

Feb 1st 2022

Re: Agenda Item 4f

Dear Board of Supervisors,

I think it's important for you all to know my story, what I've been going through since March 14th 2021 when my equity grant application was submitted to the Elevate LEEP website portal and the journey ever since. It took me a few weeks to get my application submitted because I had to finalize my 2020 tax returns to be able to show proof of my income. Otherwise I would have submitted an application on the first day the equity portal opened.

I have created a timeline for your review to see exactly what this process has looked like for me to apply with nearly all the email correspondence I have sent and received. I tallied up over 125+ emails so far.

You will see many long pauses with no response to my questions, asking for documents already provided and many things needing to change. I still have no idea what is going on with my Fee Waivers or my Direct Grant Funding and at this point I really question if I will ever get access to webinars for Technical Assistance.. I am dismayed by the dysfunction that has existed for nearly a year. I wish the budget would allow me to include therapy sessions to my proposal for all the added stress this process has caused me. Trying to add some humor here to keep my spirits up but this really has been more stressful to deal with than my cannabis permit application, although the Appendix G process is a running second.

I sincerely hope we do not experience anything close to this again during the next phase of equity funding that was given to us by the state for help meeting CEQA compliance. I hope my story provides you with a clear picture of the true issues we have been dealing with as applicants. I understand this was a new program that was launched but so many things could have been streamlined and fixed right up front to avoid all the unnecessary back and forth correspondence I've dealt with.

After putting this all together it spans just over 19 pages, which I honestly don't think you will have time to read before this BOS meeting, but I hope you will skim over it at the very least. I wonder how many more applicants have a similar story as mine? I know personally of a few. I guess this is what it means to be the first in line to charge forward against the shackles of prohibition. The constant changing of the rules, the requirements, the standards. The lack of proper staffing to really execute with precision and timeliness.

I chuckled when I looked back at all those emails remembering my frustration when I would receive a redundant question asking for materials I already provided in the original application portal or email. Especially because the LEEP staff would say thank you for your patience. I'm a seamstress and jeweler and grateful I can lean on those skills of patience to get me through these kinds of trying times. But I have to admit, I've started to get to the end of the rope. I also felt a little reluctant to write this email for the "fear of retaliation" and I hope my story doesn't cause me more hardship by telling it.

All I want now is for the board to take swift action and make all possible and necessary amendments to this equity application process so we can get funding to applicants in the coming weeks and so this saga can finally be put to rest. We need LEEP to have more accountability to their applicants and respond to emails quicker. My partner waited 32 days for a response to his application questions. And just earlier today after waiting an additional 15+days, his underwriter told him to add/fix some things and get it to him by tonight! Why such little time to give documents? Why do they wait until the last minute to tell us what we need to do, causing us all to stress over a deadline we could have known about and prepared for weeks ago by a simple response to our original email request?

I plan to continue documenting this process until the story is finished. I hope it can be told in two acts instead of three.

Hoping for change,

Monique Ramirez
Monique Ramirez
Sunbright Gardens

AN EQUITY STORY ACT 1

March 14th 2021 -Equity Grant application submitted to LEEP website

March 14, 2021- Received email confirmation my application had been received

March 23

-Received an email from my assigned underwriter that they would review my application and get back to me

-My underwriter emailed me and requested that I fill out the Cannabis Work Experience Form and proof of my arrest record.

March 24

I responded asking for clarity if I needed to provide the cannabis work experience form since I was a cannabis permit holder in Mendocino county and provided that proof already in the application.

Received an email from the underwriter stating to still fill out the Cannabis Work Experience Form

March 25

I emailed Cannabis Work Experience Form

March 29

I emailed Proof of Arrest Records (took a few days to dig up all the old records)

April 6

I emailed to check on status of application and that the underwriter had received the Cannabis Work Experience Form and Proof of Arrest Record

April 7

Received email from LEEP: *"I'll be able to give you an update tomorrow"*

April 8

Received email from LEEP: *"The County of Mendocino is working on getting Applicant notifications out. They are on the way! In the meantime, the County has decided to require additional proof of income. They are asking that you provide one of the following:*

For proof of income please provide federal tax returns and at least one of the following documents: two months of pay stubs, current Profit and Loss Statement, Balance Sheet or proof of current eligibility for General Assistance, Food Stamps, Medical/CALWORKs or Supplemental Security Income or Social Security Disability (SSI/SSDI).

