



HUMBOLDT COUNTY GROWERS ALLIANCE

June 13, 2022

Dear Supervisors and Staff,

On behalf of Humboldt County Growers Alliance (HCGA), representing over 300 licensed cannabis operators in Humboldt County, we appreciate the opportunity to comment on several cannabis-related items on tomorrow's Board of Supervisors agenda.

Item D10: Project Trellis

We support staff recommendations, including to 1) prioritize funding for the equity program, 2) direct staff to bid on future state-funded equity grants, 3) cancel the countywide marketing RFP without reward, and 4) temporarily suspend the microgrant program, with the option to reconsider at a future date depending on future Measure S tax revenues. These recommendations are consistent with HCGA's previous position letters on these issues, submitted on [January 19](#) and [March 8](#), which outline our reasoning in greater detail.

As expressed in our March 8 letter, if the microgrant program moves forward at a later date, we encourage these funds to be made specifically available for collective and cooperative projects such as cooperatives, appellations, regional organizations, certification organizations, and tourism organizations. Given that any microgrants would be funded exclusively by Measure S tax revenue paid by licensed cannabis farms, it is relatively inefficient to essentially "refund" these taxes to individual farmers, and microgrant funds would be better utilized for cooperative projects that might otherwise be challenging to fund. Other grants not predominantly based in Measure S tax revenue, such as equity and LJAGP grants, are more appropriate for funding individual projects and farms.

Item H2: Local Jurisdiction Assistance Grant Program (LJAGP)

We strongly support staff recommendations to 1) remove the 1:1 matching requirement, and 2) streamline and simplify the application process for LJAGP. As we expressed in our [February 24](#) letter, many farmers do not have funds to accommodate 1:1 matching requirements in the midst of a depressed wholesale market. Imposing such a matching requirement would inadvertently privilege a small number of well-capitalized farms rather than assisting those in greatest need.

Additionally, as we outlined in our February 24 letter, we would like to see additional clarity that 1) LJAGP funds may be utilized for planning costs (such as costs for engineering) in addition to costs for physical infrastructure, and 2) LJAGP funds may be used for repair, maintenance, and upgrade of existing renewable energy systems, in addition to installation of new energy systems. If it's necessary to seek further clarification from the DCC on these items, we



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encourage staff to seek this clarification concurrent with submitting revised program guidelines to DCC to remove the 1:1 matching requirement.

Thank you for your consideration,

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