



COUNTY OF HUMBOLDT

For the meeting of: 8/22/2023

File #: 23-1137

To: Board of Supervisors

From: County Administrative Office

Agenda Section: Consent

Vote Requirement: Majority

SUBJECT:

Memorandum of Understanding between the County Administrative Office, Economic Development Division and the Department of Planning and Building for the Project Trellis Local Equity Program

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve, and authorize the County Administrative Officer and Director of Planning and Building, or a designee thereof, to execute, the attached Memorandum of Understanding (MOU) (attachment 3) between the County Administrative Office, Economic Development Division and the Department of Planning and Building for the Project Trellis Local Equity Program in the amount of \$300,000 for the period of Jan. 1, 2023, through June 30, 2024; and
2. Authorize the County Administrative Officer and Director of Planning and Building, or a designee thereof, to execute any and all subsequent amendments to the attached MOU, after review and approval by County Counsel and Risk Management.

SOURCE OF FUNDING:

Economic Development (1120), Project Trellis Equity (1120-275422), Cannabis Equity Grant, Governor's Office of Business and Economic Development

DISCUSSION:

On March 19, 2019, the Board adopted Resolution No. 19-24 adopting the Humboldt County Cannabis Local Equity Program Manual for the operation of the County of Humboldt Local Equity Program (LEP), in response to Senate Bill (SB) 1294: the California Cannabis Equity Act of 2018. The Humboldt County Local Equity Program Manual (Manual) focuses on inclusion and support of individuals and communities in Humboldt's cannabis industry who are linked to populations or neighborhoods that were negatively or disproportionately impacted by cannabis criminalization.

With the adoption of the Manual, the Board also authorized the County of Humboldt's Economic Development Division (Ec Dev) to apply for Cannabis Equity Grant (CEG) funding for the maximum

amount of funding available, based on criteria and allocation formula set forth in the Program Guidelines.

Since the adoption of the Manual and LEP, Ec Dev has received five awards, \$1.3 million dollars, \$2.4 million dollars, \$1.05 million dollars, and \$3.4 million dollars and \$1.24 million dollars.

Under supervision of GO-Biz the CEG funding and the funded jurisdiction's LEPs received further clarification regarding use of funds. The associated modifications to the Manual were approved by the Board on June 29, 2021.

The adopted modifications included:

- Adding clarification to the Manual under section "B. Services" updating language to clarify how services are delivered, either through direct payment on the applicant's behalf, or direct grants to applicants.
- Adding clarification to the Manual under section "D. Provision of Services" updating language to clarify administration of the LEP services.

In response to these modifications Ec Dev entered into a MOU (attachment 1) and subsequently a restated MOU (attachment 2) with the Department of Planning and Building to provide payment, on behalf of equity participants, for costs associated with cannabis planning meetings and cannabis permits, as defined in the Services section of the Manual. The MOU before you today provides for continuation of those agreements.

Accordingly, the County Administrative Office, Economic Development Division recommends that the Board of Supervisors approve and authorize the County Administrative Officer and Director of Planning and Building, or designees thereof, to execute, the attached MOU between the County Administrative Office, Economic Development Division the Department of Planning and Building regarding the provision of fees associated with cannabis planning meetings and cannabis permits for the period of Jan. 1, 2023 through June 30, 2024. This MOU is coming to you Board after the proposed start date of the agreement due to unforeseen circumstances that caused delays.

Staff also recommends that the Board authorize the County Administrative Officer and Director of Planning and Building to execute any and all subsequent amendments to the attached MOU between the County Administrative Office, Economic Development Division the Department of Planning and Building after review and approval by County Counsel and Risk Management, in order to avoid any unnecessary delays in the provision of needed fees associated with cannabis planning meetings and cannabis permits.

FINANCIAL IMPACT:

Expenditures (Fund, Budget Unit)	FY22-23 Adopted	FY23-24 Adopted
Budgeted Expenses	\$75,000	\$225,000
Total Expenditures	\$75,000	\$225,000
Funding Sources (Fund, Budget Unit)	FY22-23 Adopted	FY23-24 Adopted*
State/Federal Funds	\$75,000	\$225,000

Total Funding Sources	\$75,000	\$225,000
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**Projected amounts are estimates and are subject to change.*

Narrative Explanation of Financial Impact:

The attached MOU between the County Administrative Office, Economic Development Division and the Department of Planning and Building for the Project Trellis Local Equity Program in the amount of \$300,000 for the period of Jan. 1, 2023, through June 30, 2024. This MOU is coming to you after the effective date due to staffing levels impacting capacity. However, in the event local, state or federal funding is reduced or eliminated, the County of Humboldt may reduce the above-referenced maximum amount payable or terminate the attached MOU between the County Administrative Office, Economic Development Division and the Department of Planning and Building.

Expenditure appropriations related to the attached agreement have been included in the approved FY 2022-23 and FY 2023-24 budgets for the County Administrative Office, Economic Development Division in 1120-275422. Funding for the attached MOU is available through Cannabis Equity Grant funding from the Governor's Office of Business and Economic Development. As a result, approval of the agreement between the with County Administrative Office, Economic Development Division and the Department of Planning and Building will not impact the General Fund.

STAFFING IMPACT:

None

STRATEGIC FRAMEWORK:

This action supports the following areas of your Board's Strategic Framework.

Core Roles: Encourage new local enterprise

New Initiatives: Provide community-appropriate levels of service

Strategic Plan: 3.2 - Stabilize and support a successful cannabis economy

OTHER AGENCY INVOLVEMENT:

Governor's Office of Business and Economic Development

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to approve the agreement or allow the County Administrative Officer and Director of Planning and Building, or a designee thereof to sign such agreements. However, this alternative is not recommended as it will impact equity participants through the potential for increased tax burden, further financial burden, and a less streamlined process.

ATTACHMENTS:

1. 2020-2021 MOU
2. 2021-2022 Restated MOU
3. 2023-2024 Ec Dev and Planning and Building MOU

PREVIOUS ACTION/REFERRAL:

File #: 23-1137

Board Order No.: I-1; D-15; D-9

Meeting of: March 19, 2019; June 29, 2021; May 5, 2022

File No.: 19-406; 21-666; 22-351