

STATE OF CONNECTICUT
SOCIAL EQUITY COUNCIL | REGULAR MEETING -**DRAFT**
May 7, 2024 Meeting 10:00 A.M.
Virtual Meeting via Zoom

1) Call to Order and Welcome

Andrea Comer called the meeting to order at 10:01 A.M. and welcomed committee members, council colleagues, SEC staff, state agency, legislative representatives and members of the public.

2) Attendance

Kyle Abercrombie
Corrie Betts
Andrea Comer
Avery Gaddis
Subira Gordon
Andrea Hawkins
Michael Jefferson
Daniel Kapowitz
Melvin Medina
Ojala Naeem
Edwin Shirley
Shirley Skyers-Thomas
Kelli-Marie Vallieres
Kevin Walton

Staff: Ginne-Rae Clay

3) Approval of April 2, 2024 SEC meeting minutes

Andrea Comer began with a discussion on the approval of the April 2nd, 2024 SEC meeting minutes. Kyle Abercrombie abstained from the vote as he wasn't present at the April 2nd meeting. Andrea Comer thanked Councilman Abercrombie for abstaining.

Motion – by Michael Jefferson
Second – by Kevin Walton
In Favor – All
Opposed – None
Abstentions – Kyle Abercrombie
Motion passed unanimously.

4) Approval of April 17, 2024 SEC Special meeting minutes

Andrea Comer called for the approval of the April 17th, 2024 SEC Special Meeting minutes. During the discussion, Kyle Abercrombie raised a question about the minutes, specifically regarding the placement of his abstention from a vote. He suggested an amendment to clarify this point. Ginne-Rae Clay confirmed that the amendment would be made. With the amendment in place, Andrea Comer called for a vote on approving the special meeting minutes amendment, which passed with Andrea Hawkins voicing her approval.

Motion – by Michael Jefferson
Second – by Kevin Walton
In Favor – All
Opposed – None
Abstentions – None
Motion passed unanimously.

- 5) Executive Session
 - a. Discussion on Pending Litigation

Andrea Comer asked for a motion to enter into Executive Session.

Motion – by Michael Jefferson
Second – by Kevin Walton
In Favor – All
Opposed – None
Abstentions – None
Motion passed unanimously.

- a) Members were provided with a Teams link for the executive session. After the executive session, attendance was again confirmed to ensure a quorum.
- 6) Vote on Equity Joint Venture Application Recommendation

Andrea Comer called for a vote on the Equity Joint Venture applications.

- a. Denial
 - i. ACRE.0015689- Green Acres CT One, LLC

The first application, ACRE.0015689 from Green Acres CT One, LLC, was motioned for denial.

Motion – by Michael Jefferson
Second – by Kyle Abercrombie
In Favor – All
Opposed – None
Abstentions – None
Motion passed unanimously.

b. Approval

i. AMHF.0008282-Nautilus Botanicals EJV 1 LLC

The application AMHF.0008282 from Nautilus Botanicals EJV 1 LLC was motioned for approval.

Motion – by Michael Jefferson
Second – by Kyle Abercrombie
In Favor – All
Opposed – None
Abstentions – None
Motion passed unanimously.

7) Executive Director's Report

a. Social Equity Plan Review Process

Ginne-Rae Clay, the Director, provided updates during the Executive Director's report, covering several key areas. Clay mentioned receiving the certified list for three positions they had posted. These included the Legal Program Director, Program Manager, and Research Analysts. She outlined the number of certified applications received for each position and mentioned convening an interview committee.

Clay discussed updates on various programs. For the Canna-Business Revolving Loan Fund, she mentioned receiving 17 applications, with one withdrawal. She detailed the status of applications in the underwriting phase and the issuance of letters of interest to applicants. There was also mention of incomplete applications and efforts to collect necessary information for underwriting.

Clay recommended allocating \$13.4 million for community collaboration efforts. She specified the funding sources and proposed allocations for crisis housing, access to childcare, and addressing food insecurities in DIAs. Priority spendings were discussed, including support for regional homeless hubs, facility improvement grants for early childcare programs in DIAs, and upgrading equipment for food programs.

Clay presented the process for approving social equity plans. She mentioned the approval of four social equity plans and one Workforce Development plan in April. The presentation included details on how plans are reviewed and approved. During the discussion, Councilmember Subira Gordon raised a question regarding partnerships under the social equity plan. She asked if collaborations with local entities like mayor's offices or public health departments were permissible or if they needed to work specifically with 501(c)(3) organizations. Ginne-Rae Clay clarified that while the plan does not require partnerships with 501(c)(3) entities, it does mandate collaboration with organizations serving the DIA community.

