



COUNTY OF HUMBOLDT

For the meeting of: 6/14/2022

File #: 22-714

To: Board of Supervisors

From: Planning and Building Department

Agenda Section: Departmental

SUBJECT:

Proposed modification to the approved guidelines for the use of the funds received through the California Department of Cannabis Control (DCC) Local Jurisdiction Assistance Grant Program (Case # PLN-2021-17446).

RECOMMENDATION(S):

That the Board of Supervisors:

1. Receive and consider the staff report.
2. Deliberate on the proposed modifications to the approved guidelines for the use of the funds received through the Local Jurisdiction Assistance Grant Program.
3. Approve the modifications to the Grant Program Guidelines for the use of the funds received by adopting the Resolution in Attachment 1.
4. Direct staff to submit the revised program guidelines to DCC for approval and implement the Local Jurisdiction Assistance Grant Program according to the revised program guidelines.

SOURCE OF FUNDING:

Local Jurisdiction Assistance Grant Program.

DISCUSSION:

The county is proposing changes to the approved DCC grant program to reflect current conditions in the cannabis industry. Below is a summary of the proposed changes to the program guidelines, which are included in their entirety as attachments to this email:

Matching Funds Requirement

- Original Guidelines: 1:1 match is required to be provided by the applicant.
- Proposed Revision: No matching funds are required.
- Rationale: Feedback from many cannabis license holders indicate they are not in a position financially to contribute a match for grant funding. Also, the match requirement could be

difficult to administer which will delay distribution of the funds. Eliminating the match requirement will increase the likelihood all the program funding will be disbursed quickly.

Application Submittal and Review

- Original Guidelines: Application requires submittal of a narrative proposal for scoring.
- Revised Guidelines: Application identifies simple and objective threshold eligibility and scoring criteria based on answers to four yes or no questions that can be verified with existing Planning Department records.

Rationale: Qualitative ranking of the merits of 450+ narrative grant proposals expected will be time consuming for all parties and would involve subjective staff determinations that could easily be challenged. Answering simple yes or no questions that can be confirmed using existing information on record will streamline application submittal and review process, and provides a more stable foundation for the actions of decision-makers.

The proposed revisions to the program guidelines were tentatively approved by DCC. If the Board decides to modify the program guidelines they will be submitted to the DCC for final approval.

Environmental Review

This project is exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to Section 15308. Actions by Regulatory Agencies for Protection of the Environment, which applies to actions taken by regulatory agencies, as authorized by state or local ordinance, to assure the maintenance, restoration, enhancement, or protection of the environment where the regulatory process involves procedures for protection of the environment.

FINANCIAL IMPACT:

The county's award for the Local Jurisdiction Assistance Grant Program was \$18,635,137 and appropriations related to grant have been included in the FY 2022-23 adjusted budget for the Planning & Building - Cannabis Planning Division (1100-268). Staffing costs in the amount of \$288,759.20 were included in the grant award.

The recommended actions will modify the grant funding awarded to applicants from the county. Rather than requiring a 1:1 match, if the proposed modifications are approved by DCC, applicants will not be required to provide matching funds, allowing funds to be spend more quickly. The funding of grant applications will be brought back to the Board of Supervisors for a decision as a separate agenda item early in fiscal year 2022-23.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by facilitating public/private partnerships to solve problems.

OTHER AGENCY INVOLVEMENT:

Department of Cannabis Control

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board may amend the proposed program guidelines at its discretion. For example, the 1:1 cost share requirement and the original program guidelines could be maintained. Staff does not recommend this alternative because the proposed revisions to the program guidelines are intended to address the economic challenges currently faced by local cannabis cultivators.

ATTACHMENTS:

1. Resolution No. _____ Amending Guidelines for the Use of Department of Cannabis Control Grant Program Funds 2. Resolution Exhibit 1: Renewable Energy Program Guidelines 3. Resolution Exhibit 2: Stream Protection Program Guidelines

PREVIOUS ACTION/REFERRAL:

Board Order No.: 21-112

Meeting of: November 2, 2021