



COUNTY OF HUMBOLDT

For the meeting of: 6/29/2021

File #: 21-666

To: Board of Supervisors

From: County Administrative Office

Agenda Section: Consent

SUBJECT:
Second Modification to Humboldt County Local Equity Program Manual

RECOMMENDATION(S):
That the Board of Supervisors:

1. Approve modifications to the Humboldt County Local Equity Program Manual.

SOURCE OF FUNDING:
Economic Development Fund

DISCUSSION:
On March 19th, 2019, your Board adopted Resolution No. 19-24 adopting the Humboldt County Cannabis Local Equity Program Manual for the operation of the County of Humboldt Local Equity Program (LEP), in response to Senate Bill (SB) 1294: the California Cannabis Equity Act of 2018. The Humboldt County Local Equity Program Manual (Manual) focuses on inclusion and support of individuals and communities in Humboldt's cannabis industry who are linked to populations or neighborhoods that were negatively or disproportionately impacted by cannabis criminalization.

With the adoption of the LEP, your Board also authorized the County of Humboldt's Economic Development Division (i.e. EcDev) to apply for the Bureau of Cannabis Control (BCC) Cannabis Equity Grant (CEG) funding for the maximum amount of funding available, based on criteria and allocation formula set forth in the BCC Program Guidelines.

During the time between your Boards approval of the LEP, and submittal of the county's application for CEG funding the BCC's criteria for local equity programs changed. These changes, coupled with the publication of Humboldt County's Equity Assessment, necessitated that staff make certain modifications to the LEP Manual. Your Board approved those changes on October 8, 2019. These modifications included:

- Adding clarification to the Manual under section "A. Qualifications" by creating criteria for "Program Eligibility" and "Alternate qualifications" thereby increasing the types of individuals

who can qualify for services under the LEP.

- Adding section “D. Provision of Services” to the Manual clarifying the type of agencies eligible to provide LEP services and which services, through an interagency agreement with a qualifying internal or external agency, may be provided on behalf of the County.

In the time since your Board approved the original modifications to the Manual, EcDev has launched and accepted applications for V1.0 of the Humboldt County LEP. Services are currently being delivered to qualified local equity applicants and licensees using BCC CEG funding.

Also, since this time, the BCC released administration of the CEG funding to the Governor’s Office of Business and Economic Development (GO-Biz). Under the oversight of GO-Biz, EcDev has received two (2) awards, \$2.4 million dollars and \$1.05 million dollars.

Under supervision of GO-Biz the CEG funding and the funded jurisdiction’s LEPs have received further clarification in regard to use of funds. These further clarifications, as well as, feedback on V1.0 of the Humboldt County LEP from interagency partnerships, stakeholders, and community members, has necessitated additional modifications to the Manual. In addition, the original adoption of the LEP stated that the Manual would receive annual updates.

The proposed modifications will be utilized to function V2.0 of the Humboldt County LEP. These modifications include:

- Adding clarification to the Manual under section “A. Qualifications” by creating and “Initial Program Eligibility” criteria identifying three (3) required qualifications, including, income level, residency, ownership/stakeholder requirements, which further define the types of individuals who can qualify for services under the LEP.
- Adding clarification to the Manual under section “A. Qualifications” by removing criteria qualifying employees, with no intention of permitting, for funding, as GO-Biz has clarified the definition of those who are eligible for LEP funding, as provided in the definitions of SB1294, which defines eligible individuals as Local Equity Applicants, those who have or will apply for a cannabis permit or license, and Local Equity Licensees, those who have applied for and obtained a cannabis permit or license.
- Adding clarification to the Manual under section “B. Services” updating language to clarify how services are delivered, either through direct payment on the applicant’s behalf, or direct grants to applicants.
- Adding clarification to the Manual under section “B. Services” by reordering services.
- Adding clarification to the Manual under section “B. Services” updating language to service

items to broaden scope of services, allowing for more accessibility to funding.

- Adding clarification to the Manual under section “C. Program Administration” updating language to clarify administration of the LEP.
- Adding clarification to the Manual under section “D. Provision of Services” updating language to clarify administration of the LEP services.
- Adding clarification to the Manual under section “E. Budget Allocation” updating language to align with the budget approved as accepted for CEG funding by GO-Biz.

FINANCIAL IMPACT:

The county funded portion of the Humboldt County LEP, via the allocation of cannabis excise tax that is set aside for Project Trellis, for fiscal year (FY) 2021-22 is \$106,920.00, which acts as match to the GO-Biz CEG award. The two (2) GO-Biz CEG awards received to date are \$2,459,581.02, and \$1,055,870.22.

STRATEGIC FRAMEWORK:

This action supports your Board’s Strategic Framework by supporting business, workforce development and creation of private-sector jobs .

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board discretion.

ATTACHMENTS:

Humboldt County Local Equity Program Manual 2021
Humboldt County Local Equity Program Manual 2019
Humboldt County Cannabis Equity Assessment
Local equity Program Manual Red Lined

PREVIOUS ACTION/REFERRAL:

Board Order No.: I-1, C-6
Meeting of: March 19, 2019, October 8, 2019
File No.: 19-406, 19-1392