Gordon sought clarification on whether SEC staff had discretion in approving such partnerships, to which Clay confirmed. She explained the process of reviewing social equity plans, highlighting the time and effort involved in comprehensively evaluating each plan. Clay mentioned that four staff members review the plans, which can sometimes be extensive, spanning up to 75-80 pages.

Clay detailed the review process, starting with an initial assessment of the plan's alignment with at least seven of the ten sections, including the statement of purpose, goals, and community needs assessments. She emphasized that all plans must focus on a DIA community, even if the company is located elsewhere, and they must conduct community needs assessments to understand local challenges.

Metrics for success, community stakeholder interviews, and commitments to purchasing goods and services from certified Minority Business Enterprises (MBEs) were also discussed. Clay mentioned the importance of genuine community stakeholder support and excluded endorsements from certain entities like Chambers of Commerce or competing cannabis companies.

Ginne-Rae Clay continued the discussion by outlining the approval process for social equity plans. If a plan meets at least 70% or seven out of the ten required sections, a recommendation is made for approval. A letter of approval is issued, the Department of Consumer Protection (DCP) is notified, and the e-license portal is updated accordingly. This process applies to workforce development plans as well.

Clay discussed the procedure for plans that do not meet the criteria. A detailed deficiency notice is sent via email, outlining the sections of the plan that fall short. For instance, if a plan focuses on training the workforce instead of addressing social equity, the deficiency notice clarifies this issue. Similarly, if proper community conversations were not conducted, the deficiency notice guides the applicant on the necessary steps.

Applicants are given seven days to revise and resubmit their plans following a deficiency notice. However, additional time is granted if needed, especially for complex deficiencies like inadequate community conversations. If the revised plan still does not meet the criteria, a live technical assistance session is offered to help the applicant understand and address the deficiencies.

Clay emphasized the importance of aligning plans with the intended goals of furthering social equity in impacted areas. She highlighted instances where plans were revised after technical assistance sessions, leading to approval in most cases. However, she mentioned rare instances where disagreements arose, such as plans including goals unrelated to the impact of the war on drugs, like serving the LGBTQ community without specific ties to impacted areas.

Regarding timing, Clay acknowledged the need for timely reviews, especially considering the plans' role in the final licensing process. The SEC works closely with companies to accommodate schedules while ensuring comprehensive reviews and impactful plans. She also

addressed concerns about plan delays, noting the SEC's proactive approach in tracking and following up on plan revisions.

Clay concluded by mentioning upcoming recommendations to streamline plan submissions, aiming for concise yet comprehensive plans focusing on specific DIA communities' needs. She welcomed questions and discussions, indicating a commitment to ensuring effective social equity plans within a manageable framework.

Subira Gordon expressed concerns about delays in plan approvals, citing instances where applicants waited several months. Ginne-Rae Clay explained that delays often occurred when companies didn't promptly submit revised plans or needed more time for certain plan aspects, like community conversations. Ojala Naeem suggested reviewing the process to prevent such delays and ensure fairness. Ginne-Rae Clay clarified the process and highlighted ongoing outreach efforts, workforce training initiatives, and plans for a strategic plan in June. Andrea Hawkins was also acknowledged for her contributions to strategic planning discussions. Other topics included rescheduling committee meetings and plans for an in-person council meeting in June.

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Councilman Michael Jefferson raised concerns about a recent correspondence from the Black Puerto Rican caucus regarding the allocation of funds. He expressed discomfort with halting the timeline for reinvestment spending, especially considering previous council decisions. Jefferson emphasized the importance of moving forward with reinvestment efforts without pauses, highlighting the historical context of neglect during the war on drugs.

Chair Andrea Comer clarified that her email requesting to table certain agenda items was based on the caucus's communication but emphasized that it was a request, not a unilateral decision. Councilman Jefferson sought clarification on whether the council would honor the caucus's request or proceed with the planned agenda items related to reinvestment.

Councilwoman Ojala Naeem raised a point of order, suggesting that the discussion be postponed until the agenda item specifically addressing reinvestment was reached. Chair Comer agreed, indicating that the discussion would occur under the appropriate agenda item.

Councilman Jefferson then agreed to wait until reaching the agenda item to further discuss the matter, acknowledging the planned sequence of the meeting. This exchange highlighted a procedural discussion about addressing the caucus's request within the context of the meeting's agenda.

8) Committee Reports and Recommendations
➤ Policy/Governance Committee

Chair Edwin Shirley, representing the Policy/Governance Committee, reported that the April meeting for policy and governance was canceled. This cancellation was due to the issues that were initially planned for discussion being addressed on the previous day at a special committee

meeting. Therefore, there were no new developments or discussions to report for the month of April. Chair Shirley mentioned that the next meeting for the Policy/Governance Committee would be held in May, specifically on the 16th, which was scheduled for the fourth Thursday of the month.