You may also submit your 2020 federal tax return instead of the documents listed above. If you are working as an independent contractor, a current Profit and Loss Statement or Balance sheet may be the easiest way to meet the requirement.

April 8

Me: *"I already sent my 2020 tax return but I will send you my medi-cal statement from 2019 and 2020 in the attachment below. Let me know if you need anything else!" (the 2020 return was uploaded to the portal)*

April 17

LEEP: *"Thanks for sending this over. I checked my emails and don't have your 2020 tax return (I have 2019), but your Medi-Cal statements will work!"*

Me: *Really? Ok I will send you my 2020 returns as well. When will I know if my application has been approved?*

LEEP: *"I just used your statements. I don't need your 2020 tax returns. I sent your application in for review and approval. It looks like everything is OK. We will be sending out eligibility letter shortly."*

April 25

Me: *Just wanted to check in to see if there are any updates? I'm really surprised for how long this process takes. Do you anticipate how much longer it will be before acceptance letters are mailed out? Will it be via email or regular mail?*

April 26

LEEP: *I apologize for the delay. The issuance of the notifications has been pushed back due to the hiring and onboarding of the new cannabis program manager. I will know more about the date they are going out in the next couple of weeks. We are working diligently to get them out. I can also tell you than how they will be sent.*

May 31

Me: *I'm curious if now that the cannabis manager has been hired if there has been any new updates with the notification letters for the equity grant? It's been a month since our last email and so I wanted to see how much longer applicants can anticipate waiting to find out if we are eligible and for how much. It's surprising to me that this process has taken since February, and still no clear understanding of what is going on.*

June 2

LEEP: *No problem...keep on checking in. We had another departure in the Department. I don't have any updates today, but our meetings on Thursdays (tomorrow) with the County. The best day for an update would be Fridays. Keep checking in...I really hope to have an update for you soon!*

June 24

Received an email with confirmation that my equity application had been approved with up to \$19K to spend between direct grants, permit/fee waivers and technical assistance. (3 months and 10 days to receive acceptance letter)

July 4

Me: *I got the great news that I've been awarded the Equity Grant and I can now apply for various LEEP grants. I have a few questions regarding this part of the process.*

1. For permit fee waiver grants, I have already spent money on my actual county permit renewal fees this year. I'm curious if I could receive a refund of these fees I have already paid and if the grant could also apply for future permit fees or to be reimbursed for the fees I've paid in previous years as well? I would like to take full advantage of the \$7,000 that is available for me to apply for but want to understand what is eligible and what is not. Can the grant be spent on permit fees to the state as well? And can it be applied to the costs of the appendix G review? If I'm not successful in obtaining approval with the appendix G review and need to apply for an Administrative permit under Chapter 22.18 cannabis ordinance, can I put in a request for funds to cover that if I need it? I will not know the outcome of my appendix G application for probably another month or so.

2. Direct Grants, since I'm undergoing appendix G review right now, everything outlined on my application is for current canopy size and infrastructure. We would like to use the direct grant to either build a pond, add water storage tanks, or build an F-1 occupancy processing room. If we do any of these activities it will not be acknowledged under the appendix G at this time since permits and the construction is not active, so that would mean having to reapply for ceqa clearance under the chapter 22.18 ordinance, so curious how equity applicants in my shoes are able to get direct grants and not mess up the CEQA review process they be undergoing at this time.

How long do we have to apply for each grant we have been approved for? Especially since some things are unknown right now with respect to my status with the appendix G process.

Thank you for any insight or answers you can provide.

LEEP Response: *I will be forwarding these questions to your underwriter, as [REDACTED] will be able to assist you with those answers. Thank you for reaching out and please let me know if you run into any issues.*

July 11

Me: I received your text on Friday about my grant application and I responded back but never received a reply. I also believe some important questions I need answered were sent to you from another staff member and so I'm hoping we can follow up this week to figure things out so I can move forward with applying for the various grants I'm eligible for.

