



HUMBOLDT COUNTY GROWERS ALLIANCE

August 15, 2022

On behalf of Humboldt County Growers Alliance, we are writing today regarding Item D9 on tomorrow's Board of Supervisors agenda, which concerns an updated program manual for Humboldt's local cannabis equity program.

We request that the Board of Supervisors approve this item at tomorrow's meeting, while also considering additional modifications to the equity program manual over the coming months, including by working with the state as needed.

Last week, we asked that the Board pull this item for discussion to consider adding additional language to 1) expand eligible services to include appellation development, and 2) expand eligibility beyond the 80% AMI income cap currently placed on equity funding recipients.

Following additional discussions with the county, we understand that any modifications to the proposed LEP are not advisable at this point given the need to disperse equity funding to qualified licensees ahead of the state's October 31 deadline. We also understand that modifications to the LEP are likely to require state approval, a process which will take more time than is available for the current round of equity funding.

While we support approving the equity program manual as worded tomorrow, we also request consideration on the following issues as the county considers subsequent rounds of equity funding:

- **Eligibility for appellations** - with CDFA's appellations petition process likely to open prior the end of the year, the next 6-12 months will be a critical period for the development of appellations on a regional level throughout the county. Humboldt County farmers are at the forefront of the appellations development process, with several appellations groups concretely moving forward with the scientific, historical, and geographical research necessary to substantiate an appellation petition.

Once successfully established through CDFA's petition process, cannabis appellations have the potential to benefit the county broadly by supporting small farmers, driving cannabis tourism, and further enhancing Humboldt county's reputation for world-class craft cannabis. Additionally, because state law only allows appellation designations to be applied to cannabis which is planted in the ground and without the use of artificial light, successful appellations will drive incentives for cannabis to be grown utilizing environmentally sustainable methods.



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We understand that, while appellations are not explicitly mentioned within the equity program manual, appellations development may be included within the scope of existing services. We request clarification on this point.

- **Income caps** - as we discussed in our previous letter, the impact of the War on Drugs in Humboldt County is and has been widespread, and financial challenges facing cannabis operators are broadly applicable beyond the proposed 80% AMI and \$65,000 cap on the receipt of grant funds over all equity rounds. To our understanding, [Mendocino County's equity program manual](#), approved on July 29, 2022, does not include a cap on income in terms of either annual income, or in terms of cumulative grant funding available. We look forward to further discussions on whether these caps can be revisited in future to broaden eligibility for equity operators and access to resources under the equity program.

We appreciate the hard work of Supervisors and staff to establish and maintain the equity program over the past several years, as well as the interest in continuing to improve the program over time. We support approving this item today, while also considering additional modifications in the future to expand the benefits available to equity operators.

Thank you for your consideration,

Ross Gordon
Policy Director
Humboldt County Growers Alliance