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190945

Emergency Ordinance

***Authorize grant agreement with NuLeaf Project to disperse funds for the Cannabis Emergency Relief Fund at the Office of Community & Civic Life to eligible Cannabis businesses for a total of \$456,901**

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.
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. On July 22, 2020, Portland City Council approved a plan to distribute \$114 million in federal CARES Act (Coronavirus Aid, Relief and Economic Security) relief to the community. Federally, Cannabis is still illegal as it is classified as a Schedule 1 Controlled Substance, thus making Cannabis businesses ineligible for federal relief funding.
4. Portland based Cannabis businesses continue to experience extreme financial impacts caused by increased vandalism and property damage due to the state of civil unrest as well as an alarming spike in armed robberies and burglaries of these cash-based businesses.
5. 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.
6. Oregon Wildfires have caused unprecedented devastation to the entire cannabis industry supply chain with significant uncertainty surrounding future outcomes and long-term sustainability, most notably with regards to insurance coverage and/or loss mitigation efforts.

Introduced by

[Commissioner Jo Ann Hardesty](#)

Bureau

[Office of Community & Civic Life](#)

Contact

Dasheeda Dawson

Cannabis Program Manager

✉ CPOT@portlandoregon.gov

📞 [503-823-1871](tel:503-823-1871)

Christina Coursey

Coordinator IV, Cannabis Program

✉ christina.coursey@portlandoregon.gov

📞 [503-823-6253](tel:503-823-6253)

Requested Agenda Type

Time Certain

7. The City recognizes the need to provide Cannabis Industry employees emergency relief for workers economically impacted from Covid-19, vandalism, robberies, wildfire, and the residual effects of illness, trauma, and grief suffered from such impacts.
8. On June 8, 2022, Council approved the City adopted budget for fiscal year 2022-2023 which includes a one-time allocation of \$456,901 to support the Cannabis Emergency Relief Fund (CERF).
9. Civic Life has determined the recipient identified in Exhibit A is uniquely qualified to administer the Cannabis Emergency Relief Fund (CERF), which is further outlined in Exhibit A. NuLeaf Project will only be allowed to utilize funds to administer CERF and not for their own operating budgets. NuLeaf Project will receive up to a 20% administrative fee that is for marketing, outreach, intake, processing, verification, payment, and reporting for CERF.

NOW, THEREFORE, the Council directs:

- A. The Director of the Office of Community & Civic Life is authorized to execute grant agreement based on the City's standard agreement template attached as Exhibit B with the organizations listed in Exhibit A, upon the template having fully incorporated grant requirements in accordance with the grant program criteria, and upon approval as to form by the City Attorney. The grant agreement shall conform to the funding allocations listed in Exhibit A. The total amount of grant funding authorized by this ordinance shall not exceed \$456,901.
- B. Amendments to the grant agreement, 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 that an emergency exists because Portland Cannabis businesses and Cannabis workers continue to suffer economic and emotional hardships from the ongoing COVID-19 pandemic, increased criminal activity, and wildfires.; therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

Documents and Exhibits

 [Exhibit A](#) (357.41 Kb)

 [Exhibit B](#) (271.3 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 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, including 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 was still reeling in hardship and continued increased criminal activity. Data obtained by OLCC indicated 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.

Data obtained in June of 2022 by OLCC still show a steady rate of retailer victimizations from increased criminal activity. In the past six months, retailers have experienced continued theft of product and/or money.

Financial and Budgetary Impacts

Civic Life recommends a total of \$456,901. This includes a one-time allocation of \$305,750 from the Recreational Cannabis Tax Fund and \$151,151 of one-time General Fund resources.

On June 8, 2022, Council approved the City adopted budget for fiscal year 2022-2023 which includes a one-time allocation of \$456,901 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, including BIPOC, Women, and Veteran owned small businesses and individuals, and 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.

100% Renewable Goal

N/A

Agenda Items

668 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