



COUNTY OF HUMBOLDT

For the meeting of: 3/24/2026

File #: 26-106

To: Board of Supervisors

From: County Administrative Office

Agenda Section: Consent

Vote Requirement: Majority

SUBJECT:

Accept \$850,000 of Cannabis Equity Grant Funding from The State of California's Governor's Office of Business and Economic Development for Project Trellis

RECOMMENDATION(S):

That the Board of Supervisors:

1. Accept an award of \$850,000 in Community Equity Grant (CEG) funds from the State of California's Governor's Office of Economic Development;
2. Authorize the County Administrative Officer, or designee, to execute the grant agreement, and any subsequent amendments after review by County Counsel and Risk Management with the Governor's Office of Business and Economic Development; and
3. Authorize one time allocation of \$100,000 in match from the General Fund to be included in the fiscal year (FY) 2026-27 budget.

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 April 15, 2025, the Board of Supervisors directed Economic Development staff to continue to pursue Cannabis Equity Grant funding from the Governor's Office of Business and Economic Development to support the Project Trellis Local Equity Program. Consistent with that direction, staff applied for funding in December 2025. On Jan.14, 2026, staff received notification confirming eligibility for an award in the amount of \$850,000.

During the most recent funding cycle, the State modified the local match requirement, increasing the threshold for a 1:1 match from awards over \$500,000 to awards over \$750,000. This change enabled staff to apply for \$850,000 in state funding, with a proposed \$100,000 General Fund contribution.

Since its launch in 2021, the Community Equity Grant program has served as the primary funding source for the Project Trellis Local Equity Program (LEP). To date, the program has facilitated the distribution of over \$12 million in combined state and local funding to support Humboldt County cannabis operators transitioning into and remaining in the regulated market.

SOURCE OF FUNDING:

Project Trellis Equity (1120 - 275422) and General Fund (1100)

FINANCIAL IMPACT:

| Expenditures (1120275422) | FY26-27 Projected* |
|---|---------------------------|
| Budgeted Grant Expenditures | 765,000 |
| Budgeted Administrative Expenditures | 185,000 |
| Total Expenditures | 950,000 |

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

| Funding Sources (1120275422) | FY26-27 Projected* |
|-------------------------------------|---------------------------|
| General Fund | 100,000 |
| State/Federal Funds | 850,000 |
| Total Funding Sources | 950,000 |

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

Narrative Explanation of Financial Impact:

The LEP is funded through a combination of the State CEG funding and required local General Fund match in the Trellis Equity budget, (1120275422). If approved, the CEG funds will allow for the award of \$850,000, less the allotted 10% for program administration, to eligible Project Trellis recipients.

One quarter of the CEG grant funds will be provided upfront, in fiscal year (FY) 2025-26, with the remaining funds to be released via reimbursement in the FY 2026-27. These funds will be disbursed to Project Trellis recipients in fiscal year 2026-27.

STAFFING IMPACT:

By accepting this grant award, existing staffing levels will be maintained, with no substantive impacts to staffing.

OTHER AGENCY INVOLVEMENT:

Governor’s Office of Business and Economic Development

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your board could elect to not approve staff recommendations to accept this funding. This is not recommended as this grant provides critical support for businesses and the significant need within the community.

ATTACHMENTS:

Community Equity Grant 2026-706 Draft Agreement

PREVIOUS ACTION/REFERRAL:

Meeting of: Dec. 12,2025; Aug. 26, 2025; May 28, 2019; Jan. 12, 2021; Feb. 1, 2022; March 8, 2022; June 14, 2022; May 16, 2023; Aug. 22, 2023; Oct. 22, 2024; Dec. 10, 2024; February 11, 2025; April 15, 2025

File No.: 25-1282, 25-919,19-633, 21-1859, 22-94, 22-225, 22-283, 23-190, 23-1089, 24-1469, 24-1597, 25-121, 25-316