and-desist letters. I, I  
19 know that that is what the state is actively doing,  
20 and talking, and making it clear that those who are  
21 selling illegally at this time, are also jeopardizing  
22 their opportunity to qualify for a license should  
23 they choose to do so. Um, and so, I think the, the  
24 strategy that they have currently is the cease-and-  
25 desist letters. Um, and we are just waiting for them  
to finalize the enforcement regulations so that we

2 can really coordinate the response and, and address  
3 this issue that you're talking about that's in the  
4 communities right now.

5 COMMISSIONER SHERMAN: I would just, just to build  
6 on that, um, on the consumer side, right, part of the  
7 public education campaign that's already happening  
8 from the state but certainly will be part of public  
9 education of the City is also making sure that  
10 consumers understand marijuana use, right, and the  
11 potential effects, what to look out for, et cetera.  
12 And so, I think it will be important that, um, in  
13 addition to the work that the city will do around  
14 enforcement, that we're also educating consumers and  
15 that will be part of that, that education and  
16 outreach campaign.

17 CHAIRPERSON VELÁZQUEZ: Thank you. Would a civil  
18 enforcement structure be useful at this time, during  
19 this transition period?

20 COMMISSIONER KIM: It's my understanding that the  
21 state is looking at all the different civil  
22 enforcement options, including studying those that  
23 have been effective in other states and cities. Um, I  
24 know, for example, I've heard, or I've read, that  
25 California is also considering, for example, going

3 after landlords. And so, there are different types of  
4 strategies that are being discussed. Its not that the  
5 discussion's not happening. It's that nothing's been  
6 finalized and adopted. Um, and I think that the  
7 exploration and the analysis of all of those  
8 strategies are happening both on the state and the  
9 city level and we're just waiting for those rules to  
10 get finalized so we can act accordingly.

11 CHAIRPERSON VELÁZQUEZ: Um, and so, now going into  
12 the other realm, right, cause I, I wear two hats,  
13 right. It's consumer protection, but worker  
14 protection. And out of those nine licenses, there are  
15 so many, uh, different ways that our workers need to  
16 be protected. And so, for you, um, sorry. I had  
17 written them down. Give me two seconds. Oh, yeah.

18 When you mentioned initially about your outreach  
19 and the training that you're doing, um, do you have  
20 any data set on that, how many organizations you've  
21 sat with, um, what's been the follow ups, and how can  
22 we actually either target more of those communities  
23 or are we looking and missing out on others? Is there  
24 a way that you can share that information with us?

25 COMMISSIONER KIM: We can get you that  
information. I don't have it on me right now.

3 CHAIRPERSON VELÁZQUEZ: With that training, do you  
4 also offer, um, worker protection specifically for  
5 cannabis workers when you're talking to them?

6 COMMISSIONER KIM: So, currently, um, are you  
7 talking about, well, some of the training that we are  
8 looking to do in terms of the retail licenses for  
9 example, and that's just a lot of what people are  
10 discussing in New York City because that's the first  
11 thing that's probably coming here. Um, you know, we  
12 are actively looking to train the trainer model  
13 because we want OCM with their limited resources to  
14 explain to us, for example, how the technical  
15 assistance part of the application, you know, there  
16 are people out there that, we hear, are offering, um,  
17 very high amounts of money for their services to fill  
18 out an application, for example, which doesn't even  
19 exist yet, right. So, those are the types of  
20 technical assistance that we're trying to get ahead  
21 of.

22 Once those applications are finalized in the  
23 coming weeks, we want to take that out to all of our  
24 community-based partners to train them so that then  
25 they can train the people who come to them who seek  
assistance so that those people don't have to pay

3 some exorbitant fee to do something that we can help  
4 them do for, at no cost. Um, so there's that part of  
5 it.

6 In terms of worker protection, I don't know if,  
7 uh, we have, um, Executive Director from DCWP, Steven  
8 Ettannani here, and if you want to speak to it.

9 EXECUTIVE DIRECTOR ETTANNANI: Uh, yeah, sure. Hi,  
10 Chair.

11 CHAIRPERSON VELÁZQUEZ: Just, just before you  
12 answer, you have to be sworn in.

13 SERGEANT AT ARMS: Would you please raise your  
14 right hand? Do you swear or affirm to tell the truth,  
15 the whole truth, and nothing but the truth before  
16 these Committees and to respond honestly the Council  
17 Member questions?

18 EXECUTIVE DIRECTOR ETTANNANI: I do.

19 SERGEANT AT ARMS: Thank you.

20 EXECUTIVE DIRECTOR ETTANNANI: So, thank you for  
21 the, the question, Chair. Good to see you again.

22 CHAIRPERSON VELÁZQUEZ: Great to see you.

23 EXECUTIVE DIRECTOR ETTANNANI: Um, so you brought  
24 up a, a couple of great points, I think, in terms of  
25 worker protections. And, as the Commissioner was  
alluding to, I think in their function as, as a lead

3 in cannabis, um, they're also, um, a coordinating  
4 agency in leveraging a lot of expertise including,  
5 um, DCWP's in, in the space of consumer and worker  
6 protection, of course.

7 Um, there are applicable workplace laws that  
8 would apply to, um, those that are getting involved  
9 in this industry including the paid safe and sick  
10 leave law. Um, so, that's something, um, that once,  
11 uh, you know, as we're ramping up operations as the  
12 Commissioner alluded to, they just put up a posting  
13 for a Founding Director for this Office, we're going  
14 to be actively engaging with, um, with SBS, uh, to  
15 ensure that we're doing effective outreach.

16 Um, as our Commissioner always mentions, we're,  
17 uh, our constituency is all New Yorkers. We want to  
18 make sure that we're, we're in all the community  
19 districts and working closely with your constituents  
20 in particular, um, to ensure that they know what  
21 rights apply to them, um, regardless of what industry  
22 they're working in. Of course, in this case, um, the  
23 cannabis industry would be, um, a target for us.

24 CHAIRPERSON VELÁZQUEZ: Thank you. And, I wanted  
25 to know, do you know how workers are being treated or  
paid in this unregulated market right now?

3 EXECUTIVE DIRECTOR ETTANNANI: I don't have that  
4 data. Um, I think that it's, it's certainly something  
5 that we can look into. Um, you know, we have, uh, I  
6 know, enforcement has been discussed a little bit,  
7 um, at this hearing. I think, hyo know, what, what,  
8 what we have been, you know, our visibility on a lot  
9 of the unregulated industry unfortunately is very  
10 limited. We don't have the ability to enforce, um,  
11 against marijuana sales at our agency.

12 Um, however, in the cases of different, um, you  
13 know, depending on what, what folks are seeing on the  
14 ground, whether it's a existing, um, brick and mortar  
15 that may be licensed by our agency or not, um, there  
16 is an ability for us to perhaps visit that, uh, that,  
17 that business and, and, uh, conduct enforcement as,  
18 uh, pursuant to our existing laws.

19 Um, so, um, we'll look into whatever data we can  
20 kind of find out about this, but it's very limited  
21 given our purview.

22 CHAIRPERSON VELÁZQUEZ: Um, we've been hearing,  
23 uh, from advocates that a lot of the workers  
24 currently are being severely underpaid or paid even  
25 in product. Um, so what do we have available to offer  
those workers and who do they turn to? Who can they



3 turn to right now as this transition period is  
4 happening?

5 EXECUTIVE DIRECTOR ETTANNANI: Yeah, I think these  
6 are discussions that, you know, uh, again, in  
7 coordination with SBS that we would want to have with  
8 the Office of Cannabis Management to get a feel, um,  
9 for this emerging industry. Um, as I said, we have a  
10 very limited viewpoint as to what, what is going on  
11 here. This isn't our, our, our bread and butter of  
12 our work, um, and this is an emerging field.

13 So, getting to know like the different contours  
14 of how folks are being compensated would certainly  
15 inform any future regulations and certainly, um,  
16 inform outreach and engagement in the community.

17 CHAIRPERSON VELÁZQUEZ: And while I have you, I'm  
18 going to ask you on consumer stuff now. Um, going  
19 forward, what kind of protections are we considering  
20 for our consumers and what is the administration  
21 thinking about when it comes to that? And I heard  
22 about the public education campaign. That's one  
23 piece. But what's the follow up and what have  
24 conversations been like?

25 EXECUTIVE DIRECTOR ETTANNAI: Sure. So, for us and  
in terms of consumer awareness, there's a lot of, um,

3 crossover in the public health, um, sector. I think  
4 we're going to be really leaning on our public health  
5 officials at the health department to speak to, um,  
6 uh, you know, as, as the Commissioner mentioned, you  
7 know, the potential effects of mixing marijuana with  
8 alcohol, and the potency, uh, and labeling of, of  
9 these products. I think all of that are things that  
10 will be kind of a, uh, supplementary agency in terms  
11 of getting the word out. Um, but really deferring to  
12 those that are following the science more closely  
13 than, um, and are, you know, really have that expert,  
14 expertise, rather.

