



City of Cambridge

Executive Department

YI-AN HUANG
City Manager

CMA 2024 #201
IN CITY COUNCIL
September 16, 2024

To the Honorable, the City Council:

In response to Awaiting Report #24-48 which requested City staff to enact policy that will extend the priority period for Social Equity and Equity Empowerment cannabis business applicants, please find attached from City Solicitor, Megan Bayer.

Very truly yours,

Yi-An Huang
City Manager



Megan B. Bayer
City Solicitor

Elliott J. Veloso
First Assistant City Solicitor



Assistant City Solicitors
Paul S. Kawai
Sean M. McKendry
Diane O. Pires
Kate M. Kleimola
Sydney M. Wright
Evan C. Bjorklund
Franziskus Lepionka
Andrea Carrillo-Rhoads

Public Records Access Officer
Seah Levy

CITY OF CAMBRIDGE

Office of the City Solicitor
795 Massachusetts Avenue
Cambridge, Massachusetts 02139

September 16, 2024

Yi-An Huang
City Manager
Cambridge City Hall
795 Massachusetts Avenue
Cambridge, MA 02139

Re: *Council Order 2024 #116 of September 9, 2024, requesting that the City Manager direct the appropriate City staff to enact policy that will extend the priority period for Social Equity and Equity Empowerment cannabis business applicants for a period of six months to one year, or until guidance has been received from the Cannabis Control Commission.*

Dear Mr. Huang,

I am writing in response to the above referenced Council Order that seeks to amend the Cannabis Business Permitting Ordinance (the "Ordinance") Preference Period for an additional six months or a year to allow the City to determine whether the Preference Period, which has been in place for five years, has satisfied the state requirement that municipalities establish policies to promote equity.

In August, 2022, an Act Relative to Equity in the Cannabis Industry was signed into law. The law requires host municipalities to establish policies to promote equity in the cannabis industry through various means, all aimed at increasing participation by social equity and economic empowerment applicants. The Cannabis Control Commission promulgated regulations to effectuate the municipal equity requirement in October, 2023, and has recently set up a portal that municipalities will use to attest to compliance with the equity requirements.

The City will be submitting its attestation through the portal in the coming weeks, but does not yet have confirmation from the Cannabis Control Commission whether the existence of the Preference Period for the past five years, in conjunction with the other requirements of the Cannabis Business Permitting Ordinance, and the City's cannabis policies and practices, will satisfy the municipal equity requirements. Extending the Preference Period will provide additional time for the City to submit its attestation and hear back from the Cannabis Control

Commission, and then determine whether any additional measures are required to be in compliance before the expiration of the Preference Period.

As it stands currently, the preference period will expire September 23, 2024. The proposed amendment would extend the preference period for six months until March 23, 2025. Additionally, the state Cannabis Control Commission regulations have a preference period specifically for cannabis delivery licenses and the state's preference period ends on April 1, 2025¹, but per the Ordinance, the City will have an additional year of the preference period for cannabis business permits for delivery businesses for Group A Priority applicant. The City's additional year of preference period for delivery businesses will last from April 1, 2025 until April 1, 2026.

Also, it should be noted that when the Council enacted the Ordinance, it defined Priority Applicants as follows:

A. Group A Priority Applicant. An Economic Empowerment Applicant certified as such by the Commonwealth's Cannabis Control Commission; or a Social Equity Program Applicant certified as such by the Commonwealth's Cannabis Control Commission; or Women or Minority Owned business as certified by the Commonwealth and/or by the City; or a Cambridge resident for at least the three previous years prior to application earning less than 50% of Area Median Income (AMI) in the three previous tax years prior to application - to be known as Group A Priority Applicants.

B. Group B Priority Applicant. A MTC within the City that was licensed or registered by the Massachusetts Department of Public Health not later than July 1, 2017 to sell cannabis products in a Cannabis Retail Store pursuant to the Commonwealth's medical use of marijuana laws, which seeks to operate as a licensed marijuana retailer pursuant to the Commonwealth's adult use of marijuana laws - to be known as Group B Priority Applicants. Those who qualify as Group B Priority Applicants cannot also qualify as a Group A Priority Applicant.

The Ordinance then goes on to state: "The City shall issue a Cannabis Business Permit pursuant to this Chapter only to Priority Applicants." Section 5.50.040. Therefore, even after all preferences period are over, only Group A and Group B Priority Applicants are eligible to receive a Cannabis Business Permit to operate in the City.

Attached for the Council's consideration are proposed amendments to Section 5.50.040, Permitting preferences for priority applicants, of the Ordinance. Additionally, attached is an emergency motion the Council could make if it finds that an emergency exists and it wishes to pass this amendment through all stages of legislation in one meeting.

There is a mechanism for the Council to pass an ordinance in one meeting if the Council determines that the proposed ordinance or amendments relate to a special emergency involving the health or safety of the people of the City or their property, and if there are no other statutes or

¹ The preference period for state cannabis delivery licenses runs for a 3-year period and commenced the date the first delivery license was issued by the Cannabis Control Commission.

ordinances that would prevent passage in one meeting. Pursuant to Rule 20 of the City Council Rules, and G.L. c.43, §22, an ordinance may be passed through all stages of legislation at one session if no member of the City Council objects thereto. Additionally, pursuant to G.L. c. 43, §20, the City Council may pass an ordinance on the date on which it is introduced if it orders by a two-thirds vote that the proposed ordinance or amendments relate to a special emergency involving the health or safety of the people of Cambridge or their property. The proposed amendment to the Cannabis Business Permitting Ordinance is not a zoning amendment, which would require compliance with G.L. c.40A, §5, so there are not other statutes or ordinances that would require that a different process be applicable to this proposed amendment.

If the Council wants to pass this proposed amendment in one meeting, the Council needs to take two votes; one two-thirds vote to find a special emergency involving the health or safety of the people of Cambridge or their property, and a second majority vote to pass the amendment.

Very truly yours,



Megan B. Bayer
City Solicitor

5.50.040 Permitting preferences for priority applicants.

The City shall issue a Cannabis Business Permit pursuant to this Chapter only to Priority Applicants. For the first five years and six months after the Effective Date of this Chapter as stated in section 5.50.100 below, the City shall issue a Cannabis Business Permit to operate a Cannabis Retail Store only to Group A Priority Applicants. The effect of this provision is to extend the preference period for Economic Empowerment Applicants from three years to five years and a half year, and to provide a three-~~and-a-half~~ year preference period for all other Group A Priority Applicants to run concurrently with the third, fourth and fifth years and final six months of the preference period for Economic Empowerment Applicants.

For the first year after the expiration of the Massachusetts Cannabis Control Commission's exclusivity period for Marijuana Courier Licenses and Marijuana Delivery Operator Licenses, as set forth in 935 CMR 500.050(10) and (11), the City shall issue a Cannabis Business Permit for a Cannabis Courier Establishment or Cannabis Delivery Operator Establishment only to Group A Priority Applicants.

~~The Council shall review this provision of the ordinance again no later than September 1, 2022.~~



City of Cambridge

Agenda Item No. 4
IN CITY COUNCIL
September 16, 2024

IN CITY COUNCIL

ORDERED: That the City Council finds that the adoption of the amendment to Cambridge Municipal Code Chapter 5.50 entitled Cannabis Business Permitting to extend and amend the provisions relating to the permitting preference period in Section 5.50.040 is an emergency involving the health and safety of the people of Cambridge or their property, pursuant to G.L. c.43, §20.