



COUNTY OF HUMBOLDT

For the meeting of: 5/28/2019

File #: 19-633

To: Board of Supervisors

From: County Administrative Office

Agenda Section: Departmental

SUBJECT:

Resolution establishing the Humboldt County Cannabis Micro-Grant & Loan Advisory Committee

RECOMMENDATION(S):

That the Board of Supervisors:

1. Adopt the attached Resolution establishing the Humboldt County Cannabis Micro-Grant & Loan Advisory Committee;
2. Adopt the attached Budget and allocation of funding for Project Trellis;
3. Direct staff to accept applications to serve on the Humboldt County Cannabis Micro-Grant & Loan Advisory Committee and return to the Board with submitted applications;
4. Direct Economic Development to develop or commission an Equity Assessment to be used to inform potential changes to the Humboldt County Local Equity Program; and
5. Direct all county departments to assist in the development of the Equity Assessment from Recommendation No. 4 above.

SOURCE OF FUNDING:

General Fund

DISCUSSION:

On March 12, 2019 staff presented to your Board a framework for Project Trellis: The County of Humboldt Cannabis Micro-grant, Marketing, and Local Equity Program. As part of said presentation staff asked the Board to respond to staff's recommendations for the composition of a cannabis micro-grant advisory committee whose purpose would be to announce, review, rank, and select applications for micro-grants and loans under Project Trellis, and for equity grants under the County of Humboldt's Local Equity Program. Your Board responded by directing staff to return for its review and consideration a committee framework for a seven-person committee to include five appointments by district and two at-large voting members (one from the cannabis industry, and one from a lateral industry such as finance or banking) chosen by a majority of the Board. The attached resolution (Attachment 1) conforms to your Board's direction.

Local Equity Assessment

On May 10, trailer bill language was released regarding the state's Cannabis Control Fund, which funds programs, that help individuals gain access to cannabis licenses. The Bureau of Cannabis Control (BCC) in March released a notice of funding availability (NOFA) for these funds, to be awarded to local agencies with qualifying Local Equity Programs. Your Board in March responded by adopting the Humboldt County Local Equity Program (LEP) ordinance and manual. The BCC rescinded the NOFA at the end of March and last week released new language regarding this program.

Under the proposed new regulations, the county will need to develop an equity assessment, as defined in the trailer bill, that "informs the creation of the [LEP]." The proposed new regulations outline information that must be gathered in this assessment that is beyond the information staff gathered prior to adopting the LEP in March. The assessment must include the following:

1. Reference to local historical rates of arrests or convictions for cannabis law violations.
2. Identification of the impacts that cannabis-related policies have had historically on communities and populations within that local jurisdiction.
3. Other information that demonstrates how individuals and communities within the local jurisdiction have been disproportionately or negatively impacted by the War on Drugs.

Gathering the data necessary to meet these requirements will likely require assistance from the Sheriff's Office, District Attorney, Department of Health & Human Services, Economic Development, and community partners. Therefore, staff is recommending that you direct all county departments to help create an equity assessment for Humboldt County.

FINANCIAL IMPACT:

Your Board has dedicated no less than 10 percent of all local cannabis excise tax revenue to be used for Project Trellis. In FY 2019-20 cannabis excise tax revenue is projected to be \$8.01 million, while Project Trellis is estimated to use \$801,000 of that funding.

The recommended budget for Project Trellis will dedicated 10 percent of the project's funding (or \$80,100) to administer the Cannabis Micro-Grant & Loan Committee, and the LEP. Administration would come in the form of staff time, and possibly contracted services to develop the local equity assessment. Administration of the committee and LEP will not be unlike the efforts of CAO staff for the Citizens' Advisory Committee on Measure Z Expenditures. The rest of the funding from Project Trellis for FY 2019-20 will be dedicated to marketing, micro-grants and loans, and awards pursuant to the Humboldt County LEP.

Finally, the Local Equity Program Grant, if successful, would equal no less than \$100,000 as last described by the Bureau of Cannabis Control (BCC). However, while new guidelines have been submitted in proposed budget trailer bill language, staff has yet to see what the BCC proposes as minimum or maximum funding awards. The financial impact for potential funding from the Local Equity Program is therefore unknown at this time. If successful, staff will return to your Board with a supplemental budget agenda item.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by supporting business, workforce

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development and creation of private-sector jobs .

OTHER AGENCY INVOLVEMENT:

Bureau of Cannabis Control; Any agency eligible to receive funding from the county's Cannabis Excise Tax is potentially affected

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board discretion

ATTACHMENTS:

1. Resolution establishing the Humboldt County Cannabis Micro-Grant & Loan Advisory Committee
2. Application form
3. Proposed state budget trailer bill language

PREVIOUS ACTION/REFERRAL:

Board Order No.: I-1

Meeting of: 3/12/19

File No.: 19-367