15 CHAIRPERSON VELÁZQUEZ: You mentioned earlier that  
16 you have a limited viewpoint. Um, why is that? Who  
17 has failed to include you? Or are you suffering from  
18 the same frustration that me and my Council Members  
19 have where we've not been reached out to?

20 EXECUTIVE DIRECTOR ETTANNANI: Yeah. I think the  
21 limited viewpoint, um, that I'm alluding to comes  
22 from a couple of places. First and foremost, is that  
23 the state law, um, prohibits, uh, you know, our  
24 enforcement. It's modeled after the state liquor laws  
25 as the Commissioner had mentioned. So, there's some  
preemption and, and restrictions there that speak to,

3 speaks to some limited, um, our limited viewpoint  
4 there.

5 Obviously, as the Commissioner mentioned, there  
6 are ongoing regulations that are going to further  
7 define the contours and, uh, the realities on the  
8 ground in New York City as it relates to this law.  
9 That's also informing the limited viewpoint. Um, and,  
10 uh, just in terms of how complaints are filtered, um,  
11 to us. I think, you know, and we're not receiving  
12 complaints related to marijuana. I think, uh, that's  
13 generally the right position.

14 We, we don't have the expertise in that field. We  
15 don't have public health expertise in our agency. I  
16 think where we're able to provide, um, added value  
17 is, um, leveraging our constituent services,  
18 leveraging our connections both in the work, uh,  
19 worker fields as well as with consumer advocates and  
20 organizations as well as, obviously with your all's  
21 offices, to ensure that we're penetrating communities  
22 and kind of amplifying, um, uh, the work that, you  
23 know, and expertise of others, um, either on this  
24 dais or at the health department.

25 CHAIRPERSON VELÁZQUEZ: And I hear you. And I hear  
that the administration's doing a great job in

3 including so many different agencies. But that's just  
4 the whole point. Wouldn't it be easier or better if  
5 there was one dedicated agency within New York City  
6 to help that and where we're looking at a \$3 billion  
7 business coming in, wouldn't it just be best to have  
8 a separate agency for it as this point?

9 COMMISSIONER KIM: Council Member, I think that  
10 you're correct that it's good to be able to  
11 centralize the information and that's what's  
12 happening with our dedicated team, uh, that's the  
13 Founding Director that's going to get hired very  
14 shortly, along with the dedicated staff and team  
15 that will be, uh, housed at SBS, we will play that  
16 coordinating role that you are seeking.

17 CHAIRPERSON FARIÁS: Thank you so much. Um, just  
18 really quickly on the unlicensed stores that are  
19 selling cannabis products, I wanted to know, and I  
20 think we've already kind of alluded to this or not,  
21 but I just want to state, do we think stricter fines  
22 or other revocations of other permits of these  
23 businesses, like revocation of tobacco or alcohol if  
24 they're selling unlicensed, would serve as a  
25 deterrent for these folks? Or something that the City  
could do around civil enforcement?

3 COMMISSIONER KIM: I apologize for having to hark  
4 back, but it really is waiting for the state to come  
5 up with their enforcement rules.

6 CHAIRPERSON FARIAS: Okay.

7 COMMISSIONER KIM: Because they, um, want to veer  
8 away from the criminalization of it.

9 CHAIRPERSON FARIAS: I know, but they're actually  
10 illegally, right, selling. So, for me, it's kind of  
11 like, what are the penalties that we are going to  
12 incur to make sure these people do not do that, while  
13 also, I mean, there, there is a risk factor of their  
14 current factor being at risk while others are waiting  
15 their turn, for poor use of better words, and trying  
16 to go to the, go through the correct procedure. Like,  
17 the City can serve as a deterrent.

18 And I guess a follow up to that is, we, we have  
19 the, um, the 50, I'm forgetting the term for them  
20 now, but the folks that are already getting cease and  
21 desist letters, is there any other log or data? Are  
22 we working with the precincts who are getting all the  
23 calls, or making, making the responses and going the  
24 raids, um, of, of some of these to know [COUGH],  
25 pardon, where they are and how do we relay that data  
back to the state to make sure, if we don't do

3 anything in the meantime and to serve as a deterrent  
4 that their applications of licenses or permits are  
5 actually put to the end of the line since they're the  
6 bad actors that aren't following the rules?

7 COMMISSIONER KIM: So, in terms of the bad actor  
8 comment you mentioned, I think that's specifically  
9 what the state has been emphasizing, that if you  
10 believe that selling illegally now, just having a  
11 store up and running earlier is going to help you,  
12 uh, get a license, you're wrong. And that's what the  
13 cease-and-desist letters are also, I think, making  
14 clear that they're not operating legally at this  
15 time. And they need to stop.

16 CHAIRPERSON FARIAS: Okay.

17 COMMISSIONER KIM: So, I think that the strategy  
18 is gearing towards the civil side of things of  
19 potential seizure of the products.

20 CHAIRPERSON FARIAS: Right.

21 COMMISSIONER KIM: Um, monetary fines. But I don't  
22 think that's been finalized yet, so once that is, I  
23 think, really then we can coordinate what the most  
24 effective, um, response will be to deter that. I  
25 think what we can do most now is, again, educate, as  
Commissioner Sherman said, uh, including the smoke

3 shops that you need to be part of the regulated  
4 market. There is dangers with dealing with  
5 unregulated products. There is going to be  
6 consequences if you want to get a license. But that,  
7 the potential to be part of the regulated market can  
8 be very lucrative and we are trying to get that  
9 education out, uh, in the various ways we had  
discussed earlier.

10 CHAIRPERSON FARÍAS: Okay. Thank you for that. You  
11 know, I'm trying to just continue thinking of ways to  
12 make sure that folks in the community feel  
13 comfortable with these spaces, you know. Cannabis, if  
14 we approach is correctly, you now, can be utilized by  
15 many people from many age ranges and from a lot of  
16 different backgrounds as we've seen already that that  
17 is the case.

18 Um, so I just want to make sure that if there are  
19 folks out there that are going to deter, you know, my  
20 seniors who need it for their arthritis, um, that  
21 we're actually making sure that they're not first up  
22 in line for things when there are folks that are  
23 actually trying to serve our communities both for  
24 adult use and medicinally.

3 Um, one question from me and then we'll move on  
4 to the Members. To your knowledge, what conversations  
5 have taken place to date around the zoning changes  
6 that may be considered to aid the roll out of, of the  
7 cannabis industry in New York City, specifically  
8 around ensuring that cannabis businesses are not  
9 further limited in their ability to locate  
10 themselves. Um, and additionally around hours of  
11 operation. I know that was something similar was  
12 previously answered, but, um, just want to clarify.

13 COMMISSIONER KIM: Yeah, I think, uh, currently,  
14 it's my understanding that the state, um, is looking  
15 to be able to license anywhere that a retail store  
16 can be licensed. So, I believe it's group E6 in the  
17 zoning, um, but, again, it hasn't been finalized. I  
18 think once they finalize it, we'll have a better  
19 understanding.

20 We are talking to DCP, um, very closely and just  
21 making them aware of the various zoning questions  
22 that can come up. And, um, once the state finalizes  
23 exactly where it can be used, um, you know, but  
24 retail use space is, is something that, I think the  
25 state is, uh, focused on similar to where liquor  
establishments can be.



3 CHAIRPERSON FARIÁS: Sure. But doesn't that also  
4 include some of the, like, prohibiting areas like  
5 around schools, around houses of worship. Are there  
6 also regulatory that say folks can't be too, um,  
7 locations can't be X amount of feet by one another or  
8 by a liquor store, et cetera?

9 COMMISSIONER KIM: I believe the state also has a  
10 200-foot limitation.

11 CHAIRPERSON FARIÁS: Yeah.

12 COMMISSIONER KIM: But, do you want to speak on  
13 this.

14 SENIOR ASSOCIATE REICHENSTEIN: Yeah. You know, we  
15 are waiting for the final regulations obviously, but,  
16 um, obviously there are things that we can do in  
17 advance while we wait for those. One of those is  
18 talking to other states to understand what zoning  
19 questions have come up, uh, in those markets, um,  
20 compiling a list. But we are actually currently  
21 working on this specifically to identify what are the  
22 questions and how can we help clarify the process to  
23 understand, okay, where can you actually locate a  
24 business? What are all the rules?

25 Because it is difficult to navigate if you're not  
familiar with zoning laws, et cetera. So, we are in

3 active conversations with DOB and DCP to figure out  
4 how to best make that process as clear as possible  
5 for entrepreneurs.

6 CHAIRPERSON FARIAS: Absolutely. Thank you so  
7 much. I'll now, with second round and if any other  
8 colleagues would like to ask questions, please either  
9 use the raise hand function or let us know here in  
10 the front. Um, Council Member Williams?