➤ Reinvestment/Workforce Committee

For Action -Community Collaboration Funding

Chair Andrea Comer started the discussion by inviting Chairwoman Ojala Naeem to provide the committee's report. Chairwoman Naeem began by noting that the Reinvestment/Workforce Committee did not have a meeting the previous month. She highlighted the special meeting of the full council where reinvestment recommendations were discussed, referencing Councilman Jefferson's earlier mention. She also mentioned receiving an email that morning related to reinvestment and expressed a desire for Director Clay to provide more insight into a recent conversation with the Black and Puerto Rican caucus.

Director Ginne-Rae Clay then provided an update on her meeting with the caucus, stating that she was invited by Chairwoman Comer to attend and share information about the Social Equity Council. She described the caucus's questions about the budget, reinvestment, grant maker selection, and the council's decision-making process. She clarified the council's role in voting and making recommendations based on set criteria for grant makers.

Chairwoman Naeem and Director Clay discussed concerns raised during the caucus meeting, including misunderstandings about the process and definitions of economic development. Councilman Winfield's inquiry about alignment with Section 128 of the statute was mentioned, emphasizing the need for clarity and alignment with the caucus's expectations.

Council members then shared their perspectives. Councilman Gaddis expressed disinterest in the caucus's letter, highlighting concerns about the process and agendas involved. Councilman Medina supported pausing to understand the caucus's concerns better and aligning with their priorities. Councilman Walton emphasized the importance of clarity, avoiding delays, and ensuring funds reach communities efficiently.

Chairwoman Comer acknowledged the need for clarity and discussed Senator Winfield's inquiry about alignment with Section 128. Councilwoman Subira Gordon sought clarification on whether the discussion and voting were happening immediately or after going through the committee reports.

Chair Andrea Comer clarified that the discussion was ongoing, prompting Councilwoman Gordon to express agreement with Councilman Medina's earlier points. She emphasized the need for transparency, open communication, and understanding the concerns of the Black and Puerto Rican caucus. She supported pausing the disbursement of funds to address these concerns and ensure due diligence.

Chair Comer acknowledged the lack of prior notification about the caucus meeting and the need for better communication. She highlighted the caucus's request for understanding the council's process, particularly regarding past fund allocations to avoid duplication.

Councilwoman Naeem motioned to pause any disbursement of funding until the council has a conversation with the Black and Puerto Rican Caucus to understand their concerns. Councilwoman Gordon second the motion.

Councilman Betts expressed concerns about the pause's timeframe and clarity for the community. Councilman Jefferson voiced opposition to the motion, citing the Governor's support for fund disbursement, previous council discussions, and potential risks of delaying funds to communities in need.

Councilman Shirley emphasized the need for clarity on the pause's duration and purpose to avoid delays in fund distribution. Councilwoman Skyers-Thomas echoed this sentiment, seeking clarification on the caucus's request.

Councilman Gaddis expressed skepticism about the motion, highlighting concerns about setting precedents, lack of clarity on the caucus's request, and potential delays in fund allocation. Councilman Walton expressed agreement with previous sentiments but leaned towards voting against halting the process to continue the work already done. He suggested responding to the concerns in writing and having further discussions.

Councilman Betts raised concerns about safeguards for the funds and potential community backlash if funds were delayed or lost. Chair Andrea Comer explained that the funds were in a non-lapsing account with safeguards against misuse but acknowledged the concerns and apologized for the lack of prior notification.

Councilman Medina suggested having a follow-up meeting with the Black and Puerto Rican caucus to build confidence and address concerns. Director Ginne-Rae Clay clarified that the meeting with the caucus was not negative but highlighted the need for better understanding due to the complexity of the council's work.

Councilman Karpowitz proposed a potential middle ground by discussing an amended language or response that addresses concerns without halting the process entirely. Councilwoman Vallieres suggested a time-constrained pause, and Councilman Gaddis proposed a 10-business day pause to engage with the caucus and gather more information.

A friendly amendment was made to add 10 business days to the motion, and after a vote, the motion passed. Chair Comer expressed appreciation for the robust discussion and apologized for the lack of prior information, promising better communication in the future. Councilman Medina sought clarity on the follow-up meeting's structure regarding member count and public meeting rules, to which Chair Comer promised to provide details to ensure compliance with regulations.

Councilman Gaddis motioned for a friendly amendment to pause any disbursement of funding until the council has a conversation with the Black and Puerto Rican Caucus to understand their concerns for 10 business days.

Motion – by Ojala Naeem
Second – by Subira Gordon
In Favor – All
Opposed – None
Abstentions – None
Motion passed unanimously.

- Finance Committee
For Action - Report Addendum

Chair Andrea Comer presented the Finance Committee's recommendations. Firstly, the Finance Committee recommended adding an addendum of expenditures to the monthly balance sheet report that the committee receives. Councilman Gaddis moved to accept this recommendation, which was seconded by Councilman Abercrombie. After clarifying the recommendation for Councilman Jefferson, the motion was put to a vote, and it passed with no opposition or abstentions.

