



COUNTY OF HUMBOLDT

For the meeting of: 12/10/2024

File #: 24-1597

To: Board of Supervisors

From: County Administrative Office

Agenda Section: Consent

Vote Requirement: Majority

SUBJECT:

Authorize Staff to Apply for the Fiscal Year (FY) 2024-25 Community Equity Grant through the California Governor's Office of Business and Economic Development for the Project Trellis Local Equity Program

RECOMMENDATION(S):

That the Board of Supervisors:

1. Authorize staff to apply for the FY 2024-25 Community Equity Grant application cycle for \$600,000 of state funds for Project Trellis Local Equity grants; and
2. Approve a \$100,000 General Fund allocation as match for the state funds to be used for administrative support of the Project Trellis program for FY 2025-26; and
3. Direct staff to award funding based upon the applicant queue established during the FY 2023-24 Project Trellis Grant Round until all currently eligible applicants are awarded.

STRATEGIC PLAN:

This action supports the following areas of your Board's Strategic Plan.

Area of Focus: A Diverse, Equitable & Robust Economy

Strategic Plan Category: 2001 - Promote strong economic resiliency and growth

DISCUSSION:

On Oct. 1, 2024, staff from the County Administrative Office's Economic Development Division received a memo from the California Governor's Office of Business and Economic Development (GO-Biz) announcing the availability of the Cannabis Equity Grants Program for Local Jurisdictions for FY 2024-25. This funding is the source for the Project Trellis Local Equity Program and is intended to support individuals who were negatively impacted by the prohibition of cannabis and are seeking to enter or remain in the legal cannabis market. The program is operated through the Local Equity Program Manual as approved by the Board and state.

On June 14, 2022, the Board approved an allocation of a \$100,000 general fund match for this program. This decision was based on the program's ongoing administrative cost and award funding formula, which includes a matching component that enhanced the likelihood for receiving funding. Since then, GO-Biz has implemented changes, beginning with the Fall 2023 application cycle, requiring a 1:1 match for any funding awarded over \$500,000. The GO-Biz awards come with a maximum of 10% administrative costs which only covers the initial period in which funding is released to subrecipients. The \$100,000 general fund match will be dedicated to the ongoing administrative and support costs of the Project Trellis Local Equity Program.

A total of 141 applications were received for the Project Trellis Local Equity Program grant funding awarded Oct. 31, 2024 and to be awarded by Oct. 31, 2025. Of the 141 applications, 124 applicants were determined to be Local Equity eligible, and 22 of those

eligible applicants receiving funding under the Oct. 31, 2024. If the Board authorizes the Economic Development Division to apply for new funding, the remaining 102 Local Equity eligible applicants could retain their positions in the existing queue. This would eliminate the need to open a new application period, significantly reducing staff time and administrative costs. Staff time will still be impacted by the need to reevaluate applications for eligibility criteria prior to award issuance, subaward monitoring and reporting to the state.

Should your Board choose to not authorize staff to apply for the FY 2024-25 Community Equity Grant application cycle program will expire the first quarter of FY 2025-26 and will require administrative support though FY 2025-26. Without a dedicated funding source, these activities will impact other programs in Economic Development and will need to be addressed during the FY 2025-26 budget cycle.

SOURCE OF FUNDING:

General Fund (1100)
Community Equity Grant Award (1120-275422)

FINANCIAL IMPACT:

<i>Expenditures (1120-275422)</i>	FY25-26 Projected*
<i>Grant Expenditure</i>	\$600,000
<i>Special Departmental Expense</i>	\$100,000
<i>Total Expenditures</i>	<u>\$700,000</u>

**Projected amounts are estimates and are subject to change.*

<i>Funding Sources (1120-275422)</i>	FY25-26 Projected*
<i>General Fund Allocation</i>	<u>\$100,000</u>
<i>State/Federal Funds</i>	<u>\$600,000</u>
<i>Total Funding Sources</i>	<u>\$700,000</u>

**Projected amounts are estimates and are subject to change.*

Narrative Explanation of Financial Impact:

The grant award and general fund allocation will be included in the proposed Economic Development’s Project Trellis Budget unit (1120-275422) for FY 2025-26 in the amount of \$700,000. Without further funding the program will expire in the first quarter of FY 2025-26 which will require some level of administrative support though the FY 2025-26 as subaward monitoring and reporting to the state must occur. Without a dedicated funding source, the close out of these activities will have a direct impact to other Economic Development programs.

STAFFING IMPACT:

While there are no additional staffing allocations at this time, failure to secure this funding will negatively impact the Economic Development Divisions staffing budget which will need to be supplemented from other sources to maintain the current level of staffing.

OTHER AGENCY INVOLVEMENT:

N/A

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board could choose not to approve an additional round of Community Equity Grant funding for the Project Trellis Local Equity Program and its general fund match. However, this is not recommended as there are still applicants in the queue that would benefit from this funding.

ATTACHMENTS:

1. CEG Program Grant Solicitation Fiscal Year 2024-25
2. Fiscal Year 2024-25 Project Trellis Grant Methodology

3. Current Project Trellis Local Equity Program Queue
4. Resolution Authorizing CAO to execute agreements with GoBiz under the Community Equity Grant Program

PREVIOUS ACTION/REFERRAL:

Meeting of: May 28 2019; Jan. 12, 2021; Feb. 1, 2022; March 8, 2022; June 14, 2022; May 16, 2023; Aug. 22, 2023; Oct. 22, 2024
File No.: 19-633, 21-1859, 22-94, 22-225, 22-283, 23-190, 23-1089, 24-1469