



County of Humboldt
Project Trellis
Cannabis Local Equity Program Manual
V2.2 (2023)



In 2019 Humboldt County's County Administrative Office, Office of Economic Development (Economic Development) contracted with Humboldt State University's California Center for Rural Policy (CCRP) to perform a comprehensive analysis of the impact of cannabis criminalization on Humboldt County. This analysis, known as the Humboldt County Cannabis Equity Assessment (CEA) (2019) established that certain persons and neighborhoods in Humboldt County (County) have been substantially and adversely impacted by the criminalization of cannabis. The CEA further identified that a targeted, data-driven and well-funded equity program was needed to help impacted populations and neighborhoods, particularly small growers and those impacted from past policies that may be left behind, obtain the support and services that they need in order to gain a footing in the legal cannabis market.

The purpose of this Cannabis Local Equity Program Manual (Manual) is to describe the qualifications for, and services to be provided by, the County of Humboldt's Cannabis Local Equity Program (LEP). The LEP is informed by findings in the CEA, which itself is a living document and subject to change. This Manual is therefore subject to updates and revisions in accord with the CEA, as approved by the County Board of Supervisors.

Taxable income comes in the form of money, property, or services, and may include any public assistance benefits received. Please consult a tax professional and Internal Revenue Service Publication 525 for further information on what constitutes taxable income.

A. Qualifications

1. **Initial Program Eligibility:** To be considered for LEP eligibility, applicants must meet **all** of the following qualifications:
 - a. The applicant's household is at or below the moderate income level based on current available year [Department of Housing and Urban Development \(HUD\) Income Limits \(ILs\) for Humboldt County](#).
 - b. The applicant resided in Humboldt County for at least five years during the period 1971–2016.
 - c. The applicant has an ownership interest in a cannabis business, such as cultivation, distribution, manufacturing, retail, testing, laboratory, or micro-business that is at least:
 - i. 50% if there are no other individuals with an ownership interest in the cannabis business who meet the Minimum Local Equity Program Criteria.
 - ii. 25% if there is only one other individual with an ownership interest in the cannabis business who meets the Minimum Local Equity Program Criteria.
 - iii. 20% if there are two or more other individuals with an ownership interest in the cannabis business who meet the Minimum Local Equity Program Criteria.
 - d. The applicant is a current Humboldt County resident.



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- e. The applicant's business is located within, or has at least 75% of its operations within, Humboldt County.
2. **Primary Program Eligibility:** To be considered for LEP eligibility, in addition to the criteria in Section 1 above, applicants must meet **any** of the following qualifications:
 - a. The applicant was arrested and/or convicted of a non-violent cannabis-related offense or was subject to asset forfeiture arising from a cannabis related enforcement event.
 - b. The applicant has a parent, sibling, or child who was arrested and/or convicted of a non-violent cannabis-related offense (including as a juvenile) or was subject to asset forfeiture arising from a cannabis related enforcement event.
 - c. The applicant experienced sexual assault, exploitation, domestic violence, and/or human trafficking as a result of participating in the cannabis industry.
 - d. The applicant was or is homeless or suffered a loss of housing as a result of cannabis related enforcement event.

B. Services

The LEP may provide funds for specific cannabis related service items through direct grants to an LEP recipient, or through direct payments on behalf of an LEP recipient to partnership organizations. The LEP may also provide additional services and resources to LEP recipients. Recipients of LEP funding are eligible to receive a maximum of up to sixty-five thousand dollars (\$65,000), in aggregate funding over all rounds of the LEP.

1. Funding Services

a. Grant Payments to Recipients

The LEP allows for the funding, through grants, for a maximum of up to fifty thousand dollars (\$50,000) per equity recipient on eligible service items, in aggregate over all LEP grant rounds. Service items eligible for grant funding may include:

- i. Annual fees and contribution toward work for a Humboldt County Road Maintenance Association (RMA) for public and private road networks providing access to cannabis activity operations by eligible cannabis equity program applicants or licensees, where such road networks may adversely impact watersheds providing habitat for threatened or endangered species.
- ii. Legal assistance for the formation of an Agricultural Cooperative or Cannabis



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Cooperative Association pursuant to California Business and Professions Code sections 26220 -26231.2, with majority membership comprised of Humboldt County cannabis permit applicants or licensees.