11 COUNCIL MEMBER WILLIAMS: Thank you. Um, I now  
12 have a question for the Department of Consumer  
13 Affairs now that I know you are here. Um, I feel like  
14 there is already a capacity issue with enforcing  
15 business regulations, consumer affair regulations,  
16 and so, with the cannabis industry, which, of course,  
17 has been stated many times, is going to be a, a boom,  
18 and we already have so many, um, regulatory issues  
19 now. I'm just wondering, and there's a fly in my  
20 face. Um, who, how you plan to adjust for that  
21 capacity.

22 EXECUTIVE DIRECTOR ETTANNANI: Yeah. So, thanks  
23 for the question. I want to be very clear. DCWP is  
24 not in power to enforce against marijuana  
25 regulations. What I was referring to before in terms  
of, um, you know, the discussion of enforcement that

3 Council Members were raising, is that, there are  
4 instances where, um, there is some, some level of  
5 crossover where a, either a licensee maybe, um, uh,  
6 you know, there may be allegations that a licensee  
7 may be involved in marijuana sales, or there's a  
8 vendor for example, um, where we has a, the Office of  
9 street Vendor Enforcement, where there may be some  
10 regulations that we may be able to enforce. But in  
11 terms of marijuana-specific regulations, we would not  
12 be issuing those and are not empowered to do so.

13 COUNCIL MEMBER WILLIAMS: Okay. Thank you for the  
14 clarification. Um, the other question that I had is  
15 what other divisions within EDC are dealing with  
16 cannabis because you're part of the strategic  
17 investments group, so.

18 SENIOR ASSOCIATE REICHENSTEIN: Correct.

19 COUNCIL MEMBER WILLIAMS: Yeah.

20 SENIOR ASSOCIATE REICHENSTEIN: So, as I mentioned  
21 we are focused on capital access in real estate, um,  
22 so we have teams on our asset management considering  
23 feasibility in terms of use as well as, as I  
24 mentioned, we have the land use team that's speaking  
25 specifically about some of these zoning questions and

2 how we can learn from other states to make this  
3 process, um, as easy to navigate as possible.

4 COUNCIL MEMBER WILLIAMS: So, just those three  
5 divisions, strategic investments, asset management,  
6 and land sue. There's no other?

7 SENIOR ASSOCIATE REICHENSTEIN: There are other  
8 groups as well, but I would say those are the main  
9 ones right now.

10 COUNCIL MEMBER WILLIAMS: Okay. Um, and then,  
11 Commissioner, back to what you were saying about the  
12 Office that you're creating that would be, um, a  
13 cross-coordinating entity. Um, so SBS doesn't really  
14 have oversight power over other agencies, right?

15 COMMISSIONER KIM: We don't have oversight power  
16 over other agencies. Yes, that's correct.

17 COUNCIL MEMBER WILLIAMS: Okay. For instance, I  
18 know that you administer like the MWBE program but  
19 often times agencies are not necessarily in full  
20 compliance and like. So, using that as an example,  
21 what can SBS do to hold agencies accountable around  
22 NWBE compliance, as an example?

23 COMMISSIONER KIM: Around cannabis MWBE?

24 COUNCIL MEMBER WILLIAMS: No, just in general.

3 COMMISSIONER KIM: Well, I think, I, I don't know  
4 if it's correct necessarily to just view SBS in a  
5 silo like that because I think SBS is responsible for  
6 first of all, certifying all the MWBE's in the City.  
7 We are also responsible for technical assistance,  
8 providing technical assistance to get, uh, government  
9 contract opportunities in front of MWBEs

10 But I think a lot of it is also making sure that  
11 we keep, um, good data and to share that data. And  
12 then, I think the administrations as a whole, uh,  
13 relies on that data to work together to achieve the  
14 goals. Uh, I don't know if it's an enforcement per  
15 say, issue. Rather that it's really a goal-setting  
16 issue that we're pushing and I know that all the  
17 agencies, and, and the administration we've been  
18 talking to are all committed to achieving, for  
19 example, MWB goals.

20 COUNCIL MEMBER WILLIAMS: Right. And I'm asking  
21 that because I personally do feel like SBS should  
22 have a little more teeth, right, because that would  
23 allow SBS to hold agencies accountable for compliance  
24 around the MWBE program. And so, using that as an  
25 example and now looking at your role around cannabis,  
I would say my concern is, you know, outside of like

3 essentially almost being, I don't want to say project  
4 management. But just like a liaison between agencies,  
5 like, what real authority will SBS have to really  
6 compel numerous City agencies to do what they need to  
7 do around cannabis that would meet a lot of the goals  
8 that my colleagues have shared today?

9 COMMISSIONER KIM: So, I, I think the key point  
10 here is that, SBS, with our dedicated team will be  
11 coordinating, but we don't, we're not enforcing  
12 anything. I don't think we need to enforce anything  
13 in this particular situation. I think it's really  
14 kind of making sure that we're playing the right role  
15 of convening everybody, making sure information is  
16 being shared.

17 If there's ever anything that needs to get done  
18 that SBS is pushing for that doesn't get done, I  
19 mean, I think, just, uh, the administration has a  
20 structure that's in place. For example, I report to  
21 the Deputy Mayor for Economic Development. And we're,  
22 we're economic and workforce development. And I think  
23 the administration as a whole works very closely  
24 together so that it's not SBS trying to do this, or,  
25 or not.

3 It's really the administration with our shared  
4 goals and values trying to push this forward and, and  
5 if, if making sure that equity is at the heart of  
6 this particular campaign, and, and this emerging  
7 industry, I think everybody in our City  
8 administration is, is totally aligned with that.

9 COUNCIL MEMBER WILLIAMS: I do appreciate your  
10 optimistic view of all of the City agencies and I do  
11 know that the Mayor is committed to this, so I agree.  
12 I think there is a legitimate interest from the  
13 Mayor's office to make sure that New York City does  
14 what it can to support and do this right. However, I  
15 am not that optimistic and I don't think that all  
16 City agencies share in the same goals.

17 And so, I would say just in closing that, um, I  
18 am just concerned that SBS, um, doesn't really have  
19 the authority and oversight power that I feel that  
20 they need to truly do what is necessary. So, I just  
21 wanted to say that because it's, like you said, you  
22 don't really have that role per say. You would have  
23 to cross coordinate or speak to a Deputy Mayor or  
24 something like that. I, I don't know. I just don't  
25 feel that you have the powers you need to have to  
like make sure this is done right.

2 COMMISSIONER KIM: Just to be clear, I, I think  
3 when I said we have the Deputy Mayor, it's not. I  
4 think that everything that we're doing in terms of  
5 leading outreach and education is something that our  
6 agency just does very well and has done very well  
7 historically. And the coordination elements of it in  
8 terms of working with MACJ, EDC, and all the other  
9 agencies we talked about, MOE. It, it's already  
10 happening and it's already happened.

11 So, that's why I'm not so much being as  
12 optimistic as I am just kind of relaying to you what  
13 my experience has been in the past month and half,  
14 two months since, you know, we've really been put in,  
15 in charge of this convening effort. Uh, but it's a  
16 coordinating effort. But once we get the dedicated  
17 team, I think you'll see it step up to another level,  
18 uh, as soon as we are able to identify and get the  
19 team in place. Um, we're, we're then being more  
20 optimistic about how everything will go with the  
21 administration working together as one.

22 COUNCIL MEMBER WILLIAMS: I look forward to  
23 working with you on it.

24 COMMISSIONER KIM: Thank you.  
25



2 COUNCIL MEMBER WILLIAMS: Cause I, I think I  
3 slightly disagree cause I think SBS should do what  
4 SBS is good at, and there should be a true  
5 coordinating entity that is working across agencies  
6 to make sure those agencies are doing what they are  
7 good that. So, that's my humble opinion. But, thank  
8 you.

9 COMMISSIONER KIM: Thank you.

10 CHAIRPERSON FARIAS: Thank you so much. Council  
11 Member Brewer?

12 COUNCIL MEMBER BREWER: Thank you. Very quickly,  
13 on the zoning issue, something that I know a lot  
14 about. The community boards are bringing to my  
15 attention, and we know this, that if you are a  
16 restaurant, and Jeff Garcia here know, you need to  
17 get an FLA license. If you are a liquor store, you do  
18 not. You have other, uh, permits you need, but you  
19 don't.

20 So, the community boards are concerned that the  
21 cannabis brick and mortar could locate as the liquor  
22 stores do, not the restaurants, but I hate to say it,  
23 nearest where people, um, you know, might, right next  
24 to NYCHA, for lack of a better word. Right next to  
25 places where people will be, uh, accustomed to going

3 and where the community would like to have the  
4 cannabis stores spread out more, uh, equally.

5 And I say this because about four or five  
6 community boards have brought this to my attention.  
7 So, the zoning that you're talking about is not  
8 relevant, because a C6 can be any residential strip  
9 or any commercial strip, even near residential.  
10 Something to think about.

11 The liquor stores go where sometimes it's very  
12 challenging for the community. They put up their  
13 plastic. It's not a pleasant experience. So, people  
14 are worried about that. I don't know how you deal  
15 with it. I don't think the state understands that  
16 cause that's not something they deal with in other  
17 parts of the state. But I want you to be aware of it  
18 as you're talking to Dan Garadnick and others, uh,  
19 about the zoning issues.

