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190944

Emergency Ordinance

***Authorize grant agreements with ten organizations for the Social Equity and Educational Development Initiatives at the Office of Community & Civic Life for a total not to exceed \$1,050,000**

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. In November 2016, City of Portland voters approved Ballot Measure 26-180 to impose a 3% local tax on retail cannabis sales. Portland City Council reaffirms its support for an equity-centered regulatory framework for legal cannabis business operations in Portland and in Oregon.
2. 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, including minority and women owned businesses, and to “provide economic opportunity and education to communities disproportionately impacted by cannabis prohibition.”
3. The City has an interest in encouraging entrepreneurship, supporting equitable access to the local cannabis industry, and taking steps to repair the damage caused by the inequitable development of policies, and the racially-biased enforcement and prosecution of previous cannabis laws. This includes direct assistance to cannabis businesses owned by those disproportionately impacted by cannabis prohibition, including Black, Indigenous and People of Color (BIPOC)-owned and women-owned businesses.
4. The City recognizes the unique and necessary role of government in helping to address those historical wrongs which still affect people today, and that this can be done through equity-centered regulation of the cannabis industry in Portland, by supporting the Cannabis Policy Oversight Team (CPOT), whose goal is to recommend more equitable cannabis policies, and through the facilitation, coordination, and staffing of Portland’s Social Equity & Educational Development (SEED) Initiatives.

Introduced by

[Commissioner Jo Ann Hardesty](#)

Bureau

[Office of Community & Civic Life](#)

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Requested Agenda Type

Time Certain

5. SEED Initiatives, which includes the SEED Grant Fund, is funded by an ongoing allocation from the City's local tax on cannabis sales, and is a tool for community reinvestment, restorative justice and wealth creation in those communities that have been historically and disproportionately impacted by the racially-biased enforcement of cannabis criminalization, including Black, Indigenous and Latinx communities.
6. Priority funding areas for the SEED Grant Fund: education, entrepreneurship and economic development, criminal justice and expungement.
7. The Office of Community & Civic Life (Civic Life) requested proposals from non-profit and for-profit entities (e.g., community-based organizations, businesses) with demonstrated experience in their areas of expertise, as well as applied strategies for equity and inclusion in organizational planning and decision-making, fostering interconnected communities, and providing multicultural and community-specific engagement.
8. Civic Life will distribute \$1,050,000 from FY 2022-23 budget as part of the SEED Initiatives for 2022 SEED Grant Fund awards from the Recreational Cannabis Tax Fund.
9. A diverse grant selection committee of 6-9 individuals, including Civic Life staff, CPOT and OGR's Tribal Relations, evaluated the proposals in the context of the purpose and requirements of the grant program. Ninety proposals were submitted for over \$15 million in requests. The committee independently scored each application through two rounds of submission and deliberated to establish the recommendations to fund ten organizations, listed in the summary attached as Exhibit A.
10. Civic Life has determined the ten proposed recipients are qualified to provide the programs and services at no cost to community members across priority areas of education, entrepreneurship, economic development and criminal justice, including expungement, which will be outlined in a detailed scope of work in accordance with the City of Portland grant agreement.
11. The City Attorney's Office has approved the grant agreement template attached as Exhibit B.

NOW, THEREFORE, the Council directs:

- A. The Director of the Office of Community & Civic Life is authorized to execute grant agreements in a form substantially similar to the agreement attached as Exhibit B with the organizations listed in Exhibit A. The grant agreements shall conform to the funding allocations listed in Exhibit A. The total amount of grant funding authorized by this ordinance shall not exceed \$1,050,000.
- B. Amendments to the grant agreements, including Scope of Work, Budget, and grant funding amount, may be executed by the Director of the Office of Community & Civic Life or the Director's designee,

provided the amendments do not increase the fiscal risk to the City or increase funding as authorized above, and have been approved as to form by the City Attorney.

Section 2. The Council declares an emergency exists because a delay in funding could result in delay in no-charge services to communities disproportionately impacted by cannabis prohibition including Black, Indigenous and communities of color by these organizations through these agreements; therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

Documents and Exhibits

 [Exhibit A](#) (436.88 Kb)

 [Exhibit B](#) (357.92 Kb)

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council
July 28, 2022

Auditor of the City of Portland
Mary Hull Caballero

Impact Statement

Purpose of Proposed Legislation and Background Information

In November 2016, City of Portland voters approved Portland Ballot Measure 26-180 to impose a 3% local tax on adult-use cannabis retail sales. Racially-biased cannabis policies and disparate cannabis-related arrests, convictions, and sentencing have had long lasting legal, social, economic, and inter-generational consequences to local communities, including Black, Indigenous and Latino/a/x communities. In 2020, Portland City Council approved an ongoing portion of the cannabis tax revenue to be allocated to the Office of Community & Civic Life's Cannabis Program to rectify some of these past harms and to reinvest in these local communities directly.