July 13

Spoke with my underwriter over the phone and after our call I forwarded her the questions I was trying to get answered again.

July 14

ME: Thanks so much for speaking with me this afternoon and going over my questions. Just to recap I wanted to restate some of the concerns I have moving forward with some of the grants.

- 1. If an appendix G application has already been submitted to the County, then how can an equity grant applicant utilize the \$10,000 for direct grant funding for upgrading infrastructure etc since no changes can be made to an appendix G application once approved and currently under review?*
- 2. Will the County allow technical assistance grant funding to be spent on hiring qualified third party accountants or bookkeepers to help with these expenses? Or for some that need to hire a bookkeeper to help set up ledgers or templates?*
- 3. If appendix G applicants receive an Annual state license, how can they add infrastructure without incurring more fees to go under a new CEQA review for the added changes using the grant money awarded to them?*
- 4. What are the timelines to be awarded the actual money to break ground on project improvements?*
- 5. What would the county advise for an equity grant applicant to do if they have already submitted an appendix G application?*
- 6. If the county changes the income thresholds, or increases the amount that will be awarded for the grant, will this apply to current applicants or will it be for next year? Can an equity grant applicant apply for funding the following year? Or is it a one time grant application?*

July 20- I applied for Technical Assistance Grant Funding

July 20

ME: I'm curious how grants work with respect to state and federal income taxes? I have been awarded up to \$19,000 but if I also have to pay taxes on that amount then I need to set aside some of the funding to pay for the taxes that I will incur as a result. I also wanted to know if this is a one time grant or if I can apply again next year for additional funding?

July 22

LEEP: *I haven't forgotten about you! We are working with the County to get these questions answered.*

LEEP: *I am responding on behalf of [REDACTED], while we are not licensed to give tax advice I will say that we know grants are taxable. **Therefore setting aside funds to pay taxes is a good idea.** Also, I am not sure if LA will have another grant program next year.*

LEEP responds to previous questions in bold below:
Answers below! Let me know if you have any questions.

1. If an appendix G application has already been submitted to the County, then how can an equity grant applicant utilize the \$10,000 for direct grant funding for upgrading infrastructure etc since no changes can be made to an appendix G application once approved and currently under review?

Appendix G is tied to the project and scope of your cultivation permit. If you are changing the scope, scale or type of cultivation project, yes you will have to amend. If you haven't paid the fees you can apply for a fee waiver. You can apply for a fee waiver now. You will not need to amend an appendix g if you are not changing the scope. Example, if you want more water storage you do not need to amend the Appendix.

2. Will the County allow technical assistance grant funding to be spent on hiring qualified third party accountants or bookkeepers to help with these expenses? Or for some that need to hire a bookkeeper to help set up ledgers or templates?

No third party consultants (accountants and bookkeeper) except Direct Grants can be applied to the preparation of Appendix G. Example, hire consultants for a biological study.

3. If appendix G applicants receive an Annual state license, how can they add infrastructure without incurring more fees to go under a new ceqa review for the added changes using the grant money awarded to them?

If infrastructure is in relation to the size, scope, and scale of the cultivation you will need CEQA review. But if it is for a water tank no new CEQA review would be triggered. Only a change in scope, scale or type of your cultivation that would require a change in permit would trigger a new CEQA review.

4. What are the timelines to be awarded the actual money to break ground on project improvements?

4-6 weeks after we receive a completed application.

5. What would the county advise for an equity grant applicant to do if they have already submitted an appendix G application?

If you haven't paid the fees you can apply for a fee waiver.

