

EXHIBIT A

FY 2017-18 Cannabis Social Equity Grants Report

DATE: September 27, 2019

PROGRAM: Cannabis Program, Office of Community & Civic Life

SUBJECT: Cannabis Social Equity Grant – Year 1

BACKGROUND

In November 2016, City of Portland voters approved a ballot measure that created a 3% local tax on retail cannabis sales. Per the ballot measure, one of the allowed uses of the revenue was to “promote small businesses, especially women-owned and minority-owned businesses,” and “provide economic opportunity and education to communities disproportionately impacted by cannabis prohibition.”

In Fiscal Year 2017-18, the Offices of Commissioners Eudaly and Fritz led the process for organizing how to use the revenue for these efforts. This process included conducting a community survey and convened a Cannabis Tax Steering Committee, which included minority cannabis business owners and community partners, to identify priority areas for the tax revenue to be distributed.

The group identified the following priorities for those efforts:

- Expungement and record-clearing
- Workforce development
- Access to capital and technical assistance to promote equitable access to the cannabis industry

A survey to a targeted audience with 120 responses prioritized how the tax revenue could best support small businesses and those affected by cannabis prohibition. The priorities were as follows:

- Record-clearing and workforce development: 75-85% responded “important” or “very important”

- Industry support and technical assistance: 45-55% responded “important” or “very important”

Based on the responses, \$150,000 was allocated to Prosper Portland for the third bullet point (access to capital and technical assistance), and \$350,000 was set aside for the first two bullet points (record-clearing and workforce development). That \$350,000 became Year 1 of the Cannabis Social Equity Grants for Fiscal Year 2017-18.

YEAR 1 OF CANNABIS SOCIAL EQUITY GRANTS

The competitive grants process for allocating the \$350,000 for the Cannabis Social Equity Grants was administered by the Special Appropriations program at the Office of Management and Finance. The Offices of Commissioners Eudaly and Fritz assembled the selection committee, which included staff representatives from each council office, and city staff from Procurement and the Office of Equity and Human Rights.

The selection committee decided to allocate the \$350,000 as follows:

AMOUNT	ORGANIZATION	USE
\$154,845	Metropolitan Public Defenders	Record-clearing
\$95,155	Green Hop LLC	Workforce development
\$100,000	Portland Opportunities Industrialization Center + Rosemary Anderson High School	Workforce re-entry
\$350,000		

Final progress reports for Year 1 grants are due on October 30, 2019. The following status reports were gathered through review of progress reports submitted during Year 1 to-date.

METROPOLITAN PUBLIC DEFENDERS: YEAR 1 TO-DATE SUMMARY

Metropolitan Public Defenders (MPD) received \$154,845 as part of Year 1 (Fiscal Year 2017-18) of the Cannabis Social Equity Grants for record-clearing efforts.

The grant agreement states the funding would allow MPD to do the following:

- “...be able to expand its legal services day to other Portland communities in addition to the Rosewood community. Legal services day helps people exchange fines and fees associated with their offences for community service hours.

- “In addition, GRANTEE offers other legal services that help remove barriers towards employment and housing. GRANTEE's full-time outreach attorney and a part-time outreach coordinator will do direct outreach to African-American organizations and communities. This outreach will allow GRANTEE to advertise its services and process cases for all Portlanders with marijuana charges on their record.
- “This project will help expand GRANTEE's legal services day to find and clear the record of anyone in Portland with a marijuana charge.”

The grants agreement also states that the \$154,000 would be used for the salary and benefits of both an Outreach Coordinator (\$33,618) and an Outreach Attorney (\$84,264), for services and supplies (\$18,972), for mileage and outreach (\$3,000), and a 10% “administrative” cost (\$14,146).

Progress on Year 1 efforts

- Record-clearing services provided to 953 people (400 in the first reporting period, 553 in the second) as a result of grant funding
- Identified 213 individuals (in the second reporting period) to have eligible records as a result of the grant funding.
- Made posters to advertise the record-clearing services to be displayed at cannabis businesses
- Attended community court to file for arrest record expungements for eligible attendees immediately as they receive their dismissals
- Created partnerships with and expanded outreach to culturally-specific community organizations and other organizations as a result of grant funding, including with Black Lives Matter PDX, Black Parents Initiative, 4th Dimension, Unitarian Universalist Church, IRCO, Alano Club, APAO, Solid Ground, and with individual families
- Expanded outreach to groups targeting homelessness, and formalizing expungement-referral systems with Cascade AIDS Project, Central City Concern. And Transition Projects.
- Set up referral system for record expungement with Portland Community College’s Southeast Campus
- Participated in events advertising for record-clearing services, including at a ‘Second Chance’ Career Fair hosted by SE Works (at which MPD was able to consult with 15 people and provided expungement services for 10 on site), and also including:
 - Cascade AIDS Project clinic
 - A local hip-hop show clinic

- The Highland Christian Center Men’s Breakfast
- The National Cannabis Diversity Awareness Convention
- The Cannabis Collaborative Conference
- The Urban League Career Fair
- Transition Projects

Challenges

- The need for more administrative support due to the heavy administrative demand of the work
- Establishing working relationships with other community organizations took time, but has been successful

GREEN HOP LLC: YEAR 1 TO-DATE SUMMARY

Green Hop LLC received \$95,155 as part of Year 1 of the Cannabis Social Equity Grants for workforce development efforts.