Moreover, intergenerational marginalization and community disinvestment are further continued by policies denying U.S. residency, child custody, voting rights, employment, business loans, business licensing, student financial aid, public housing and other public assistance to people with criminal convictions. The Office of Community & Civic Life recognizes that restorative efforts and repairing the harm caused by decades of racially-biased enforcement of cannabis prohibition law will take equally long to reverse the damage.

Supported by the ongoing \$1 million in cannabis tax revenue funding, Social Equity & Educational Development (SEED) Initiatives, launched in 2020, is the cannabis program's vehicle for executing, monitoring, measuring & reporting on the city's 3% excise tax equity investment, including administering the SEED

Grant Fund (formerly cannabis social equity grants) and publishing an annual SEED Initiatives Report outlining the city's return on equity investment (ROEI). In the United States, it is the first cannabis equity and community investment program of its kind integrated within the cannabis regulatory office.

The SEED Grant Fund aims to aid, strengthen, and serve restorative justice, community reinvestment, and wealth creation in communities, which have been disproportionately impacted by over 80 years of cannabis prohibition laws, including Black, Indigenous and Latino/a/x communities. Cannabis policies and disparate cannabis-related arrests, convictions, and sentencing have had life-altering and inter-generational consequences for these specific communities. The grant fund is one small step for the City in acknowledging and addressing the decades of harm, including that caused to Black, Indigenous, and communities of color by cannabis criminalization and stigmatization.

Financial and Budgetary Impacts

Civic Life will distribute \$1,050,000 from FY 2022-23 budget as part of the SEED Initiatives. for 2022 SEED Grant Fund awards from the Recreational Cannabis Tax Fund.

Community Impacts and Community Involvement

The development of SEED Initiatives, subsequent grant design changes and priority funding areas have been informed by stakeholder engagement through the Cannabis Policy Oversight Team (CPOT), and stakeholder feedback from: community listening sessions, past three grant cycles and applicants; Cannabis Community Conversations; and information from City, regional and national efforts in cannabis equity, community economic development and restorative justice.

The SEED Grant Fund will distribute funding across a range of projects, programs and services within the designated priority areas. In accordance with voter intention of the Ballot Measure 26-180, additional priority will be given to projects, programs and services that demonstrate institutional policies and practices in equity, community partnerships, and economic development in communities most negatively impacted by cannabis prohibition, including BIPOC-led projects, programs and services.

All programs and projects funded by the SEED Grant Fund will:

- Prioritize communities, businesses, and individuals who've been adversely impacted by cannabis prohibition in program/project services;
- Build sustainable capacity in BIPOC communities and BIPOC- and women-owned businesses or individuals;
- Reflect institutional commitment to outcomes in equity, collective impact, and economic development;
- Increase community building and civic engagement opportunities for communities working towards equitable outcomes.

PRIORITY FUNDING AREAS:

EDUCATION

- Youth Training & Development
- Workforce Development
- Community Education
- Health Education
- STEAM Education (Science, Technology, Engineering, Arts, Math or Medical)

ENTREPRENEURSHIP & ECONOMIC DEVELOPMENT

- Business incubation & acceleration
- Business Support for Entrepreneurs
- Co-working Spaces
- Networking & Mentorship

CRIMINAL JUSTICE & EXPUNGEMENT

- Criminal justice reform projects and services
- Legal services and case management support
- Re-entry housing support and services

TOTAL APPLICATIONS (Self-reported)

- 90 round one applications submitted
- 84% majority led or owned by Black, Indigenous and/or people of color (BIPOC), including multi-racial/ multicultural
- 65% Multiple prioritized areas
- 52% Education
- 57% Entrepreneurship & Economic Development
- 13% Criminal Justice & Expungement
- 12% Cannabis
- 33 SEED Grant Finalists
- 87% majority led or owned by BIPOC
- 27 final round applications submitted

PROPOSED GRANT RECIPIENTS (Self-reported; At-a-glance)

10 organizations; 80% majority led or owned by BIPOC; 70% led or owned by women

- 60% Black (6)
- 20% Multi-racial/Multicultural (2)
- 0% Latino/a/x (0)
- 10% Indigenous (1)
- 10% AAPI (1)

100% Renewable Goal

N/A

Agenda Items

667 Time Certain in [July 27-28, 2022 Council Agenda](#)

Passed

Commissioner Jo Ann Hardesty Yea

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Commissioner Mingus Mapps Yea

Mayor Ted Wheeler Absent