6. *If the county changes the income thresholds, or increases the amount that will be awarded for the grant, will this apply to current applicants or will it be for next year? **Yes***

*Can an equity grant applicant apply for funding the following year? Or is it a one-time grant application? **Yes, you can apply for future funding as long as you meet current eligibility (income, use of funds, etc.).***

LEEP: *We cannot give tax advice, but I do know grants are counted as taxable income. With regard to future funding, you will be allowed to apply for any future funding that is allowed as long as you meet that program's requirements.*

Sept 5

LEEP: *Your application for Technical Assistance has been completed and submitted. We will be in touch regarding the next steps! (I applied on July 20th)*

Sept 22

My email to MCP:

I'm curious if you can send me the current application and renewal permit fees total amount combined so I can include this information in my proposal to the Elevate LEEP equity grant proposal I'm putting together. When I look at the Master Fee Schedule, it is not very clear about the total fees for a renewal application. Historically it's been roughly around \$1907 but not sure if things have gone up or down since the last BOS fee hearing.

October 4

LEEP: *For your fee waiver we are missing the following: **Upload your email, fee estimate, letter, or memo of verification from the designated County department providing verification that you meet the requirements to apply for the permit, license, or application assistance meetings or fees.** (See attached example for Cultivation Renewal)*

For your direct grant we need the following:

1.

Executive Business Summary: *Please use the template previously provided to complete a thoughtful and complete business summary. **You can also fill in your answers to the template directly. DO NOT DELETE THE QUESTION YOU ARE ANSWERING. Use the attached template.***

1. ***Budget/Use of Proceeds:*** *Please send over a budget/use of proceeds that totals \$50k. The budget must equal the amount of funding you are applying for **and must be in EXCEL or GOOGLE SHEET format. PDF's will not be accepted. Use the attached template.***

a. Note: *Keep in mind that the \$50k will be given in two separate disbursements of \$25k*

1. ***Written Narrative-****Narrative explaining how the funding \$50k will be used. The amount must be equal to the amount of funding requested. **See attached sample***

1. Contractor Scope of Work

1. The first page of your personal bank account statement OR business bank account statement: The name that appears on the bank statement is who the check will be made out to (you as an individual or your business)

1. Copy of your license

1. Please answer the following questions:

- a. How will the grant funding help your business?
- b. What type of legal entity do you have? (i.e. an Individual, LLC, Corporation)?
- c. What is your registered business name (i.e. Green Jimmy's LLC)?
- d. Do you have a DBA?
- e. What is your mailing address for checks, legal documents, and invoices?
- f. What is your race (for State of California data purposes)?
- g. What is your gender (or State of California data purposes)?

Oct 4

Me: I'm trying to apply for the direct grant and fee waivers. However the county has not given me the permission letter I need to upload for fee waivers and I emailed them over 10 days ago and even called and left a message last week with no response. **The direct grant portal does not allow you to upload spreadsheets or additional budget supporting documents for what you would use the \$50K for.** Not sure how to proceed. I went ahead and tried to go back in and add a screenshot of my quote on water tanks but wasn't able to upload the rest of the info that is needed? Can you please help me? Will the program generate an email that I will receive stating that you received my grant applications for direct grant/fee waivers? I did receive your response about the technical assistance and am curious how long it will be before I receive anything for that? Workshop dates etc? I really want to get this stuff wrapped up soon so I can receive my awarded grant funding.

My email to MCP: Hello Cannabis Program, I sent an email to your department well over 10 days ago requesting information on the master fee schedule so I can use the information to apply for the Cannabis Equity Grant. I also left a voice message with the department last week and have still not received a reply back. This is very time sensitive! On the Elevate Impact Grant website when I apply for the fee waiver it states very clearly that I must provide:

An email, fee estimate, letter, or memo of verification from the designated County department providing verification that you meet the requirements to apply for the permit, license, or application assistance meetings or fee.

I am requesting this verification letter/email so I can use this direct fee waiver for my Appendix G fees and future cannabis application and permit fees for my specialty cottage outdoor license. **My permit number is [REDACTED]** Can you please send me this verification letter stating I meet the requirements to apply for this equity funding?

Oct 5

MCP: Apologies for the delay on this response. As you may be aware the Board of Supervisors passed a new fee schedule for the Cannabis Program in July, 2021. We've been waiting for the new fees to go into effect and received the final, late last week. Please see the bottom of page 17, on the link below.