- iii. Processing of cannabis product through a licensed cannabis processor
- iv. Transportation of cannabis product through a license cannabis distributor
- v. Local and state cannabis taxes
- vi. Capital improvements for; purposes of assuring compliance with regulatory

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- requirements of County or California licenses
- vii. Work to meet California Department of Fish and Wildlife (CDFW) Lake & Streambed Alteration Agreement (LSAA) compliance
- viii. Application and program fees for cannabis business certifications
- ix. Fees to agencies and/or professionals who offer cannabis small business development assistance for Humboldt County-based cannabis businesses.
- x. State cannabis licensing costs
- xi. Rent for facilities associated with cannabis business
- xii. Cannabis business startup costs or financial solvency needs

b. Grant Payments to Partnership Organizations on Behalf of Recipients

The LEP will fund, through direct payment to partnership organizations on behalf of the equity recipient, of up to fifteen-thousand dollars (\$15,000) per recipient, in aggregate over all grant rounds. These funds will be available to any LEP recipient for the length of the grant agreement. Organizations eligible to receive direct payments on behalf of the equity recipients include;

- i. County of Humboldt Cannabis Services Division of the Department of Planning and Building
Direct payment on the LEP recipient's behalf of fees for application assistance meetings, deposits, and permitting fees for cannabis related permits including: Zoning Clearance Certificates, Special Permits, Conditional Use Permits, or Coastal Development Permits.
- ii. Coast Central Credit Union
Direct payment on the LEP recipient's behalf for one year of Cannabis Business Account fees through Coast Central Credit Union
- iii. County of Humboldt Agricultural Commissioner
Direct payment on the LEP recipient's behalf for Weights and Measures requirements, including sealing and annual registration of scales used in cannabis licensed businesses, or fees associate with Pesticide Applicator requirements.
- iv. College of the Redwoods
Payment on the LEP recipient's behalf for cannabis business classes including but not limited to Accounting, Bookkeeping, Marketing, Grant Writing, Human Resource, Business Planning, etc.
- v. Cal Poly Humboldt: College of Extended Educational and Global Engagement
Payment on the LEP recipient's behalf for Cal/OSHA cannabis health and safety training



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2. Additional Services

The LEP may support additional services to help equity recipients succeed in the Commercial Cannabis Market.

a. Expungement services

The LEP offers equity recipients expungement services for cannabis-related convictions as aligns with California state expungement requirements. Humboldt County Economic Development staff will assist recipients seeking information about expungement services, and direct them to the District Attorney's Office for expedited review.

C. Program Administration

1. Administration and service coordination shall primarily be performed by County of Humboldt Economic Development staff.
2. When possible, Economic Development staff will provide services to LEP applicants and licensees, with the intent to have the LEP reimburse the County for the cost of those services. If County staff is unable to provide services, refer to Section D, Provision of Services.
3. Economic Development staff shall monitor and report on program services provided through the LEP, at least annually and more frequently as directed by funding agencies, the Board of Supervisors, state law or regulation.
4. Economic Development staff shall receive and review all eligibility verification documents of potential LEP recipients.
5. Economic Development staff shall receive and review all equity program applications.
6. Economic Development staff shall administer awards to all equity program grantees.
7. Lay out responsibilities of the other agencies. I.e., AC pays contracts, Risk approves, etc.

D. Provision of Services

1. Economic Development staff serves as the liaison between LEP recipients and the agencies providing eligible services. Agencies may include, but are not limited to:
 - a. Small business development organizations such as Redwood Region Economic



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- Development Commission, Arcata Economic Development Commission.
- b. County of Humboldt Planning & Building Department
 - c. County of Humboldt Department of Health & Human Services
 - d. Cal Poly Humboldt
 - e. College of the Redwoods
 - f. Workforce development agencies
 - g. Banking and financial institutions
 - h. Commercial real estate brokerages and associations
2. Economic Development may enter into an interagency agreement, on behalf of the County, with qualifying internal or external agencies capable of providing the services described in SB 1294, and this Manual. These services include:
- a. Small business support services, such as technical assistance, professional mentorship services.
 - b. Tiered fees or fee waivers of cannabis-related permits and licenses.
 - c. Assistance in paying state and regulatory and licensing and licensing fees.

E. Budget Allocation

Available state awarded program funding shall be allocated as follows:

Grants	80%
Technical Assistance (not to exceed)	10%
Administration (not to exceed)	10%