

ATTACHMENT 2

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

RESOLUTION NO. 21 - ____

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF HUMBOLDT
APPROVING GUIDELINES FOR THE USE OF DCC GRANT PROGRAM FUNDS

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

WHEREAS, the application included the following two loan/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; and

WHEREAS, the Program Guidelines attached to this Resolution, incorporated by reference as if fully set forth herein, are consistent with the DCC Grant application.

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

1. The Program Guidelines attached to this Resolution, incorporated by reference as if fully set forth herein, are approved and shall be used to implement the Environmental Compliance and Equity Fund Loan & Grant Programs; and

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA

Certified copy of portion of proceedings, Meeting on _____, 2021

RESOLUTION NO. 21 - ____

2. The Board of Supervisors hereby authorizes and directs the Planning and Building Director, or designee(s), to administer the Environmental Compliance and Equity Fund Loan & Grant Programs according to the approved 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 _____, by the following vote:

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

AYES: Supervisors:

NOES: Supervisors:

ABSENT: Supervisors:

Virginia Bass, Chair
Humboldt County Board of Supervisors

ATTEST:
Kathy Hayes,
Clerk of the Board of Supervisors

By: _____