<https://www.mendocinocounty.org/home/showpublisheddocument/45103/637648908509730000>

My response to MCP: *Thank you for getting back to me. Will the master fee schedule document you have provided be sufficient documentation for the Elevate Impact portal for a fee waiver for my appendix G application that is currently under review? I have been instructed by Elevate Impact to provide the following:*

Upload your email, fee estimate, letter, or memo of verification from the designated County department providing verification that you meet the requirements to apply for the permit, license, or application assistance meetings or fees. *Thank you so much for helping me get the required documentation.*

October 6

My email to LEEP: *Thank you for helping to clarify the documents that are needed. However in the portal I can't upload any supporting documents for the direct grant. So I am attaching all the items for the fee waivers for the county permit/application and my appendix g 15168 application fees + direct grant fee information below for your review , if I need to submit them some other way please let me know!*

October 8

MCP: *The LEEP administrators will approve or deny the fee waiver request and the master fee schedule should be enough to allow them to decide. Once they've approved the fee waiver, they will confirm with the MCP and we will draft the fee waiver, regardless of what Department the fee is relevant to.*

October 9

I received this email from my underwriter and they cc'd BOS, and MCP:

Is the attached Master Fee current?

My response to underwriter:

*I wanted to be sure you received all the info you said you needed for the direct grant + the fee waivers for my upcoming cannabis permit renewal and my appendix g application that is currently under review. I'm hoping what I provided will be all that is needed to move this application forward! The county gave me that Master fee schedule that I uploaded so I hope that is all you need. I did find out that the State has offered another grant opportunity for CEQA compliance and the county is in the process of putting a proposal together. **I'm curious if I can amend my budget for the direct grant to remove the water storage tanks from my proposal and replace it with security fencing** we desperately need to fix? The new state grant would allow us to possibly build a pond or acquire water storage. Since this equity grant is not as narrowly focused, I'm hoping I can make a slight amendment. If not I will keep my application as is, but if I can amend the 50K budget proposal, that would be great!*

October 10

LEEP: Couple of items/questions:

1. You want the check to be made out to you as an individual, not your business, correct?
2. You do not have an LLC or Corporation, correct?
3. Please send a copy of your license.
4. What is the name of your DBA?
5. What is your Mailing Address for check, legal documents and invoices?

October 12

My email to LEEP: Hi I did send a copy of my license, do you want my state one too? I also answered these questions already and put them on a word document for you.

1. Yes the check to be made out to [REDACTED]
2. Correct, it's a general partnership
3. See attached below
4. [REDACTED]
5. Sent this already

Did you get my previous email asking if I can make a modification to the budget and remove the water tanks and add security fencing instead?

October 18

My email to LEEP: I wanted to get an update on my application for the direct grant. I sent you several emails inquiring if I could change my budget proposal and have not received a response from you. So I'm attaching my NEW budget proposal and my modified statement of how the funds will be sent for your review. Please let me know if you need anything else. If you can give me an estimate of how long the rest of this process will take before the funds are dispersed that would be greatly appreciated! also wanted to check in on my technical assistance application. Can you provide an update on this as well?

October 19

My email to LEEP: Hi, I've been trying to reach [REDACTED] regarding my direct grand proposal and requesting to change one of my expenses. I went ahead and made the changes in my budget proposal and sent it to her yesterday after not hearing anything if I could change it or not. I'm hoping one of you can help me figure out what's going on with my application. I sent [REDACTED] all of the requested documents she asked for and I'm still waiting to hear back on the status of my technical assistance application as well and my fee waivers for future cannabis applications and my appendix G. Please find below the forwarded email I sent her with my UPDATED budget proposal. I'm requesting to change the expense item of water storage tanks to security fencing and gate instead.

October 20

LEEP: Thank you for the email. Let us follow up with [REDACTED] and get you an update.

LEEP Underwriter: [REDACTED] will send the Technical Assistance Approval Letter. Following receipt, you will receive a schedule of dates the Technical Assistance is offered.

Oct 23

LEEP: You can just complete the application, and we will confirm the amount of the fees later.

Oct 24

Me: Ok I thought you already had the complete application for the fee waivers. Can you please confirm you have everything you need for my technical assistance, fee waivers and direct grant proposal? Has my direct grant and fee waivers been given to Kristin Nevedal for approval already?

