



To: City Council

CC: City Budget Office

From: Commissioner Eudaly and Commissioner Fritz

Date: November 30, 2017

Re: Progress report on Recreational Marijuana Tax Budget Allocation

In its 2017-2018 budget cycle, City Council adopted the following budget note to address a portion of projected annual revenues from a tax on recreational marijuana sales, referred to the ballot by Council and passed by Portland voters in November 2016.

The note reads as follows:

**Community-Driven, Inclusive Budgeting Process**

The FY 2017-18 budget includes \$500,000 in Recreational Marijuana Tax revenue to be allocated via a community-driven, inclusive process, to be managed by the City Budget Office with guidance from Commissioners Eudaly and Fritz. The project managers shall report to Council by November 30<sup>th</sup>, 2017 on their progress.

Funding allocated through this process will go toward the following: support for neighborhood small businesses, especially women-owned and minority-owned businesses, including but not limited to business incubator programs, management training, and job training opportunities; and providing economic opportunity and education to communities disproportionately-impacted by cannabis prohibition.

**Process Update**

Since September, staff from the offices of Commissioner Eudaly and Commissioner Fritz, in partnership with the City Budget Office, convened a steering committee to develop a set of broadly-scoped project proposals that meet the intent of City Code. Representatives included minority-owned cannabis business owners, small business and workforce development program staff and restorative justice and legal advocates (see attached roster).

The steering committee met a total of five times and plans to convene for a final meeting in December. Participants were asked to propose and discuss various projects that met the allocation requirements as outlined in the budget note.

### **Proposed Projects**

**Record Clearing:** Undo direct harm to those disproportionately impacted by cannabis prohibition by removing barriers to housing, employment, and education through legal support including but not limited to expungement, fine reduction, and charge reduction

**Workforce Development:** Create pathways for people of color to obtain family-wage jobs, including, but not limited to, training, mentorship, stipends for worker permits, and innovation within the cannabis industry

**Industry Support:** Remove financial barriers to entering the cannabis industry, including, but not limited to, startup capital, incubator/office space, and grants to existing businesses for one-time costs (such as equipment, etc.).

**Technical Assistance:** Provide support for entrepreneurs, including but not limited to business education, navigators, OSHA, and legal services

### **Next Steps**

These proposed projects will be included in a survey and distributed to impacted communities in December and January for direct feedback. It is our intention to ask the populations most directly impacted by previous cannabis laws to not only weigh in on these proposals, but to suggest any additional project ideas that were not otherwise identified through the steering committee process.

Our offices will evaluate the feedback received and then facilitate a special appropriation grant process to distribute the money to organizations best suited to do the work as identified by the community. We anticipate that the grant process will begin by February 2018 and will conclude sometime in March or April, at which time we will come before Council for final approval of the grant awards. Grant recipients must spend the funds awarded to them by June 30, 2019.

Please contact our offices if you have questions or would like a more detailed briefing on the process to-date.

Respectfully submitted,



Commissioner Chloe Eudaly



Commissioner Amanda Fritz



**City of Portland Cannabis Tax Allocation Steering Committee – Roster** *updated 9/28/17*

<b>Name</b>	<b>Primary Affiliation</b>	<b>Expertise</b>
Alex Bassos	Metropolitan Public Defender	Legal Advocacy
Tory Campbell	Prosper Portland	Small Business Development
Kate Gonsalves	Oregon Justice Resource Center	Legal Advocacy
Jesce Horton	Minority Cannabis Business Association	Minority Business Development/Business Owner
Rachel Knox, MD	American Cannabinoid Clinics	Medical/Public Health
Al Ochoa	Cura Cannabis Solutions	Business Owner
Amanda Park	Prosper Portland	Small Business Development
Laura Valden	Green State of Mind Inc	Business Owner
Adrian Wayman	Green Box	Business Owner
Holly Whittleton	SE Works	Job training and placement