Motion – by Avery Gaddis
Second – by Kyle Abercrombie
In Favor – All
Opposed – None
Abstentions – None
Motion passed unanimously.

For Action – SEC Expenditure Approval

The meeting proceeded with the Finance Committee's second recommendation, which proposed setting a threshold for expenditures. Any expenditures beyond a \$50,000 threshold would require approval from the full council. Councilwoman Gordon moved to accept this recommendation, which was seconded by Councilman Gaddis.

Motion – by Subira Gordon
Second – by Avery Gaddis
In Favor – All
Opposed – None
Abstentions – None
Motion passed unanimously.

Councilman Jefferson expressed support for the motion but emphasized that the purpose was to enhance transparency and guardrails rather than respond to false narratives about the SEC's spending practices. Chair Comer clarified that the threshold was about ensuring council members

had visibility into expenditures and that it was more about transparency than promoting a narrative.

Councilman Abercrombie voiced his support for the motion, highlighting that many boards have similar thresholds for approval. Councilman Jefferson sought further clarification on the process and expressed concern about micromanagement. Chair Comer explained the process of procurement, approvals, and the role of DECD in signing off on expenditures, emphasizing the need for clarity and understanding.

Councilman Shirley suggested that while DECD approves certain expenditures, it would be helpful for the Finance Committee to be notified about anticipated expenditures for informational purposes. Councilman Abercrombie reiterated the need for a balance between oversight and micromanagement.

After further discussion, the motion to set a \$50,000 threshold for council approval of expenditures passed with unanimous support.

➤ Outreach Committee

Councilwoman Gordon apologized for needing to leave early and offering to provide a written report for the Outreach Committee update at the next meeting.

➤ Personnel Committee

Chairman Jefferson presented the Personnel Committee's recommendations regarding the expectation letters for the Executive Director and the Social Equity Council (SEC). He mentioned that the committee had previously discussed these matters and recommended moving them to the full council for approval.

Chairman Jefferson proposed accepting the recommendation from the Personnel Committee to approve the expectation letters for the executive director, the chair, and the duties of the Personnel Committee. This motion was seconded by Councilwoman Betts. Councilman Abercrombie expressed some concerns about the role of the Personnel Committee in overseeing such matters, suggesting that it might overlap with the Governance Committee's responsibilities.

Motion – by Michael Jefferson

Second – by Kevin Walton

In Favor – All

Opposed – None

Abstentions – None

Motion passed unanimously.

Chairman Jefferson clarified that the letters of expectation were not rules but rather guidelines for expectations, and they were deemed appropriate by the committee members. He also mentioned that the Personnel Committee served as an adjunct committee previously established by the council.

Councilwoman Naeem raised a question about aligning committee structures, which Chair Comer acknowledged and suggested would be a topic for discussion in a future meeting. Councilman Shirley explained that the Personnel Committee's recommendations would be brought through the Policy and Governance Committee for further discussion before being presented to the full council.

After discussion and clarifications, the motion to approve the expectation letters and the duties of the Personnel Committee passed unanimously.

9) For the Good of the Order

Chair Comer began by announcing changes in committee leadership roles. Councilman Gaddis was appointed as the new chair of the Finance Committee, while Councilwoman Hawkins and Councilman Karpowitz were appointed as co-chairs of the newly formed Strategic Planning Committee. Additionally, Councilman Betts was appointed as the chair of the newly formed Legislative Committee.

Chair Comer highlighted that these appointments were based on discussions held during the SEA Roundtable and acknowledged the significant expertise that each council colleague brings to their respective committees. She expressed gratitude to them for taking on these roles.

After these announcements, Chair Comer invited any other items for discussion under the "good of the order" agenda item. However, there were no further items raised for discussion.

10) Adjourn

Chair Comer proceeded to entertain a motion to adjourn the meeting at 12:10 P.M.

Motion – by Michael Jefferson

Second – by Kevin Walton

In Favor – All

Opposed – None

Abstentions – None

Motion passed unanimously.



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Date: May 7, 2024

RE: Minutes: May SEC Council Meeting Minutes Minutes (Draft)

Please be advised that the above-referenced typewritten minutes are a true and accurate description of the proceedings obtained from the recorded conversations to the extent that the audio could be clearly heard/understood. Portions that could not be heard/understood have been notated with a (an “inaudible” or “?...”).

Sincerely,

Brenda LaFleur

Brenda LaFleur
Owner, A Plus Reporting Service, LLC

I certify that this document is a true and accurate description of the proceedings obtained from the recorded conversations contained in the listed audio file.

Boden Truitt

Boden Truitt,
Transcriber