

Project Trellis Committee Meeting Minutes
March 3, 2020 - 12:30-2:30 PM
 Remote Zoom Meeting

In accordance with Gov. Newsom’s Executive Order N-29-20 (March 17th, 2020), all Humboldt County Cannabis Micro-Grant & Loan Advisory Committee meetings will be held virtually until further notice.

Project Trellis was established to bolster the cannabis industry, protect future cannabis excise tax revenues by providing services to populations and communities in Humboldt who were adversely affected by the criminalization of cannabis, develop a framework for supportive programs designed to sustain and grow Humboldt’s cannabis industry, and to assist cannabis businesses as they work to overcome the financial and logistical challenges of coming into compliance.

Item #	Description	Action
1	Approval of 02/03/21 meeting minutes	Pass
2	Approval of Project Trellis Micro-Grant Program funding awards	Pass

1. Opening (12:30)

a. Roll Call –

Committee members:

- Thomas Mulder, Chair, Myranda – present
- Sarah Balster - present
- Richard Marks, Samoa - present
- *At-Large - vacant position*
- Hannah Joy, Vice Chair, Eureka - present
- Mario Fernandez, Eureka - present
- Dylan Mattole, Honeydew – present

Alternate:

Tom Handwerker, Arcata - *present*

Vacant position

Staff in Attendance:

Peggy Murphy, Scott Adair

b. Approval of 02-03-2021 meeting minutes- (Attachment 1)

- Vice Chair Hannah Joy made a correction on February 3rd meeting that she just attended a Humboldt County Growers Association (HCGA) meeting, but she will not be putting together a working group (the HCGA will be doing that).
- Richard Marks moved to approve the meeting minutes for February 3, 2021. Hannah Joy seconded. Motion carried unanimously.

c. Public Comment on Non-Agenda Items

- No public comment.

d. Report out on meetings attended and community feedback received concerning Micro-Grant program

- Hannah Joy has been attending the Equity Working Group meeting on Fridays, as part of Humboldt County Growers Association (HCGA). Education and outreach on Local Equity Program (LEP) was discussed as being needed. Equity eligibility criteria was generally perceived as too broad and allowable services as too narrow. Consider having a Trellis Equity Working Group.

2. Committee to review proposed Micro-Grant funding slate - (Attachment 2)

a. Discussion

- Each committee member received their score sheets and rankings. Equity Grant applicants ranking and funding slate sheet was presented and discussed. According to Peggy Murphy, a combination of averages and medians were used to calculate ranking and funding.
 1. Open discussion about how committee members viewed the ranking slate outcomes.
 2. No restrictions for prior applicants who have received funding in past to receive equity funding. A couple applicants had prior funding awarded, which are applicant numbers 40 and 13.
 3. Discussion about whether the equity program will continue to be a grant program or loan program. Scott Adair said staff can continue exploring feasibility of making this a loan program, especially if there is state legislation that will facilitate some kind of community banking/financing. There has been hesitancy with local banking and financial institutions to take on liability to provide backing for a loan program. Some would service the loan only with increased costs/fees to the applicants, which was not perceived as equitable by staff. Also, staff observed from discussions with stakeholders is that businesses are not necessarily looking to take on debt and nor considering leveraging debt given the banking challenges currently. Staff can review further a loan program possibility and bring a report back to the Committee.
 4. Mario Fernandez brought up AB 1525 topic and CClA Partnership, and the relationship that the Industry Trade Organization has with North Bay Credit Union. Peggy Murphy mentioned this topic would be good for discussion next time or at a later time and best to focus on the funding slate.
 5. Vice Chair Joy asked how was it possible that some of her higher ranking showed to have lower ranking in the slate sheet (e.g. number 40). Peggy Murphy mentioned because the calculation was based on median, the outliers were knocked out if did not meet the funding tier, and that was the case for this particular ranking.
 6. Sarah Balster asked about Labor Piece Agreement (LPA) form submitted by applicants in scoring results. Peggy Murphy mentioned LPA is only a part of the scoring results.
 7. Chair Mulder suggested adding to the scoring rubric next time a wider spectrum in the funding tier, to expand funding to more applicants.
 8. Vice Chair Joy said she was pleased to see from reviewing the applications that there was quite a bit of diversity, and she asked about the diversity of applicants by category or type for the final ranking. Peggy Murphy said she could provide that to the next meeting.

