

RESOLUTION NO. 22 -104

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF HUMBOLDT  
AMENDING GUIDELINES FOR THE USE OF DEPARTMENT OF CANNABIS CONTROL  
GRANT PROGRAM FUNDS

**WHEREAS**, on November 2, 2021, the Board of Supervisors of the County of Humboldt authorized submittal of a Department of Cannabis Control (DCC) grant application for projects that assist transitioning cannabis farmers from provisional cultivation licenses to annual licenses;

**WHEREAS**, the application included the following two grant programs:

1. Stream Protection Program. Up to \$12,300,000 is proposed to be used for a competitive loan/grant program for commercial cannabis licensees to fund transition of water use from surface diversions and hydrologically connected wells during the low-flow periods of the year by increasing rainwater catchment, forbearance, and water conservation. A primary goal of the program is to increase water storage to achieve 75% of licensee's commercial cannabis cultivation water budget consistent with State Water Resources Control Board requirements.

The loan side of the program would offer 3% simple interest loans, fully deferred for 10 years. All loans will be secured with a deed of trust on real property. There is proposed to be no cap to the amount that can be loaned to individual licensees.

The grant side of the program is proposed to include a 1:1 cost share, with the licensees providing the matching funds. A grant of up to \$40,000 per license would be available.

2. Renewable Energy Program. Up to \$3,100,000 is proposed to implement a competitive loan/grant program for commercial cannabis provisional licensees to fund replacement of gas/diesel powered generators used for cultivation with renewable energy systems consistent with the 2023 state transition requirements. In addition to assisting provisional licensees, this program will also help some annual license holders subject to the 2023 state transition requirements to maintain their annual licenses.

The loan side of the program would offer 3% simple interest loans, fully deferred for 10 years. All loans will be secured with a deed of trust on real property. There is proposed to be no cap to the amount that can be loaned to individual licensees.

The grant side of the program is proposed to include a 1:1 cost share, with the licensees providing the matching funds. A grant of up to \$20,000 would be available per license;

**WHEREAS**, between November, 2021 and when the grant was awarded in March, 2022, a collapse occurred in wholesale market prices for cannabis flower that now puts many local cannabis farmers at severe risk of being forced out of the licensed market;

**WHEREAS**, input from cannabis license holders indicates they are not in a position financially to contribute a match for grant funding;

**WHEREAS**, the match requirement could be difficult to administer which will delay distribution of the funds;

**ATTACHMENT 1**

**BOARD OF SUPERVISORS RESOLUTION AMENDING GUIDELINES FOR THE  
USE OF DCC GRANT PROGRAM FUNDS**

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**WHEREAS**, eliminating the match requirement will increase the likelihood all the program funding will be disbursed quickly;

**WHEREAS**, the environmental benefits of the grant programs should be expedited to reduce cannabis industry environmental impacts;

**WHEREAS**, the Stream Protection Grant Program and Renewable Energy Grant Program guidelines have been amended to eliminate the 1:1 matching funds requirement and streamline the application submittal and review process, which will maximize the near-term beneficial environmental and economic impact of the programs; and

**WHEREAS**, the amended Program Guidelines attached to this Resolution, incorporated by reference as if fully set forth herein, have been tentatively approved by DCC.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the Board of Supervisors as follows:

1. The revised Program Guidelines attached to this Resolution as Exhibit 1 and Exhibit 2, are incorporated by reference as if fully set forth herein, and are approved and shall be used to implement the DCC's Environmental Compliance and Equity Fund Grant Programs; and
2. The Board of Supervisors hereby authorizes and directs the Planning and Building Director, or designee(s), to submit the revised Program Guidelines to DCC for final approval, and upon receiving notice of that approval administer the Environmental Compliance and Equity Fund Loan & Grant Programs according to the amended Program Guidelines attached to this Resolution, and sign contracts or agreements to carry out grant and loan activities upon the review and approval by County Counsel and Risk Management.

The foregoing Resolution is hereby passed and adopted by the Board of Supervisors on June 14, 2022, by the following vote:

Adopted on motion by Supervisor Madrone, seconded by Supervisor Wilson and the following vote:

AYES: Supervisors: Madrone, Wilson, Bass, Bushnell

NOES: Supervisors:

ABSENT: Supervisors: Bohn

  
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Virginia Bass, Chair  
Humboldt County Board of Supervisors

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA  
Certified copy of portion of proceedings, Meeting on June 14, 2022

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ATTEST:  
Kathy Hayes,  
Clerk of the Board of Supervisors

By:   
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Nikki Turner, Deputy Clerk of the Board