County of Humboldt
Project Trellis
Cannabis Local Equity Program Manual
V2.1 (2022)

In 2019 Humboldt County's County Administrative Office, Office of Economic Development (Economic Development) contracted with Humboldt State University's California Center for Rural Policy (CCRP) to perform a comprehensive analysis of the impact or cannabis criminalization on Humboldt County. This analysis, known as the Humboldt County Cannabis Equity Assessment (CEA) (2019) established that certain persons and neighborhoods in Humboldt County (County) have been substantially and adversely impacted by the criminalization of cannabis. The CEA further identified that a targeted, data-driven and well-funded equity program was needed to help impacted populations and neighborhoods, particularly small growers and those impacted from past policies that may be left behind, obtain the support and services that they need in order to gain a footing in the legal cannabis market.

The purpose of this Cannabis Local Equity Program Manual (Manual) is to describe the qualifications for, and services to be provided by, the County of Humboldt's Cannabis Local Equity Program (LEP). The LEP is informed by findings in the CEA, which itself is a living document and subject to change. This Manual is therefore subject to updates and revisions in accord with the CEA, as approved by the County Board of Supervisors.

Taxable income comes in the form of money, property, or services, and may include any public assistance benefits received. Please consult a tax professional and Internal Revenue Service Publication 525 for further information on what constitutes taxable income.

A. Qualifications

1. **Initial Program Eligibility**: To be considered for LEP eligibility, applicants must meet **all** of thefollowing qualifications:
   a. The applicant's household is at or below the moderate income level based on current available year Department of Housing and Urban Development (HUD) Income Limits (ILs) for Humboldt County.
   b. The applicant is a Humboldt County resident.
   c. The applicant is a shareholder or has at least 20% ownership interest in a cannabis business, such as cultivation, distribution, manufacturing, retail, testing, laboratory, or micro-business.

2. **Primary Program Eligibility:** To be considered for LEP eligibility, in addition to the criteria in Section 1 above, applicants must meet **any** of the following qualifications:
   a. The applicant has obtained or applied for a cannabis cultivation, distribution, manufacturing, retail or other cannabis-related permit (either interim or

permanent), and the permit is for a business located in a community defined by Humboldt County as having a poverty rate of 17% or above. (See Project Trellis LEP V1.0 Definitions and Poverty Level Information, pg. 3, for poverty levels by zip-code)

b. The applicant has engaged in or currently engages in small-scale cultivation of cannabis on property in Humboldt County owned, leased, or with the express permission of the owner, with a cultivation area 10,000 square feet, or less.
c. The applicant is a woman, person of color, or LGBTQ individual who has worked or currently works in the cannabis industry.
d. The applicant has obtained or applied for a cannabis permit, or who has worked in or currently works in the cannabis industry, in Humboldt County, and was arrested and/or convicted of a non-violent cannabis-related offense or was subject to asset forfeiture arising from a cannabis-related event.
e. The applicant experienced sexual assault, exploitation, domestic violence, and/or human trafficking as a result of participating in the cannabis industry.
f. The applicant was or is homeless or suffered a loss of housing as a result of marijuana enforcement.

3. **Secondary Program Eligibility:** For those who do not meet the primary program eligibility qualifications set forth above in Section A.2, individuals can become eligible for the LEP if **three (3)** of the following are applicable:

a. The applicant is one of the following:
   i. An individual permitted for, or seeking a permit for, a Humboldt County cannabis business; or
   ii. A board member of a non-profit cannabis business which is located, or has 75% or more of operations occurring, in Humboldt County; or
   iii. An individual with a membership interest in an incorporated cooperative, such as an Agricultural Cooperative established pursuant to California Business and Professions Code section 26220 - 26231.2, which is located, or which has 75% or more of operations, in Humboldt County.
b. The applicant is seeking entry into the legal cannabis industry and has resided in Humboldt County for at least five years during the period 1971–2016;
c. The applicant is seeking support or services to aid in entering the cannabis industry with a household income below the very low income level based on the current available year Department of Housing and Urban Development (HUD) Income Limits

(ILs) for Humboldt County;

d. The applicant is seeking support or services to aid in entering the cannabis industry in Humboldt County, with a parent, sibling, or child who was arrested for or convicted of the sale, possession, use, manufacture or cultivation of cannabis (including as a juvenile);
e. The applicant is seeking support or services to aid in entering the cannabis industry in Humboldt County and can reasonably demonstrate that, on the basis of equity, applicant was adversely impacted as a result of the criminalization of cannabis (i.e. the "War on Drugs").

B. Services

The LEP may provide funds for specific cannabis related service items through direct grants to an LEP recipient, or through direct payments on behalf of an LEP recipient to partnership organizations. The LEP may also provide additional services and resources to LEP recipients. Recipients of LEP funding are eligible to receive a maximum of up to sixty-five thousand dollars ($65,000), in aggregate funding over all rounds of the LEP.