b. Public Comment

- No public comment, except one public member said they have no public comment and are just observing the grant selection process.

c. Action

- Richard Marks moved to approve the proposed grant funding slate as presented for the Micro-Grant funding. Seconded by Chair Mulder.
- Total amount of Micro-Grant award is \$1,147,346 that is to be distributed to 57 applicants. Most of the applicants are to receive \$10,000. Grant awards range from \$7,705 up to \$50,000.
- Peggy Murphy noted that committee member Dylan Mattole will temporarily be excused from the voting process and go into the Zoom waiting room because he is involved in a project that is being proposed for funding. Per County Counsel recommendation, exclusion from discussion would also apply if discussion pertains to their particular funding.
- Richard Marks commented that this process has been well prepared and well monitored by staff.
- Roll-call vote on the funding slate. Motion carried unanimously. This will be submitted to the Board of Supervisors for approval (which they can modify).

3. Staff Updates

a. Discussion

- Peggy Murphy mentioned there was a request for a Treasurer's report from last meeting and Peggy has not had the time to work on this with Committee Treasurer Richard Marks, but it is on her list to work on. Staff will work with Committee Treasurer for a Treasurer's report (including revenue sources, administrative costs, outstanding payments, etc.).
- Peggy Murphy announced that the Humboldt County Economic Development applied for the Cannabis Equity Grant program for future funds in FY2021-22 and was awarded by the Governor's Office of Business the amount of \$1,055,870. This can be used for administrative support, such as application assistance meetings, technical assistance, small business assistance consulting services, but also non-competitive grants to reimburse for regulatory/permitting fees. This award is lower than current year allocation, but state had \$30 million avail, but for next year it was half of that. Humboldt County was awarded for next FY just below half of what they were awarded this year, so this was good news. Awards were more focused on urban areas.
- Scott Adair said staff is aware of community's constructive feedback on LEP and will continue to create platform to engage stakeholders in the LEP discussions. Staff noted there are restrictions and contractual obligations by the state, which limits certain activities. However, Committee will continue to be informed of stakeholder and cannabis industry feedback process.
- Staff has not heard back yet from County Counsel whether Project Trellis Committee members can apply for Local Equity Program (LEP). March 19th is deadline LEP application, so if staff will get a response to committee members prior to the deadline, an email will be sent

out to committee members. **SB1294** outlines intention to assist those who had adverse effects due to criminalization of cannabis. The criteria has cannabis employee eligibility option for those who were employed or currently employed in the cannabis community, though main focus is for those who have permitted or are going to be permitted for a cannabis business.

b. Public Comment

- None

4. Future Agenda Items

- Treasurer Report: Sarah Balster requested to see a Treasurer's Report (e.g.: revenue sources, administrative costs, outstanding payments)
- Local Equity Program Flexibility (for non-commercial operators): Sarah Balster requested that the LEP flexibility topic be discussed. Peggy Murphy clarified that the Committee has authority to vet application process but not actually choose applicants.
- AdHoc Committee of Board packet: Sarah Balster noted the AdHoc Committee has not met yet and so would be good to discuss.
- Grant Awards Breakdown by Type/Category: Hanna Joy and Mario Fernandez both mentioned they would like to see grant award payment breakdown by type or category.
- Pulse on regulatory environment (post decriminalization of cannabis): Chair Mulder requested to discuss the topic of taking the pulse on regulatory environment (post decriminalization of cannabis)
- Education and environmental impact: Chair Mulder asked to hear about education and environmental impact in relation to Local Equity Piece.
- Private Equity Funding: Alternate Tom Handwerker suggested to discuss question of whether private equity funding could be used, instead of bank lending, to use as revolving loan fund or paying down interest on bank loans.

5. Adjourn

Chair Mulder, seeing no further agenda items or discussion, moved to adjourn at **2:15** PM.

Next meeting is April 7, 2021