20 Now, maybe look now to see if some unregulated  
21 smoke shops are doing that already. I don't know. I  
22 know where the trucks are, and they are doing that.  
23 So, I just bring this to your attention. Think about  
24 the location so that it isn't impacting a community  
25 in ways that are not appropriate. And the community  
boards would like, I'm not saying you're going to do

2 it, they would like to have more say about the liquor  
3 stores and they would like to have more say about  
4 the, any retail for cannabis. So, uh, be aware of  
5 that.

6 The way it works with, um, liquor now, of course,  
7 for a restaurant is if you're near a church or faith-  
8 based, you have to get their permission. That's a  
9 whole drama that I don't need to get into. Not to  
10 mention, uh, school. But, for the liquor stores, they  
11 can go anywhere. Something to think about. Thank you.

12 COMMISSIONER KIM: Well, actually, can I just, um,  
13 the liquor stores, too, within 200 feet of a school  
14 or a church would not be able to get license  
15 statutorily.

16 COUNCIL MEMBER BREWER: Okay.

17 COMMISSIONER KIM: As well as, uh, restaurants.  
18 You cannot even get permission from the church or the  
19 school, so it's just, that.

20 COUNCIL MEMBER BREWER: Oh, yes you can. You can  
21 go to the assembly and get an override. Yeah.

22 COMMISSIONER KIM: Well, actually I've never seen.  
23 But to your point about zoning, we are definitely  
24 looking into all the issues.

25 COUNCIL MEMBER BREWER: Okay.

2 COMMISSIONER KIM: And what I meant before was  
3 group use 6, not C6, C6 being a commercial zone. But  
4 group use is more of a C of O, I guess, with DOB.

5 COUNCIL MEMBER BREWER: Okay.

6 COMMISSIONER KIM: But all of those issues are  
7 being looked at and we're coordinating with DOB, DCP,  
8 and.

9 COUNCIL MEMBER BREWER: Okay. And, and keep the  
10 community boards up to date would be the other  
11 suggestion.

12 COMMISSIONER KIM: Yes, yes.

13 COUNCIL MEMBER BREWER: Thank you very much.

14 COMMISSIONER KIM: And, and the big, biggest  
15 challenge that we have is that the statute that the  
16 state wrote is, it statutorily preempts the City from  
17 regulating a lot of the dispensaries, for example.  
18 So, we do have limits in that way.

19 COUNCIL MEMBER BREWER: Okay. Thank you.

20 CHAIRPERSON VELÁZQUEZ: I thought I was done with  
21 my questioning, but I'm sorry, I'm not. Um, I  
22 understand that we are at the initial stages of the  
23 establishment of this new industry and SBS is  
24 currently developing resources to help social and  
25 economic equity applicants. Thinking more of a long

3 term, what do you think SBS's role will be five years  
4 from now, for example, to ensure these businesses can  
5 survive and will succeed as they will face  
6 competition from well-funded, venture-backed cannabis  
7 corporations coming in?

8 COMMISSIONER KIM: So, I think that is where we  
9 have learned from the lessons of other states is that  
10 when you don't start very deliberately with close  
11 inter-agency collaboration between, uh, close  
12 cooperation between the state and local cities and  
13 municipalities, I think that's where you've seen a  
14 lot of those cases that you've talked about where  
15 much larger corporations have come in when local,  
16 smaller entities have failed and filled up the  
17 vacuum, so to say.

18 Uh, in New York, that's what we're trying to  
19 address by initially, the state has the CARD licenses  
20 to give them the first head start and those are the  
21 licenses that, again, have those two particular, uh,  
22 requirements of having had a marijuana conviction in  
23 the state of New York, uh, or a close family member  
24 as I outlined before, and then having some business  
25 experience. That is something that is part of  
addressing how we can get the people who are most

2 impacted by the War on Drugs to have the most  
3 opportunity to succeed here and not create that  
4 vacuum that has happened in other states.

5 And then in terms of the general licensing that  
6 will come out thereafter, the goal of the 50% SCA  
7 applicants, um, I think that's where eth state has  
8 been doing extensive outreach with the City,  
9 partnering very closely together, as I mentioned,  
10 been out in the community extensively as well, uh,  
11 creating, uh, sharing of lists between the state and  
12 the City and who we've outreached so that we can  
13 either amplify in a particular community or branch  
14 out so we don't duplicate out efforts.

15 So those are all things that are designed to try  
16 to, uh, make sure that those smaller, justice-  
17 involved in particular SCA qualifying applicants have  
18 the best chance to succeed, and that the bigger  
19 operators then can't just swoop in and fill up a  
20 vacuum like they've done in other states.

21 CHAIRPERSON VELÁZQUEZ: And I think, um, going to  
22 my next question, I think the main question is what  
23 capacity will you have, um, in your agency to execute  
24 to the business assisted needs of our community,  
25

3 right? What is the budget looking like? And how many  
4 people will you reach out to with this budget?

5 COMMISSIONER KIM: So, we have \$4.8 million,  
6 approximately, coming in. Uh, we are incorporating  
7 the dedicated team into our general outreach team as  
8 well. And so, we are confident that because the  
9 outreach team that we have has the relationships and  
10 then all of our sister agencies have their  
11 relationships, that it's, it's really a City-wide  
12 outreach program. It's not just SBS. And that's why  
13 these weekly, bi-weekly, I'm sorry, weekly, or multi,  
14 you know, uh, we, we have very frequent calls  
15 throughout the week, inter-agency wise, um, to  
16 discuss outreach constantly.

17 And so, we're confident that the money that's  
18 been allocated with the dedicated team that will be  
19 added on shortly, we're going, we're going to be able  
20 to reach the people that we're trying to reach.

21 CHAIRPERSON VELÁZQUEZ: Thank you. And then I just  
22 want to go to what other states are, what's happening  
23 in other states. We're looking at a reality of 37,000  
24 people applying for 56 licenses in Connecticut for a  
25 period that just ended last week. And so, if we're,  
we're saying that SBS is going to help, and it's

3 going to help for free, we run into this issue, a  
4 situation where it's like folks waiting up to like  
5 six months to get help. And we don't want that to  
6 happen because we find that to be unacceptable.  
7 Because they are already working, um, from a  
8 standpoint that it's not as beneficial as it is for  
9 out of staters so how do we make sure that they're on  
10 top? What's, how do we prioritize them?

11 COMMISSIONER KIM: I think that we understand at  
12 SBS that if there's a whole flood of applications  
13 that come in, that we too have some limited  
14 resources, but, again, as a City, I think we're  
15 leveraging all of our resources together. Um, one of  
16 the most important things we also recognize is that  
17 we have to have a very robust train the trainer  
18 model. And so, that means that we are not only the  
19 ones actually helping with the technical assistance  
20 but we go out into the community with our community-  
21 based partners to train them with how to help others.

22 So, we were up in the Bronx, um, for a  
23 President's Cannabis Forum, um, and I met with the  
24 Bronx Defenders and the Bronx Community Partnership,  
25 uh, organizations, for example, there, and that's  
the, that's the model that they had talked about but



3 that's something that we had already envisioned doing  
4 and are doing, is once these applications are  
5 finalized by the state, we're able to then go into  
6 all the different communities and then actually  
7 explain to the local partners how to help their  
8 residents and their community members. And so, that's  
9 how I think we address the multiplying effect of  
10 training the trainer and not just trying to do  
11 everything in-house ourselves.

12 CHAIRPERSON VELÁZQUEZ: Is this \$4.8 million  
13 enough?

14 COMMISSIONER KIM: We believe that the money that's  
15 coming in in addition to the outreach team we already  
16 have in place to market all SBS services with the  
17 resources that we are, uh, pulling together with all  
18 of our sister agencies including EDC, we believe  
19 it's, it's enough to achieve the goals that we are  
20 trying to achieve along with the state.

21 CHAIRPERSON FARIÁS: Thank you so much to my  
22 colleague, Chair Velazquez, and colleagues in  
23 government for asking all the great testimony and  
24 thank you to SBS. We are, have now concluded, um,  
25 you, your testimony and we will go, I'll swing it

2 back over to Alex, our moderator, for next steps. Not  
3 really (INAUDIBLE), but.

4 COMMITTEE COUNSEL PAULENOFF: Thank you, Chair,  
5 and thank you members of the administration. Uh,  
6 we'll now turn to the public portion of, uh, the  
7 hearing. For in person panelists, please come up to  
8 the dais once your name has been called. And for  
9 virtual panelists, we will be calling on individuals  
10 one by one to testify. We will be limiting public  
11 testimony to three minutes each. So, please begin  
12 once the Sergeant has started the timer.

13 COMMISSIONER KIM: I'm sorry. One interjection,  
14 so, as, as we leave, but we have staff staying just  
15 to let you know and they'll be here to take all the  
16 notes and all the things we owe you we'll get to you  
17 as soon as possible. Thank you so much for today.