The grant agreement states the funding would allow Green Hop to do the following:

- Create a “pilot project... to racially diversify the cannabis industry with an accelerated training and apprenticeship academy, that connects historically underserved populations with the knowledge of how to enter the cannabis industry.”
- Establish a “educational and informational academy and an internship / apprenticeship program... with an emphasis on educating communities of color about the cannabis industry, to help them recognize the medicinal and economic opportunities available to them and help heal the isolation and stigma that have been associated with the cannabis industry for decades.”
- “Partner with The Portland Opportunities Industrialization Center (POIC) to become a work development site to take eight young adults, ages 21 to 24, through the training academy to become BudTenders at the Green Hop dispensary.”
- “Green Hop’s programing will serve 9-10 participants by the end of the 2018-2019 fiscal year.”

The grants agreement also states that the \$95,155 would be used for hourly wages and salaries for interns (\$42,000), to pay the Program Director / Facilitator (\$34,000), for education and professional contract services (\$10,000), instructional supplies and equipment (\$1,000), out of state travel (\$5,000), and a 5% “indirect” line item (\$3,155).

Progress on Year 1 efforts

- Selected 8 academy interns
- 846 hours of industry experience and education as of the first progress report
- All 8 academy interns passed the Marijuana Workers Permit Test
- All 8 academy interns have completed the 10-week internship
- All 8 academy interns reported both a change in their perspective toward cannabis as a result of the academy, and reported an expansion of their knowledge about cannabis industry.
- Selected 5 out of 8 academy graduates to join the apprenticeship program
- Continue establishing partnership with producers, processors, and lab techs so interns can gain experience in other areas of the Cannabis Industry.

Challenges

- Differentiating instruction and curriculum to meet participant needs
- Finding a financial institution to work with as a cannabis business; understanding how applicable tax laws and requirements apply
- The complexity of labor laws as it relates to the work of the Green Hop Academy

PORTLAND OPPORTUNITIES INDUSTRIALIZATION CENTER + ROSEMARY ANDERSON HIGH SCHOOL (POIC + RAHS): YEAR 1 TO-DATE SUMMARY

Portland Opportunities Industrialization Center + Rosemary Anderson High School (POIC) received \$100,000 as part of Year 1 of the Cannabis Social Equity Grants for workforce re-entry efforts.

The grant agreement states the funding would allow POIC + RAHS to do the following:

- Serve “...serves young adults of color and those from low income communities, ages 18-25, by holistically preparing them for full-time construction apprenticeships and living-wage professional careers in the construction industry.”
- Add a “...full-time career coach and by offsetting the expenses of participant materials, POIC will exponentially enhance the program’s capacity to position enrollees for career success.”
- “Support POIC in focusing program outreach and recruitment efforts to individuals disproportionately impacted by former cannabis laws.”
- Serve trainees in classes for 12 consecutive weeks for 26 hours per week, engaging in 312 hours of instruction.

- Goals to enroll 35 trainees in the Construction Pre-Apprenticeship program; 35 trainees in short-term vocational training through ODOT and OSHA, among other partners; and connect 15 trainees with mentors in the construction field
- Goals to have trainees earn industry-recognized credentials, including OSHA's Outreach Training Program for the Construction Industry, First Aid / CPR, and ODOT Flagging (80% or 28 trainees); earn the BOLI-recognized certificate that prepares them to enter a Construction Apprenticeship Program as a preferred applicant (75% or 26 trainees); enter a BOLI-certified Construction Apprenticeship Program or obtain a living-wage employment in construction or a related field (65% or 23 trainees); and have trainees employed full-time in any sector during the quarter immediately following the program (85% or 30 trainees).

The grant agreement also states that the \$100,000 would be used for the Career Coach's wages (\$48,000) and benefits (\$14,400), a phone and laptop for the Career Coach (\$1,000), for participant expenses (\$31,800), and for "administrative" costs (\$4,800).

Progress on Year 1 efforts

- Recruited and hired a Career Coach
- Program and recruitment outreach efforts to individuals disproportionately impacted by cannabis laws, including through POIC's Community Healing Initiative, over 90% of whose participants are impacted by gangs or have been involved in the juvenile justice system and 84% of whom live below the poverty line.
- 37 total trainees enrolled over three cohorts
- Goal outcomes to-date:
 - 74% (Goal: 80%) of trainees earned industry-recognized credential
 - 74% (Goal: 75%) of trainees completed Construction Pre-Apprenticeship
 - 58% (Goal: 65%) of trainees entered in a BOLI-certified Construction Apprenticeship Program or obtain a living-wage employment in construction or a related field
 - 75% (Goal: 85%) of trainees employed full-time in any sector
- All cohort participants self-identified as people of color, low-income, and/or have experience barriers to employment
- 12 of 15 participants in Winter cohort graduated
- 17 of 22 participants in other cohorts graduated

Challenges

- Establishing relationships with outside apprenticeship programs

- Attendance and retention (a new attendance policy was put in place to address this)
- Waiting times for “direct entry” options for cohort graduates
- Adding support services that reflect and meet the need of cohort participants, including hourly wages, financial literacy, child care, and transportation