LEEP: Can you please send over a copy of your license? It looks like I have everything else.

October 26

My email to MCP:

I wanted to see if I should communicate with you pertaining to my equity grant application that was submitted and accepted? I've been trying to get some answers from [REDACTED] who is working with me on my application. I asked to make an amendment to my budget proposal for one of the items I wanted to modify (switching from water tank storage to security gate and fencing). In an attempt to expedite this process, I sent [REDACTED] an amended Budget Proposal and written explanation of what the funds would be used for to reflect the new change. After many emails she finally responded that I could make a one time change. One of the concerns I have is about the proof of fees. I sent [REDACTED] a forwarded county email I received from the MCP when I requested the updated fee schedule, and then [REDACTED] was still inquiring if that was correct. Which is odd since it was the forwarded master fee schedule I received FROM the county! It just keeps taking forever and I've been in this process since February. I'm hoping someone can provide me with an update, and when the funds will be dispersed. I applied for the direct grant of \$50K, technical assistance back in September and am trying to get my application and appendix g fees waived until I run out of the \$7k allocated. Thank you for any guidance you can provide. I also wanted to let you know that there were no spots on the elevate website to upload all of the required supporting documents for the direct grant so I ended up emailing them all (7 documents in total I believe) to [REDACTED]. I can forward that information if you need it. [REDACTED] told me that I could make a 1 time change to my application for the direct grant and I'm unclear if it has been submitted to you for review yet or not. I'm also feeling concerned for the lack of communication with [Tiffon] on key questions I have asked her. She keeps asking for me to re-send her things I already have given her. I keep forwarding her the info and then she doesn't confirm that she has received it. Super frustrating. Also, my partner [REDACTED] applied for the equity grant as well once the income thresholds were removed. He submitted the application on October 5th, the day the Board approved the income change. He keeps checking his email to see if it has been approved yet and there has been no response. He and I were both impacted by a raid in 2013, went to jail and paid into the restitution program. Is there anyone in particular he should reach out to for an update? He sent an email thru the Elevate website and still no response.

October 26

LEEP: I need the name of your DBA and a copy of your license to complete your application.

October 26

ME: I gave you my license already as you can see from this email below, not sure why you are still asking for it? Are you wanting my state drivers license or my cultivation license? And I said the DBA was [REDACTED] in this forwarded email in response to your question #4. Please let me know if there is something different you want. I would really like to know that you have everything for my entire equity application for fee waivers, direct grant proposal of \$50k and the technical assistance as well.

October 26

LEEP: I have your cannabis permit and license, I meant your personal identification. I need a copy. You can also submit your passport.

The reason your applications are taking longer than usual is because they did not come with the necessary documents needed to complete the application process. I'm not sure why that is the case, but I have reported it. However, we are close to wrapping up your Direct Grant and Fee Waiver. I just need your Personal Driver's License OR Passport.

October 27

Me: Thanks for clarifying this for me. Attached please find the DBA info which is: [REDACTED] and my Driver's License ID. Please let me know if you need anything else. Also, my partner [REDACTED] applied for the grant once the income threshold was removed. He applied on Oct 5th and he tried to reach out to find out if it has been approved yet, but no one has gotten back to him yet and he tried to email from the elevate website. Is there a specific contact email he should use to get status on his application? Can you let me know when all my stuff has been approved, or sent to Kristin Nevedal for review?

October 28

LEEP: No problem! I'll be traveling today and tomorrow so it'll be wrapped up this weekend and I'll shoot you an email.

Me: I haven't received the technical assistance letter from [REDACTED] yet for when to sign up for a class. I think you mentioned last week that I was approved and I would be getting a confirmation for it, but nothing has come yet.

LEEP: I submitted your Direct Grant application. Now I'm working on your fee waiver. When the Technical Assistance schedule is available it will be emailed out to everyone. I don't have a date yet.

The fees on the attached letter are different from the fee you emailed me to add? Are you applying for a fee waiver for the renewal application, annual permit, and Fee Type: Appendix G #15168 application fee (Fee Amount: \$693.33)?

