



RVA Considerations for Regulating Adult- Use Cannabis

Presented by: Chelsea Higgs Wise, Marijuana Justice

Marijuana Justice



Mission

Marijuana Justice exists since 2019 to facilitate repair from the impact of the war on drugs for individuals and communities in Virginia.



CannaJustice Coalition

We organize with the CannaJustice Coalition which includes youth, students, public defenders and equity advocates to support community safety and small Black business inclusion for future cannabis markets in Virginia

Justice Forward Virginia, RISE for Youth, Virginia Student Power Network



Virginia Wins:

Marijuana Justice Influence

- 2020 JLARC report
- 2021 Amendment presented by then Sen McClellan and signed by Gov Ralph Northam, 1st state in the US South
- 2022 Case for Reparations Grantee- Marijuana Justice
- 2023 Global Cohort for Emerging Cannabis Markets Participant
- 2024 Advisor on equity for Delegate Paul Krizek, sponsor of regulation bill passed by the House and Senate but veto'd by Gov Younkin

Richmond Overview:

Today's Focus

1. Current status of Cannabis in the Commonwealth
1. Informed Predictions of Virginia Cannabis
1. Considerations for RVA Council
1. Next Steps

Current State of Cannabis



Legalized

- Adult 21 and up can possess up to one ounce of marijuana on their person in public except on federal land
- Adults 21 and up can cultivate up to four plants per household with proper labeling and away from minors except on federal land
- Adults 21 and up can consume marijuana in private settings- this excludes public housing due to federal prohibition
- Adults 21 and up can share up to one ounce of marijuana in the private settings

Ongoing

- Legal Hemp-derived THC + CBD is being sold by state licensed operators
- Medical dispensaries
- Medical and Adult-use sales are federal prohibited
- Richmond has a cannabis market, its just unregulated

Informed Predictions*

1. VA Cannabis Control Authority Licensing 2026
2. Locality Opt-out
3. Local tax on local sales 3%-6%
4. Social Equity Priorities- Historically Economically Disadvantaged Area
5. Reinvestment Revenue - CERF & Business Fund

Considerations for Council



1. Public Sales Buy-In + Public Health
2. Return on Investment on Social Equity
3. Richmond City Cannabis & Social Equity Office
4. Richmond City Equity Fund

Cannabis Social Equity Program Social Return on Investment (SROI)

\$1.20 Projected Social Return on Investment

For every \$1 dollar spent by the envisioned cannabis social equity program to serve equity operators, there is a projected \$1.20 in social value generated through increased earnings for operators and employees, wealth, health, and tax revenue.

- Average Cost per Equity Operator: \$37,233
- Projected benefits per Equity Operator: \$44,575
- 7 Monetized outcomes: Increased tax revenues from additional equity operator cannabis businesses; Increased asset building; Increased earnings for owner and employees; Improved health; Opportunity cost
- Largest outcome monetized was: increased tax revenues from additional equity operator cannabis businesses (\$30,456), followed by the increased asset building from business ownership (\$5,656)

Cannabis Social Equity Program

Social Return on Investment (SROI)

This impact value map shows the estimated average cost per equity operator served by an envisioned social equity program and the projected benefits generated by each social equity operator served. Program features include workforce development, business support services, grant making, and real estate support. This impact value map models 100% of equity operator tax revenue (5% tax rate) being devoted to community reinvestment. Benefits are projected over 5 years, in alignment with external research.

