

**ATTACHMENT 1**

**BOARD OF SUPERVISORS RESOLUTION AUTHORIZING SUBMITTAL OF AN  
APPLICATION FOR THE DCC LOCAL ASSISTANCE GRANT PROGRAM**

RESOLUTION NO. 21 -111

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF HUMBOLDT  
AUTHORIZING SUBMITTAL OF AN APPLICATION FOR THE DCC LOCAL  
ASSISTANCE GRANT PROGRAM

**WHEREAS**, in September 2021 the state Department of Cannabis Control (DCC) announced the availability of \$100 million in funding for the Local Jurisdiction Assistance Grant Program which will provide funding to local jurisdictions with commercial cannabis licensees needing the greatest assistance in transitioning from provisional licenses to annual licenses; and

**WHEREAS**, the Board of Supervisors of the County of Humboldt desires to submit an application for this DCC grant funding;

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

1. The Board of Supervisors has reviewed the Department of Cannabis Control Local Jurisdiction Assistance Grant Program guidelines and hereby approves an application to be submitted to the in the amount of \$18,635,147 for the following three activities:
  - a. *Hydrologic Assessment of Watersheds*: \$3,100,000 of the State Grant Program are proposed to commission a hydrological study (or studies) to identify the baseline groundwater supply for each of the 12 watersheds in the County, an average of \$250,000 for each watershed. The study would accomplish all the following goals:
    - i. Inform how deep the wells being used for cannabis cultivation “should be”
    - ii. Inform potential/actual impacts of already approved permits/licenses
    - iii. Inform potential impacts of pending permit and licensing
    - iv. Develop a baseline for continued assessment of environmental decisions related to hydrology
  - b. *Stream Protection Program*. \$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.

RESOLUTION NO. 21 -111

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.

- c. *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.

The Stream Protection Program and Renewable Energy Program are described in more detail in the County loan/grant program guidelines in Attachment 2 and hereby incorporated by reference; and

2. The Board of Supervisors hereby authorizes and directs the Planning and Building Director, or designee, to sign this application and act on the County's behalf in all matters pertaining to this application; and
3. The Board of Supervisors hereby authorizes and directs the Planning and Building Director, or designee, to include language in the application providing for future amendment approved by the Board to maximize the flexibility of the use of the funds to respond to local needs; and
4. The Board of Supervisors hereby authorizes and directs the Planning and Building Director to sign contracts or agreements to carry out grant activities upon the review and approval by County Counsel and Risk Management; and
5. If the DCC Grant Application is approved, the Planning and Building Director of Humboldt County is authorized to enter into, execute, and deliver on behalf of the Applicant, a State of California Agreement (Standard Agreement) for the amount of \$18,635,147, and any and all other documents required or deemed necessary to secure the DCC grant funds; and
6. The Applicant (County) shall be subject to the terms and conditions as specified in the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the Application will be enforceable through the fully executed Standard Agreement. The Applicant hereby agrees to use the funds for eligible uses and allowable

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA  
Certified copy of portion of proceedings, Meeting on November 2, 2021

RESOLUTION NO. 21 -111

expenditures in the manner presented and specifically identified in the approved Application.

7. If the application is approved, the Planning and Building Director, or designee, is authorized to sign Funds Requests and other required reporting forms.

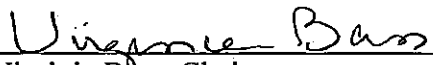
The foregoing Resolution is hereby passed and adopted by the Board of Supervisors on November 2, 2021, by the following vote:

Adopted on motion by Supervisor Bushnell; seconded by Supervisor Bohn and the following vote:


AYES: Supervisors: Bohn, Bass, Bushnell, Madrone

NOES: Supervisors: Wilson

ABSENT: Supervisors:

  
\_\_\_\_\_  
Virginia Bass, Chair  
Humboldt County Board of Supervisors

ATTEST:  
Kathy Hayes,  
Clerk of the Board of Supervisors

By:   
\_\_\_\_\_  
Nikki Turner, Deputy Clerk of the Board of Supervisors