18 CHAIRPERSON FARIÁS: Thank you. We appreciate  
19 that.

20 COMMITTEE COUNSEL PAULENOFF: Um, during this  
21 section, uh, Council Members who have questions for a  
22 particular panelist, uh, please raise your hands and  
23 Council Members who are here virtually, please use  
24 the Zoom raise hand function. Uh, for virtual  
25 panelists, once your name is called, a member of our

2 staff will unmute you and the Sergeant at Arms will  
3 set the timer to give you the go ahead to begin.

4 Please wait for the Sergeant to announce that you  
5 may begin before delivering your testimony. I'll now  
6 turn it back over to the Chair to announce the  
7 panelists.

8 CHAIRPERSON FARIÁS: So, for the, as I call your  
9 name up, please, as instructed, come to the dais.  
10 We'll be calling up Max Bookman, Alex Spyropoulos,  
11 and Jeffrey Garcia. Oh, and Katie Shane. Who? Oh,  
12 Max, we're coming to you virtually.

13 MISTER BOOKMAN: Am I unmuted?

14 CHAIRPERSON FARIÁS: Yes, we hear you.

15 MISTER BOOKMAN: Okay. Um, thank you, Chair. Am I  
16 free to begin?

17 SERGEANT AT ARMS: You may begin.

18 CHAIRPERSON FARIÁS: Yes, you can begin.

19 MISTER BOOKMAN: Thank you. Thank you, Chairs.  
20 Thank you, Alex. Thank you, Commissioner Kim. My name  
21 is Max Bookman. I'm an attorney and partner at the  
22 law firm Pesetsky and Bookman. We are counsel to the  
23 New York City Hospitality Alliance, our, our City's,  
24 uh, hospitality trade industry trade association. And  
25 I am pleased to, uh, testify on the Alliance's behalf

3 today. Um, most of our members are small businesses.

4 Uh, they're New Yorkers, um, and many are interested  
5 in entering the adult-use cannabis industry. I have  
6 had many conversations with Alliance members on the  
7 subject. And many of them qualify as social and  
8 economic equity applicants.

9 Um, I had some prepared remarks which I'm going  
10 to now, uh, submit, uh, in writing, but, uh, in, in  
11 hearing the really great back and forth today and a  
12 lot of the commentary which I have been paying close  
13 attention to, I'm just going to put my prepared  
14 remarks aside and actually address some of the things  
15 that were discussed, which I thought, I hope will be  
16 helpful.

17 Um, Chair Velazquez, on the on-site consumption  
18 lounges, we want existing food and beverage  
19 establishments to be able to enter the cannabis  
20 market, mom and pop eateries in the communities,  
21 local businesses who have been there for a long time  
22 who don't necessarily want to open a dispensary but  
23 still want to take the benefit of legal adult-use  
24 cannabis, and qualify, qualify as social and economic  
25 equity applicants.

3 We were against the portion of the state law that  
4 said you couldn't have a liquor license and also have  
5 an on-site consumption lounge license. We think that  
6 was a bad idea. The idea of, that mixing alcohol and  
7 cannabis as an issue is really not an issue. The  
8 whole point of the cannabis law is a recognition that  
9 people consume cannabis whether it's legal or not.  
10 People also consume alcohol. Sometimes they consume,  
11 consume it together. Sometimes someone's consuming  
12 one and the other person is consuming another. Um, so  
13 to say that we don't like that people do this so  
14 we're just going to go ahead and leave it unregulated  
15 is the same flawed mindset that helped support the  
16 marijuana and alcohol prohibitions to begin with.

17 So, New York City being the culinary capital of  
18 the world, we think our small businesses can easily  
19 handle both marijuana and alcohol in safe and  
20 accountable ways. Um, frankly, we not, we're not sure  
21 how the on-site consumption lounges are going to work  
22 without alcohol. Um, so, please, uh, you know, speak  
23 with the administration, uh, speak with Liz Kruger.  
24 You know, we're here to support changes in the state  
25 law that allow it.

3 Um, Council Members brewer and Salamanca, I don't  
4 know if they're still here, but, um, on enforcement,  
5 it is a Wild West and we hear that from our members  
6 as well. The idea of a donation loophole is a joke.  
7 It's not a realistic reading of the statute. Um, it  
8 would be an exception that swallows the rule, and  
9 nobody should really give that any credit.

10 And, you know, the illicit market and the lack of  
11 enforcement and this a, to a point that you all, you  
12 also made, Chair Velázquez, it's already having a  
13 demoralizing effect on potential applicants. There,  
14 I'm hearing a lot of cynicism out there about these  
15 illicit vendors operating without impunity,  
16 especially amongst the social and economic equity  
17 applicants who are our members, because they don't  
18 want to put in all of the time and the effort to get  
19 licensed, just to get undermined by unregulated  
20 businesses that are operating with impunity.

21 So, what can we do, Chair Velázquez? I mean, I  
22 agree with Commissioner Kim that we need to hear from  
23 the state.

24 SERGEANT AT ARMS: Time expired.

25 MISTER BOOKMAN: But in the meantime, let's make a  
list. Department of Consumer and Worker Protection,

3 they know how to do undercover buys. They can go out  
4 into the communities. They could work with Council  
5 Members. They could find these businesses that are  
6 already operating. So that the state can hit the  
7 ground running with a list from the City once the  
8 state gets its act together.

9 I'll submit our other ideas about, um, the Office  
10 and the bills which we strongly support in my written  
11 testimony. Thank you so much, uh, for this  
12 opportunity. And thank you for your leadership on  
13 this extremely important topic. We're here to, to  
14 work with you in any way that we can.

15 CHAIRPERSON FARIÁS: Thank you so much for your  
16 testimony. We'll now be going to Alex Spyropoulos.  
17 Sorry if I mispronounced that.

18 MISTER SPYROPOULOS: Um, Chair Fariás, Chair  
19 Velázquez, and Members of the Council, thank you for  
20 the opportunity to testify as the Council considers  
21 the roll out of the cannabis industry here in New  
22 York City and two bills that would help establish and  
23 support the cannabis ecosystem.

24 My name is Alex Spyropoulos and I am a member of  
25 Weedmaps' public affairs team. For over a decade,  
Weedmaps has been a catalyst and driving force in the

3 creation and implementation of sound legislative,  
4 regulatory, and public policy efforts in the legal  
5 cannabis space across the United States as well as  
6 Canada and parts of Europe. Weedmaps has been and  
7 continues to be committed to working with lawmakers,  
8 regulators, industry participants, and trade groups  
9 to promote comprehensive cannabis policy solutions.

10 There are many challenges in starting a new  
11 cannabis marketplace and we applaud the Council for  
12 taking proactive measures to set a strong foundation  
13 for the industry. We support both Intro 285 which  
14 would establish an Office of Cannabis Business  
15 services and Intro 504 which would create a cannabis  
16 business directory. Both bills under consideration  
17 today would establish a dedicated government office  
18 to drive forward New York City's cannabis industry  
19 goals and provide crucial resources to aspiring  
20 entrepreneurs and consumers.

21 In addition to the measures currently under  
22 consideration, there are several other component of  
23 the cannabis industry's roll out that stand to  
24 benefit from the Council's input, mainly delivery and  
25 zoning. The successful implementation of cannabis



3 delivery will be critical to ensuring that the City's  
4 cannabis economy thrives from its inception.

5 According to a recent survey, convenience is one  
6 of the top considerations for cannabis consumers,  
7 with 67% of consumers identifying it as vital. In  
8 other jurisdictions, cannabis deliveries are  
9 typically conducted via cars, an option that is  
10 impractical in many parts of the five Boroughs.

11 The current statute and regulations issued thus  
12 far by the Office of Cannabis Management do not  
13 address whether cannabis deliveries in New York's  
14 will be permitted via other transportation methods  
15 such as bikes, scooters, or other forms of micro  
16 mobility. Enabling these option for cannabis  
17 deliveries would not only better serve consumers and  
18 businesses by providing a more convenient mode of  
19 delivery, but would also be environmentally friendly.  
20 Allowing these options would help ensure New York  
21 City meets consumer demand and help make the City a  
22 leader in this space.

23 With respect to zoning, it is critical that  
24 regulations to do create unintended de facto bans on  
25 cannabis retail sales. The current statute prohibits  
the locating of retail dispensaries and on-site

3 consumption licenses within 500 feet from schools or  
4 with, within 200 feet from houses of worship. Given  
5 New York City's density, this will limit where retail  
6 dispensaries and on-site consumption areas can  
7 operate. The Council should consider passing zoning  
8 regulations that do not further restrict the  
9 potential locations of the se cannabis businesses.

10 Finally, New York City has worked hard to earn  
11 its reputation as the City that never sleeps largely  
12 due to its unrivaled and unparalleled night life.  
13 Cannabis on-site consumption locations and retail  
14 dispensaries should be permitted to operate during  
15 the same hours as other night life venues in order to  
16 in, in order to integrate into this important part of  
17 the City's culture.

