

IMPACT STATEMENT

Legislation title: *Authorize grant agreements with three community partners to disperse funds for the Cannabis Emergency Relief Fund for a total of \$1,330,000 (Ordinance)

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Purpose of proposed legislation and background information:

In November 2016, City of Portland voters approved Ballot Measure 26-180 to impose a 3% local tax on retail cannabis sales. The revenue from the 3% local tax on retail cannabis sales is expected to be managed independently and would be dedicated to three specific areas, including “support for neighborhood small businesses, especially minority and women owned businesses.”

March 16, 2020, Oregon Governor Kate Brown, declared a State of Emergency due to concerns around the COVID-19 pandemic and issued an Executive Stay at Home Order. This order closed schools and many businesses that were considered non-essential. Cannabis businesses were deemed essential and were fortunately able to continue operating, although unfortunately, open for business made the Cannabis industry employees vulnerable to contracting Coronavirus. Employees with small children being forced out of the workforce or reduction in hours in order to stay home with their children, due to lack of childcare and the need for homeschooling. These businesses were also vulnerable to what would become a 115% increase in violent crime reported from the previous year and vandalism due to the civil unrest seen around the city and country.

As time progressed, the distress felt by the Cannabis Industry only worsened. In early September 2020, rapid expansion of multiple wildfires ran rampant across the state making the Oregon 2020 wildfire season one of the most destructive on record. Oregon Wildfires have caused unprecedented devastation to the entire cannabis industry supply chain with significant uncertainty surrounding future outcomes and long-term sustainability. Portland licensees are not immune to the impacts affecting other parts of the state, as the whole cannabis industry is one ecosystem.

Nearing the end of 2021, the Cannabis Industry is still reeling in hardship and continued increased criminal activity. Data obtained by OLCC indicates 185 Portland Cannabis businesses reported theft of product and/or money between March 2020 and October 2021. Some businesses being victimized more than once. These thefts range from looting to armed robbery, some resulting in bodily injury, sexual assault, and even homicide.

Financial and budgetary impacts:

Civic Life recommends a total of \$1,330,000 allocated from the Recreational Cannabis Tax Fund.

On June 9, 2021, Council approved the City adopted budget for fiscal year 2021-2022 which includes a one-time allocation of \$1,330,000 to support the Cannabis Emergency Relief Fund (CERF).

Community impacts and community involvement:

The City recognizes the need to provide Cannabis businesses and its employees emergency relief for those economically impacted from Covid-19, vandalism, robberies, wildfire, and the residual effects of illness, trauma, and grief suffered from such impacts. The City recognizes that historically disadvantaged individuals experience the greatest impacts and need the most support, therefore, BIPOC, Women, and Veteran owned small businesses and individuals will receive priority funding.

It is the intention of this ordinance to provide some emergency relief to the struggling cannabis community. This is necessary for not only the sustainability of Portland's cannabis industry, but also for the future of any cannabis tax revenue that provides relief and assistance for many more Portlanders and their communities.

Budgetary Impact Worksheet

Does this action change appropriations?

- ☐ **YES:** Please complete the information below.
☒ **NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount