



# HUMBOLDT COUNTY GROWERS ALLIANCE

## **HCGA Comments on Item H1: Project Trellis Local Equity Program Update**

Date: August 21, 2023

Dear Supervisors and Staff,

On behalf of Humboldt County Growers Alliance, we are writing today to strongly urge your Board to continue to support Humboldt's cannabis equity program by approving staff Option #1 to 1) modify local equity program criteria in response to GoBiz conditions, and 2) continue to apply for future state equity funds.

While we have concerns regarding the new conditions imposed by GoBiz on Humboldt's equity eligibility criteria, our understanding is that these conditions are beyond the county's immediate control, and that today's agenda item essentially focuses on whether Humboldt's local equity program should continue in light of these restrictions.

We believe it is critical that the answer to this question is "YES."

Since 2019, Humboldt County has secured over \$9 million in state funds to support local equity operators who have been negatively impacted by cannabis criminalization. Humboldt's effectiveness in distributing these funds stands as a testament to the commitment by your Board and staff to local equity operators, and these resources have been instrumental in enabling many cannabis operators to stay afloat in the face of collapsing wholesale prices for cannabis.

Discontinuing Humboldt's equity program would put \$1.2 million+ in state equity funds at immediate risk, in addition to millions of dollars in state funds which are likely to become available in future years.

Disruptions to Humboldt's local equity program would have further impacts on state equity fee waiver eligibility, one of the most important state programs supporting local equity operators. While local equity eligibility has not always been a precondition for state equity license fee waivers, the DCC [recently limited fee waiver qualification to locally-verified equity operators](#). Without an active local equity program, it will not be possible for local operators to become locally equity-verified to qualify for these state fee waivers.

In addition to these immediate financial issues, we are concerned that there would be other, longer-term implications to any disruption to Humboldt's equity program. Through HCGA's partnership with Origins Council for state-level advocacy, HCGA has been tracking an ongoing conversation at the state and federal levels on the definition of a "cannabis equity operator."



Because there is no single, statewide definition of an “equity operator,” and because the legislature has allocated finite resources to support local equity programs, we have seen persistent pressure from the state to re-evaluate local equity criteria on a case-by-case basis in an attempt to triage limited resources among various jurisdictions.

Until there is reasonable consensus among stakeholders on a statewide definition of an equity operator, we believe it is likely that these pressures will continue. Through HCGA’s partnership with Origins Council, we have been in dialogue with equity advocates across the state, including advocates in the cities of Sacramento, Oakland, and Los Angeles, regarding a statewide definition for an equity operator. While these conversations have been productive, it has also become clear that the scale and impact of the Drug War, as well as the disparate impacts of prohibition on different communities, make a single, consensus definition of an equity operator a difficult undertaking that will require time to fully resolve.

As the statewide definition of an equity operator remains under discussion, a discontinuation of Humboldt’s equity program would suggest that Humboldt is not an important part of these discussions, and would risk further modifications to state equity policy that marginalize the experiences of Humboldt operators impacted by cannabis prohibition. Conversely, Humboldt’s support for our local equity program sends a strong signal that our local equity operators are crucial stakeholders in these longer-term conversations.

Modifying Humboldt’s equity criteria in response to GoBiz’s proposed conditions and applying for the next round of equity funding, as proposed in Option #1 in the staff report, would enable Humboldt equity operators to continue to access much-needed state funds in the short-term, while also positioning the county to pursue additional changes to the eligibility criteria in the future based on further discussion at the state level.

Alternatively, if Humboldt’s equity program were discontinued in response to GoBiz’s proposed changes, it would risk locking Humboldt further out of statewide equity funding discussions and make it much more difficult to bring needed state resources into our community over the coming years and decades.

For these reasons, we strongly urge your Board to adopt Option #1 in the staff report.

Thank you for your consideration,

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Humboldt County Growers Alliance