1. Funding Services

a. Grant Payments to Recipients

The LEP allows for the funding, through grants, for a maximum of up to fifty thousand dollars ($50,000) per equity recipient on eligible service items, in aggregate over all LEP grant rounds. Service items eligible for grant funding may include:

i. Annual fees and contribution toward work for a Humboldt County Road Maintenance Association (RMA) for public and private road networks providing access to cannabis activity operations by eligible cannabis equity program applicants or licensees, where such road networks may adversely impact watersheds providing habitat for threatened or endangered species.
ii. Legal assistance for the formation of an Agricultural Cooperative or Cannabis Cooperative Association pursuant to California Business and Professions Code sections 26220 -26231.2, with majority membership comprised of Humboldt County cannabis permit applicants or licensees.
iii. Processing of cannabis product through a licensed cannabis processor
iv. Transportation of cannabis product through a license cannabis distributor
v. Local and state cannabis taxes
vi. Capital improvements for; purposes of assuring compliance with regulatory

requirements of County or California licenses
vii. Work to meet California Department of Fish and Wildlife (CDFW) Lake & Streambed Alteration Agreement (LSAA) compliance
viii. Application and program fees for cannabis business certifications
ix. Fees to agencies and/or professionals who offer cannabis small business development assistance for Humboldt County-based cannabis businesses.
x. State cannabis licensing costs
xi. Rent for facilities associated with cannabis business
xii. Cannabis business startup costs or financial solvency needs

b. Grant Payments to Partnership Organizations on Behalf of Recipients

The LEP will fund, through direct payment to partnership organizations on behalf of the equity recipient, of up to fifteen-thousand dollars ($15,000) per recipient, in aggregate over all grant rounds. These funds will be available to any LEP recipient for the length of the grant agreement. Organizations eligible to receive direct payments on behalf of the equity recipients include;

i. County of Humboldt Cannabis Services Division of the Department of Planning and Building
Direct payment on the LEP recipient's behalf of fees for application assistance meetings, deposits, and permitting fees for cannabis related permits including: Zoning Clearance Certificates, Special Permits, Conditional Use Permits, or Coastal Development Permits.

ii. Coast Central Credit Union
Direct payment on the LEP recipient's behalf for one year of Cannabis Business Account fees through Coast Central Credit Union

iii. County of Humboldt Agricultural Commissioner
Direct payment on the LEP recipient's behalf for Weights and Measures requirements, including sealing and annual registration of scales used in cannabis licensed businesses, or fees associate with Pesticide Applicator requirements.

iv. College of the Redwoods
Payment on the LEP recipient's behalf for cannabis business classes including but not limited to Accounting, Bookkeeping, Marketing, Grant Writing, Human Resource, Business Planning, etc.

v. Cal Poly Humboldt: College of Extended Educational and Global Engagement
Payment on the LEP recipient's behalf for Cal/OSHA cannabis health and safety training

2. Additional Services

The LEP may support additional services to help equity recipients succeed in the Commercial Cannabis Market.

a. Expungement services

The LEP offers equity recipients expungement services for cannabis-related convictions as aligns with California state expungement requirements. Humboldt County Economic Development staff will assist recipients seeking information about expungement services, and direct them to the District Attorney's Office for expedited review.

C. Program Administration

1. Administration and service coordination shall primarily be performed by County of Humboldt Economic Development staff.
2. When possible, Economic Development staff will provide services to LEP applicants and licensees, with the intent to have the LEP reimburse the County for the cost of those services. If County staff is unable to provide services, refer to Section D, Provision of Services.
3. Economic Development staff shall monitor and report on program services provided through the LEP, at least annually and more frequently as directed by funding agencies, the Board of Supervisors, state law or regulation.
4. Economic Development staff shall receive and review all eligibility verification documents of potential LEP recipients.
5. Economic Development staff shall receive and review all equity program applications.
6. Economic Development staff shall administer awards to all equity program grantees.
7. Layout responsibilities of the other agencies. I.e., AC pays contracts, Risk approves, etc.

D. Provision of Services

1. Economic Development staff serves as the liaison between LEP recipients and the agencies providing eligible services. Agencies may include, but are not limited to:
    a. Small business development organizations such as Redwood Region Economic

Development Commission, Arcata Economic Development Commission.

b. County of Humboldt Planning & Building Department
c. County of Humboldt Department of Health & Human Services
d. Cal Poly Humboldt
e. College of the Redwoods
f. Workforce development agencies
g. Banking and financial institutions
h. Commercial real estate brokerages and associations

2. Economic Development may enter into an interagency agreement, on behalf of the County, with qualifying internal or external agencies capable of providing the services described in SB 1294, and this Manual. These services include:
    a. Small business support services, such as technical assistance, professional mentorship services.
    b. Tiered fees or fee waivers of cannabis-related permits and licenses.
    c. Assistance in paying state and regulatory and licensing and licensing fees.

E. Budget Allocation

Available state awarded program funding shall be allocated as follows:

Grants	80%
Technical Assistance (not to exceed)	10%
Administration (not to exceed)	10%