18 As the Council proceeds with this legislation and  
19 additional efforts to assist the roll out of the  
20 cannabis industry, Weedmaps looks forward to working  
21 with you to help ensure that New York City  
22 establishes itself as an equitable and thriving  
23 cannabis ecosystem. Thank you.

24 CHAIRPERSON FARIÁS: Thank you so much and I  
25 pronounced it perfectly, for the record. Um, next up  
is Jeffrey Garcia.

3 MISTER GARCIA: Can you hear me? Okay, yeah. Good  
4 afternoon, Chairwoman Velázquez, Chairwoman Farías  
5 and other Council Members. Uh, thank you for having  
6 us. My name is Jeffrey Garcia. I am the co-founder of  
7 the Latino Cannabis Association. The Latino Cannabis  
8 Associate Advocacy Inc. is a trade association  
9 incorporated under the laws of the state of New York  
10 as a corporation with the civic purpose of social  
11 welfare.

12 Our membership is comprised of highly competitive  
13 license applicants for the new adult-use cannabis  
14 industry in New York, a diverse membership  
15 representing a cross-section of established  
16 entrepreneurs with Latino community and legacy  
17 operators all spanning economic, social, and  
18 generational divides.

19 Our mission is to help realize the vision the New  
20 York Social Equity Policy by supporting the diverse  
21 cohort of new cannabis entrepreneurs and investors.  
22 To that end, we will be coalescing around support for  
23 applicants who meet New York social equity and  
24 economic criteria, either having been impacted by  
25 failed drug policy or as people of color through our

3 partnerships with other non-profit organizations and  
4 government agencies.

5 We thank the New York City Council for the  
6 tireless work on behalf of our residents and for the  
7 opportunity to speak with you today about the  
8 proposed Intro 285 which establishes an Office of  
9 Cannabis Business Services, and Intro 504 in relation  
10 to a cannabis business directory.

11 As a trade association, we are particularly  
12 excited about the creation of a cannabis business  
13 directory to help empower social equity participants  
14 in this new industry through the widespread  
15 availability of information for consumers. The  
16 business of cannabis is highly capital intensive and  
17 know-how intensive, thus, to the extent that the City  
18 establishes support mechanisms to spur economic  
19 growth through resources and information, we believe  
20 it is a worthwhile endeavor.

21 The Latino Cannabis Association also stands with  
22 the New York City Council in its efforts to create  
23 and Office of Cannabis Business Services that will  
24 provide, prioritize, and effectively implementation  
25 of the new industry in New York City. Many of our  
members are established business owners with

3 experience in regulated industries such as  
4 restaurants, supermarkets, and professional trades  
5 and gross revenues of over \$200 million. We  
6 understand the importance of coordination when it  
7 comes to an economic development and regulatory  
8 actions. And we have worked with many of you to  
9 ensure we continue to build upon, build up our  
10 communities within the context of business growth and  
11 we agree that it is important to have one point of  
12 contact for the administration to coalesce around  
13 efforts to make this industry successful.

14 Especially, we believe a locally based approach  
15 is important in cannabis in order to assist the vast  
16 majority of individuals whose lives have been  
17 destroyed by cannabis prohibition but do not have  
18 business experience. This is an integral part of  
19 fulfilling the mission and the intent of this  
20 regulatory industry.

21 We support efforts to bring everyone along and  
22 the road of success. Individuals with criminal  
23 records are substantially less likely to have  
24 ownership in business and a generation, in general  
25 population. In fact, one in three Americans have a  
criminal record, but less than 4% of all business

3 owners have a criminal record. And it is not hard to  
4 understand why one considers the many collateral  
5 consequences and societal stigma that come with a  
6 criminal conviction. Thus, special attention must be  
7 paid to ensure the equity for individuals who are  
8 criminal, are justice-involved along the entire  
9 process.

10 Housing this Office of Cannabis Business Services  
11 and its function under an already existing  
12 infrastructure, the Department of Small Business  
13 Services is an effective avenue to set equity goals  
14 for the industry, streamline assistance, and achieve  
15 success not just for licensees and applicants to the  
16 New York state Office of Cannabis Management, but  
17 also for thousands of ancillary businesses and  
18 consumers who will benefit from the industry.

19 Thank you for your efforts and have a wonderful  
20 afternoon.

21 CHAIRPERSON FARIAS: Thank you so much. And next  
22 up is Katie Shane.

23 DEPUTY POLITICAL DIRECTOR SHANE: Good afternoon.  
24 My name is Katie Shane. I'm the Deputy Political  
25 Director at Local 338 RWDSU/UFCW. Thank you,

3 Chairpersons Marjorie Velázquez and Amanda Farías as  
4 well as Council Member Kevin Riley.

5 Local 338 RWDSU/UFCW represents over 13,000  
6 working people across New York, including 80% of New  
7 York's current cannabis workers. We support the City  
8 and state's commitment to fostering a cannabis  
9 industry that not only addresses historic injustices  
10 but aims to provide sustaining long-term career  
11 opportunities, especially to those most impacted  
12 communities.

13 The creation of Office of Cannabis Services would  
14 be a great addition to that work. In addition to  
15 providing guidance and assistance to economic and  
16 social equity applicants, we recommend creating a  
17 City-based program for workforce development. We've  
18 seen firsthand the difference a union cannabis career  
19 can make in someone's life.

20 Union cannabis workers across New York City and  
21 state make good life-sustaining wages, receive  
22 benefits including healthcare at no cost to them and  
23 their families, and have security knowing they are  
24 working in a safe, regulated workplace. We believe  
25 everyone should have access to good union jobs. New  
York's cannabis industry provides a unique

3 opportunity to train and hire those most affected by  
4 prohibition.

5 The Cannabis Workforce Initiative, CWI, a joint  
6 project of the Workforce Development Institute and  
7 Cornell School of Industrial Labor Relations is  
8 currently developing a program that will equip  
9 workers with knowledge on cannabis science and  
10 history in addition to practical, hands-on skills  
11 necessary to be successful in this industry. A  
12 partnership with CWI or any other educational  
13 programs available through CUNY or SUNY would create  
14 a pathway for New Yorkers to access quality jobs.

15 After completion of these programs, we recommend that  
16 the Office of Cannabis Business Services assist in  
17 job placement through the creation of a registry of  
18 available job openings.

19 The oversight responsibility of the Office of  
20 Cannabis Business Services as, as stipulated in the  
21 current bill language would make sure that the City  
22 is meeting the goals set for social equity ownership  
23 as well as for those working in the industry. Workers  
24 cannot be left behind. The City would also be able to  
25 hold cannabis businesses accountable, ensuring that



3 jobs in the industry are available to those most  
4 impacted by prohibition.

5 In that vein, we urge the annual/bi-annual report  
6 also include data on workforce including breakdowns  
7 of race, gender, justice-involvement, and local  
8 hiring as well as data on wages and benefits  
9 available to workers in the industry. Thank you so  
10 much for your time and consideration.

11 CHAIRPERSON FARIÁS: Thank you so much for each of  
12 your public testimony. You can leave the dais  
13 whenever you'd like. Or stay with us the whole time.  
14 Um, we're now going to move to testimony that is  
15 virtual, so please be mindful for those folks online  
16 of when, of the unmute function.

17 Um, first up with be Jessie Aman, and then Pilar  
18 DeJesus followed by Emily Marie Ramos. Jessie?

19 SERGEANT AT ARMS: Starting time.

20 MANAGER WRIGHT: Good afternoon, Chairpersons  
21 Farías and Velázquez and Members of the Committees.  
22 My name is Sanne Wright and I am the External Affairs  
23 Manager at the Times Square Alliance. I stand before  
24 you today on top, on behalf of Tom Harris, President  
25 of the Times Square Alliance, to discuss the

3 recreational cannabis regulatory and licensing  
4 process.

5 The Alliance supports the establishment of an  
6 Office of Cannabis Business Services. Legalization of  
7 cannabis without an immediate plan to regulate and  
8 monitor the sale, distribution, safety, and use of  
9 cannabis was a failure of government and one that has  
10 led to crime and disorder on the streets of Times  
11 Square and throughout our City.

12 A safe and well-regulated cannabis market is  
13 fully achievable, and I am encouraged that the City  
14 Council is taking steps to ensure that it happens.

15 On any given day, there are dozens of trucks,  
16 vendor carts, and cars selling cannabis on the  
17 streets of Times Square. They are unlicensed and  
18 parked illegally. In addition, there are a dozen  
19 individuals selling from tables or their purses. The  
20 NYPD has been addressing the trucks by issuing  
21 parking summonses and the individuals have been  
22 treated as illegal vendors. We need a regulatory  
23 scheme that prohibits the sale of cannabis on our  
24 streets. There can be no gray area.

25 The unregulated sale of cannabis on our streets  
and sidewalks is dangerous. Randomly placed tables

3 congest the sidewalk and impede the flow. Ingestible  
4 products sold by these vendors lack any Department of  
5 Health certification and their ingredients and  
6 potency are unknown.