Estimated Return on Investment: **\$44,575**

Projected Social Return on Investment

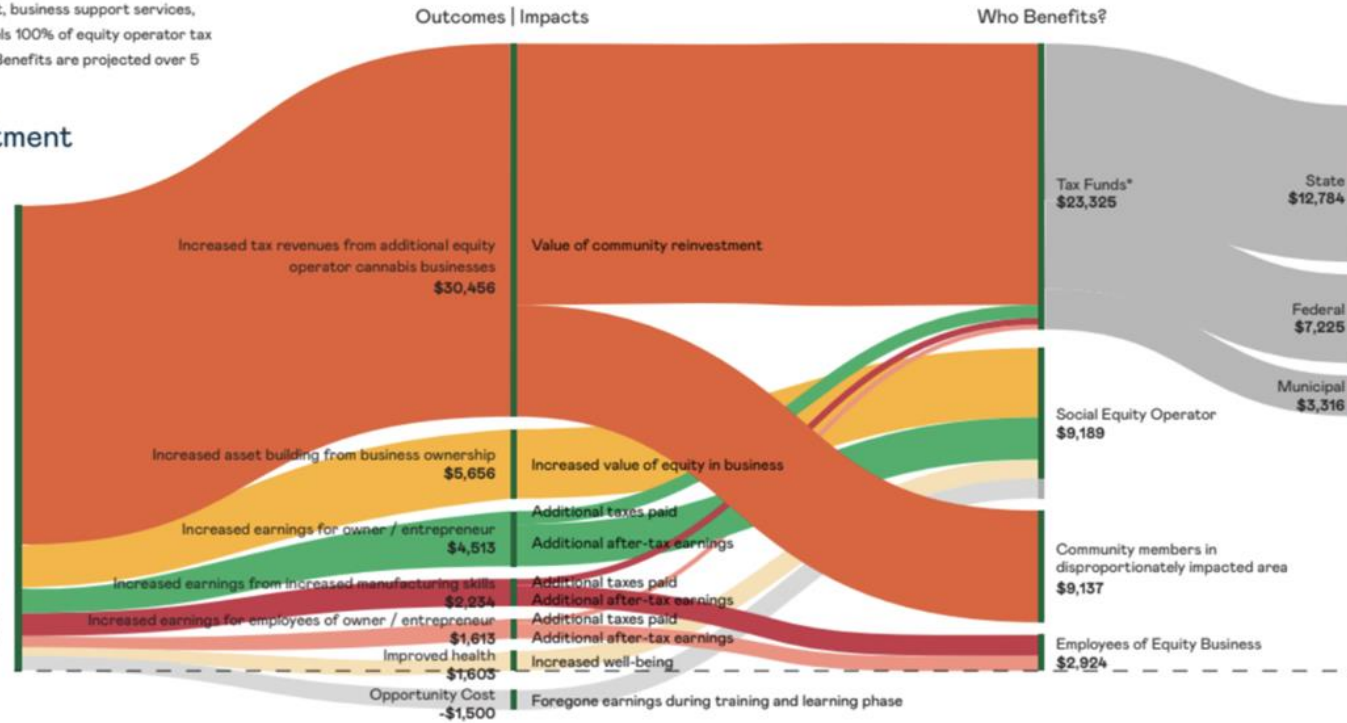
\$1 → \$1.20

For every \$1 dollar spent by the envisioned cannabis social equity program to serve equity operators, there is a projected \$1.20 in social value generated through increased earnings for operators and employees, wealth, health, and tax revenue.

\$1 → \$4.56

When the benefits of the community reinvestment are considered, and this investment supports early childhood and public education, employment training, mental health and expungement assistance, the projected social value generated by a social equity program increases to \$4.56 for every \$1 spent to serve equity operators.

Average Cost per Equity Operator:
\$37,233



*State, local, and federal tax funds may receive social value in the form of cost savings or additional revenue generated across multiple departments.



Social Return On Investment of Equity

Program features include workforce development, business support services, grant making, and real estate support.

This impact value map models 100% of equity operator tax revenue being devoted to community reinvestment. Benefits are projected over 5 years, in alignment with external research.

\$1 → \$1.20

For every \$1 dollar spent by the envisioned cannabis social equity program to serve equity operators, there is a projected \$1.20 in social value generated through increased earnings for operators and employees, wealth, health, and tax revenue.

\$1 → \$4.56

When the benefits of the community reinvestment are considered, and this investment supports early childhood and public education, employment training, mental health and expungement assistance, the projected social value generated by a social equity program increases to \$4.56 for every \$1 spent to serve equity operators.

Average Cost per Equity Operator:
\$37,233

Council Next Steps



1. Develop the RVA Office of Cannabis: review other city ordinances - Boston, MA
2. Conduct a disparity report - including after decrim
3. Create a repository of data on cannabis use patterns, public health impacts, and potential economic outcomes
4. Conduct stakeholder listening sessions and hearings
5. Develop working group to determine rules & regulations
6. Encouraging School Board to adopt Safety first curriculum



Questions:

Chelsea Higgs Wise, MSW

Chelsea@marijuanajustice.org

marijuanajustice.org