7 Beyond these issues, however, unregulated street  
8 sales of cannabis have led to violent altercations.

9 On March 1<sup>st</sup>, members of the NYPD arrested an  
10 individual on 7<sup>th</sup> Avenue in possession of a fully  
11 loaded ghost gun. The person was selling cannabis in  
12 the area. On June 15<sup>th</sup>, a dispute between rival  
13 sellers on 42<sup>nd</sup> Street resulted in a slashing.

14 Visitors and New Yorkers have returned to Times  
15 Square at levels unseen since before the pandemic and  
16 we have a responsibility to keep them safe.

17 Prohibitions on street dealing of cannabis will go a  
18 long way to reduce disorder and restore a sense of  
19 safety on our streets. We therefore ask that  
20 commercial cannabis activity be limited to brick and  
21 mortar establishments and prohibited from trucks,  
22 carts, and the streets of New York City.

23 Additionally, the smoking of cannabis is a top  
24 complaint from visitors to Times Square. In the past,  
25 the Council has developed time, place, and manner  
restrictions for cigarette smoking including the

3 prohibition of smoking in parks, plazas, and at  
4 beaches, and we urge similar restrictions for the  
5 smoking of cannabis use in public. Thank you for your  
6 time.

7 CHAIRPERSON FARIÁS: Thank you so much for your  
8 testimony. Next up we'll be hearing from Pilar  
9 DeJesus.

10 SERGEANT AT ARMS: Starting time.

11 VICE PRESIDENT DEJESUS: Hi, good afternoon,  
12 everyone. My name is Pilar DeJesus. I wear many hats.  
13 I am an aunt. I am an entrepreneur. I'm the Vice  
14 President of East Harlem Preservation and I'm also a  
15 Senior Advocacy Coordinator with Sacred Justice. But  
16 mainly, I am a Latina who is a survivor of a lot of  
17 the outdated, racist policies, both from the city,  
18 the state, and on the country level.

19 Um, and, I first wanted, and, forgive me, I may  
20 go over just a few minutes, because I just, there was  
21 so much that was said, the word enforcement, the  
22 wild, wild west, a lot of words for me personally who  
23 has been criminalized in many different ways, because  
24 I'm Latina, because, you know, I'm a little loud, you  
25 know, in my community, I'm a problema, pero.

3 One thing I want to remind the Council and I also  
4 want to like highly recommend and I say this, you  
5 know, since we're always talking about education and  
6 as a person who, um, with my business I do a lot of  
7 community education events, too, on the site, I want  
8 to encourage folks to read It's Just a Plant by  
9 Ricardo Cortés. And it's a children's story about  
10 marijuana. You'll get to learn about Farmer Bob, and  
11 you know, the young lady, Jackie, who discovers, you  
12 know, her parents were smoking this thing that smells  
13 a little funky. And you, you, you get to understand  
14 that it's just a plant.

15 Marijuana is a plant and it makes me sad, I hear  
16 all these words enforcement and all these regulations  
17 and I, I, I encourage many of the Council and leaders  
18 to start learning and even taking back to your own  
19 culture and your history of your ancestors. This is  
20 medicine. We don't treat tomatoes like this. We don't  
21 treat coffee like this. We are talking about medicine  
22 and it always has been medicine.

23 What happened was some racist white people from  
24 here in America made it into this, um, something  
25 similar, unfortunately, how Jessie was talking, oh,  
it's become more violent. I don't think you see more

3 violence in the City because of marijuana. I think  
4 the violence you're seeing is because there's more  
5 homeless people. There's a mental health crisis going  
6 on right now. And then now, the RGB, the Rent  
7 Guidelines Board just voted for more increase and  
8 then you got evictions that are hundreds of thousands  
9 in the circle.

10 So, I don't think marijuana is, you're seeing  
11 more people buying marijuana is because they're  
12 medicating themselves. People medicate themselves.  
13 And I'm also a little sad, Gale, um, if you're still  
14 here, M&M's is a chocolate and I understand that the  
15 big corporation uses cartoons to, to market to kids  
16 and I don't agree that cannabis should have cartoons  
17 to market to kids. But it's chocolate and if you  
18 understand the symphony between chocolate and  
19 cannabis, um, then you understand that that is, can  
20 be very healing for many people, especially, I talk  
21 to a lot of seniors who love edibles and so maybe  
22 they like M&M's, maybe they don't like M&M's, maybe  
23 they like popcorn and maybe they like.

24 SERGEANT AT ARMS: Time expired.

25 VICE PRESIDENT DEJESUS: And I'm going to end on  
one or two more notes, uh, just two more notes

3 because as a person who also was one of the, the, the  
4 Chair of the Community Reinvestment Working group of  
5 the Start Smart Coalition, which is the coalition  
6 that helped shape the MRTA, I don't like the word  
7 enforcement. It's very triggering. We don't need to  
8 create more barriers for the folks who already had  
9 barriers from getting higher education, getting  
10 housing, getting job placement, and adding these too  
11 on top of barriers that currently exist, like I  
12 mentioned, we have a housing crisis and it's my  
13 opinion that the new rent increase is going to cause  
14 a public health crisis. And a lot of that housing  
15 crisis is affecting our social equity applicants.

16 So, I also want to encourage that there's money  
17 to be put to a housing fund as soon as possible and I  
18 also speak to that \$200 million is not enough. But  
19 again, that is something that we can work out with  
20 the state. Um, I, I, I have so much more points to  
21 talk to, but I want to, I want to respect the time.  
22 It's just a plant, and without the plants, we do not  
23 have a planet. So, let's stop trying to lock up the  
24 plant now and now create more barriers for folks who,  
25 I believe, are probably in the street now trying to  
make money to pay their rent because people are

3 choosing between food and rent. And that's a real  
4 thing. And as much of us including myself want to  
5 have our own brick and mortar, the reality is we need  
6 capital. And we don't have it because we're barely  
7 paying, able to pay for our rent.

8 And I will end it there because I think it's  
9 important for, for you guys to hear that and I would  
10 highly recommend and nominate myself, I think Mr. Kim  
11 said we need a messenger. I would love to be that  
12 messenger because, like I said, the, the people who  
13 have been affected are the leaders and the experts  
14 and we're also being left out.

15 And one more final point, just look at.

16 CHAIRPERSON FARIÁS: Got to, got to wrap up your  
17 time.

18 VICE PRESIDENT DEJESUS: Okay. Okay. Thank you.

19 CHAIRPERSON FARIÁS: Okay.

20 VICE PRESIDENT DEJESUS: Sorry, but yeah.

21 CHAIRPERSON FARIÁS: No, no, no. I, listen, I'm  
22 sorry to have to cut you off because we're here to  
23 time. You're 100% right. A lot of us agree. Those  
24 that are, those that were here asking questions and,  
25 and are present, are because we understand the  
dynamics that are happening in our community.



2 And I, I just want to state that the, the term  
3 enforcement are, that we've been using and the  
4 questions around that are solely around the people  
5 that are actually going to inhibit those of, those  
6 folks in our communities that are not going to get  
7 the chance because they are making it more difficult.  
8 They are unregulated. They are unlicensed. And we're  
9 not going to be, they're going to be the examples  
10 that folks use to make sure we don't get brick and  
11 mortars and we don't get licenses.

12 And that's why we're talking about regulation,  
13 and that's why we're talking about enforcement. It's  
14 not the enforcement that we've been seeing and the  
15 over policing we've seen in our communities. It's  
16 about ensuring that the bad actors that are doing  
17 that right now, who are going to stop us from getting  
18 those opportunities, we nip that shit in the butt  
19 now.

20 VICE PRESIDENT DEJESUS: No, I agree, I agree.

21 CHAIRPERSON FARIAS: But that's really what it's  
22 about.

23 VICE PRESIDENT DEJESUS: And I get it.

24 CHAIRPERSON FARIAS: Sorry, pardon.  
25

2 VICE PRESIDENT DEJESUS: We don't want that weed  
3 out there and I totally agree. And I just think,  
4 though, if we, we want to enforce, I think instead of  
5 giving fines, maybe then offer them a program, you  
6 know, with SBS.

7 CHAIRPERSON FARÍAS: Sure.

8 VICE PRESIDENT DEJESUS: To go into the program so  
9 that then they can get.

10 CHAIRPERSON FARÍAS: Absolutely.

11 VICE PRESIDENT DEJESUS: them how to do the  
12 business. Instead of them getting fined, given them,  
13 give them the chance first, like give them the  
14 resources. And then, if they continue to do it after  
15 giving them all the resources, then maybe consider  
16 fines. But I think we want to get away from that, you  
17 know, that mindset.

18 CHAIRPERSON FARÍAS: Yeah. 100%. Thank you so much  
19 for your testimony, Pilar. We'll now hear from Emily  
20 Marie Ramos.

21 SERGEANT AT ARMS: Starting Time.

22 MS. RAMOS RODRIGUEZ: Hi, good afternoon. Thank  
23 you so much for holding this hearing today on the  
24 state marijuana laws. Um, my name is Emily Maria  
25 Ramos Rodriguez. Um, I am a native New Yorker,

2 boricua, uh, born and raised in the lower east side  
3 in El Barrio, Spanish Harlem. Um, I'm here to come  
4 talk to you folks today as someone who was born and  
5 raised in NYCHA, um, still currently live in NYCHA.  
6 And, uh, someone who's been directly impacted by  
7 marijuana prohibition.

8 My father was, uh, raided and arrested in my  
9 grandparents' apartment in the Lower East Side in  
10 Baruch Houses, uh, which is a NYCHA development. Uh,  
11 my grandparents were there. Um, my grandparents had  
12 guns waved in their face, um, for exactly what Pilar  
13 was saying, a plant. Um, and it's really important  
14 that we use that framework when we're talking about  
15 marijuana because it is a medicine, at the end of the  
16 day.

17 And using this concept of enforcement and  
18 punitive laws and having this punitive system for  
19 criminalizing people is the exact framework, um, that  
20 caused marijuana to be illegal in the first place.  
21 And so, I think that it's really important that we  
22 really look at marijuana for what it is, an ancestral  
23 plant that has been used by (INAUDIBLE), that has  
24 been used by, uh, you know, Chinas, and folks, um. It  
25 was one of China's five, um, ancient medicinal

3 products and it was used in an Indian holy festival.

4 It's mentioned in the Torah, um, and throughout so  
5 many different cultures, um, from ancient Mayans  
6 (INAUDIBLE) marijuana has been used as a medicinal  
7 plant.

8 And only our communities are the ones who are  
9 policed. 86% of the people who have been arrested,  
10 um, in the marijuana, by, for marijuana prohibition  
11 in New York state have been black and brown, um, and  
12 that's supported by the Policy Alliance Report and  
13 the (INAUDIBLE) Report on communities who have been  
14 most impacted by marijuana prohibition. And we know  
15 from that, most people who have been arrested are  
16 people who live in low-income housing like NYCHA  
17 developments.

18 But, right now, people who live in NYCHA, can't  
19 legally consume their medicine, and they cannot  
20 partake in home grow, leaving people out of the  
21 industry. And we already that there's going to many  
22 barriers to folks who live in NYCHA and folks who  
23 have been directly impacted by marijuana prohibition  
24 to obtain a license. We know the barriers of capital,  
25 um, of, um, having real estate, um, like you  
mentioned, um. We've been asking the City to use

3 their vacant properties, um, for many years now, to  
4 house homeless people and for conventional real  
5 estate.

6 Um, I am also, I am here representing, uh, the  
7 New York City Network of Worker Cooperatives and so,  
8 we've been urging.

9 SERGEANT AT ARMS: Time expired.

10 MS. RAMOS RODRIGUEZ: And, uh, for marijuana coops  
11 specifically. And so, we're asking the City to  
12 support us in our transition from the legacy and the  
13 equity, uh, the legacy market and equity (INAUDIBLE)  
14 into the legal marijuana industry. Um, we need  
15 exclusivity in licensing and more (INAUDIBLE)  
16 licensing to ensure that people of color are not  
17 competing and people who have been directly impacted,  
18 um, people who are living in low-income housing are  
19 not competing with, uh, operators from out of state,  
20 um, and even out of country, um, that are trying to  
21 get into the legal market here in New York because we  
22 do have the largest market in the world.

23 Um, we have been talking about, for example,  
24 (INAUDIBLE) market, too, since that has a moratorium  
25 in licensing and work closely with (INAUDIBLE), um,  
to discuss what (INAUDIBLE) would take, um, to pass

2 and make sure that those equity provisions, um, are  
3 not, um, illegal, um, or have, um, a chance of  
4 getting sued, um, which they aren't, um, because the  
5 Marijuana Regulation and Taxation Act was created to  
6 ensure that people who have been directly impacted  
7 get the reparations, um, and part (INAUDIBLE) the  
8 industry. So, (INAUDIBLE).

9 CHAIRPERSON FARIÁS: Okay.

10 MS. RAMOS RODRIGUEZ: Um, I'm also here  
11 representing the Coop.

12 CHAIRPERSON FARIÁS: You, you're, you're over  
13 time, so you have about 10 seconds, or you can submit  
14 the public testimony.

15 MS. RAMOS RODRIGUEZ: Um, I'm also here  
16 representing High Mi Madre and the Coop and what Tha  
17 People's Weed Festival and we are for social and  
18 economic equity. Thank you so much.

19 CHAIRPERSON FARIÁS: Thank you so much. And next  
20 up is Wanda Salaman.

21 SERGEANT AT ARMS: Starting Time.

22 DIRECTOR SALAMAN: Hi, good afternoon. My name is  
23 Wanda Salaman and I'm the Director of Mothers on the  
24 Move. I have a prepared statement, so we are going to  
25 email you the prepared statement. Um, I've been

3 organizing in the Bronx for 30 years, in the south  
4 Bronx and in the North Bronx. And I seen how the law,  
5 the laws on cannabis and marijuana, how it was, what  
6 was the original name, have been affecting the people  
7 of, of our community. And I also for the last five  
8 years have been talking to people, seeing how, where  
9 this law was going to take us. And I see how it's  
10 going to benefit a lot of people who are not from our  
11 community or have more resources than the people in  
12 our community.

13 Uh, believe it not, um, a lot of people that been  
14 in this business for long time, the people that are  
15 real, the real experts, being talking to myself and  
16 people from my staff, people like Pilar, Hector from  
17 Freedom One about how can they get in the business,  
18 and we see that a lot of the regulations are not for  
19 the people that have been doing this kind, this type  
20 of work for years and now are going to be getting  
21 taxed by the state and the City, right.

22 So, I, I believe that this should be legal, but I  
23 also believe that, um, our system should be fair to  
24 our community members, right. We want to create  
25 generational wealth, but we are not giving the people  
the right tools that they need to create that

3 generational wealth. So, we say we want to do all  
4 this stuff.

5 One of the proposals that we had, we did a report  
6 with Pratt Institute, we want to create a cannabis  
7 hub, right, where people could come and there, there  
8 are legendary, um, folks that could even teach us how  
9 to run the business, how we could help them with a  
10 business plan, how we could help them with financing,  
11 um, we could help them find places where they could  
12 do their business, and especially hanging out  
13 community, be a better location not only to our  
14 community folks, but also to our City Council that  
15 needs also more education on some of these laws  
16 themselves. And different politician need some of the  
17 location.

18 And like, I'm from Puerto Rico and in Puerto  
19 Rico, the ones that are running cannabis is the  
20 medical marijuana and everybody I see is they have  
21 the medical card. But the only ones that are making  
22 money is the medical field in Puerto Rico and I hope  
23 that this doesn't go this way, that the only people  
24 making money is the medical marijuana which I don't  
25 think that this going to happen here. But I just want  
to make sure that we are part of the process, not



3 just looking from the out, just looking in from the  
4 outside, and are really being considered to work with  
5 the people in our community.

6 So, we have a report I would like to share with  
7 (INAUDIBLE) politicians, our report and let you know  
8 what are the stuff that we are thinking. We are not  
9 only thinking about cannabis.

10 SERGEANT AT ARMS: Time expired.

11 DIRECTOR SALAMAN: We are also thinking about  
12 hemp. So, hemp concrete is another way for us to get  
13 our folks out of poverty and not everybody have to  
14 touch this plant. And, you know, we are not, I'm not  
15 planning to touch the plant. So, but I want to create  
16 opportunities for the people in the Bronx. Thank you.

17 CHAIRPERSON FARIÁS: Thank you so much for your  
18 testimony and we look forward to reading, um, your  
19 testimony completely and any other reports that you'd  
20 like to share with us. With that, and seeing no other  
21 public testimony, um, I'd like to close and say thank  
22 you to my colleague and Chair Velazquez and our  
23 Committee Members for joining us here today. Thank  
24 you to SBS and EDC for testifying.

25 This hearing for New York City was about setting  
a foundation and a way for us to see where New York

3 City is, can go, and where we need to anticipate with  
4 the upcoming state rules and regulations. Intro 285  
5 and 504 are our initial steps to find the ways that  
6 we can do good for our community members and to keep  
7 our communities safe.

8 Today we learned that there are many steps that  
9 we have to take before December, or before those  
10 regulations come out. And I look forward to a follow  
11 up hearing post state regulations. And in the  
12 meantime working to find innovative ways to uplift  
13 the legacy community use of municipal partnerships,  
14 and create good jobs and revenue back into our City  
15 and communities.

16 I'm looking forward to hearing and meeting with  
17 the Office of Cannabis Management and the Mayor's  
18 Office of Criminal Justice who are, who are not  
19 present today for, for testimony and specifically to  
20 further discuss what we can do in partnership and  
21 expungement of records and charges and the continued  
22 process. Um, and more so, to see how we can  
23 positively move our City forward. And with that,  
24 thank you all for coming. And I am adjourning the  
25 meeting.

[GAVEL]

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date August 5, 2022