Me: The fee waiver is for:

- renewal application fee
- renewal county permit fee
- Appendix G application fee

Since we can use up to \$7K, can I post date the fee for my cultivation permit and just have the fee pay for my future permit fees until the money runs out? It basically costs about \$1911 to renew each year, however the board has changed the fees and when I contacted the Mendocino Cannabis Program, they didn't have an updated fee chart to give me, I explained I'm an equity applicant and needed this info, but they couldn't offer a timeline of when they would have the fees posted. However they are on the mendocino county master fee schedule, but it's super confusing to figure out. I forwarded you the county info I received. Not sure what else to do. Also the attachment you tried to send me didn't come thru.

October 29

LEEP: Great! Those are the three fees that I have. I just want to double check and make sure that I got all of them.

You don't have to posting it... There's no actual transfer of money for the fee waiver. It all happens internally. Right now, we just pay the fees that are due, and the rest of the balance will be available for you in the future. Is the Appendix G application fee due now? That's the only fee that I have listed that doesn't have an accompanying invoice/letter.

Me: It's not due yet but my application is under review and being processed by the county, once it's complete the fees will be due, it's probably gonna be finished by the end of this month.

LEEP: We will include it in the fee waiver.

October 30

LEEP: Your Fee Waiver application has been submitted! Next steps are we will review the application fees, communicate with the County, and send you an approval letter of the fees being paid. Give us a bit of time. If you do not receive an update by next Thursday, shoot me an email.

Nov 4

Me: Just wanted to check in on the status of the fee waivers and all the rest. I heard yesterday something about an email that has gone out to some folks that are in this application process that now we have to have insurance in order to receive the grant funding. Can you please let me know what that is exactly? Have you received any info regarding my application for the direct grant yet? I'm just curious how long it will take before it's going to be approved. Especially if there are new requirements. This whole thing is feeling very discouraging for how long it's taking and now finding out there are new obligations to meet that are going to cost me money that I don't have. If you can give me all the info about the insurance stuff that would be great.

Nov 6

LEEP: Thank you for your patience. This is the program's first year, so we are working out some of the kinks. Yes, the County is now requiring insurance. Below are the new requirements. It is required for Direct Grants over \$15,000. Your application is still in process. Can you send over the insurance documents requested below please?

LEEP: Did you want the \$50k paid in one distribution or two distributions of \$25k?

Me: 2 is good
Preferably 1 in 2021
And one in 2022

Nov 9

Me: Hi [REDACTED] I got a quote for how much the vehicle insurance would be but they can't generate a quote via email, but I can authorize them to give you the info by phone. If that can work for that part I will send you the number so you can verify the policy amount so I can modify my budget to include this cost in my proposal since this is a new fee I had no idea about before. I also am still unclear about the other part of the insurance and in talking with an agent, not sure I can get coverage since my home is not finished that I currently live in and is Class K with the county (owner built) and we signed a release of liability when we got the building permit issued.

Can you please find out the answers to these questions:

- #1. How long must an applicant maintain this type of insurance?
- #2. Can a release of liability form be used in lieu of paying for said insurance, especially for property that will not be able to find someone to insure them?
- #3. Do we have to have this kind of insurance if we are just putting up a gate or adding fencing to our existing fence? That seems crazy to require a \$1million dollars of insurance when we will do the work ourselves, no helpers nothing...please advise as I know this is all very time sensitive. Also, can funds be used for packaging expenses for our business? Like purchasing jars and lids? Or redesigning our logo? If my partner gets approved, he would like to use the funding for that if possible but wanted to see if this is an approved expense?

Nov 13

LEEP: No. These are the approved expense categories:

1. Regulatory compliance
2. Capital Improvement
3. Fixtures or Equipment
4. Training and Retention of Equity Verified Workforce

Nov 18

Dear LEEP Applicant:

Due to the holiday season, the timeline to issue a direct grant check has been severely compressed. Therefore, if you would like to receive a Direct Grant check in 2021, you must submit your Direct Grant Application, Budget and Insurance by November 29th. **Please note there will be grant funds available next year in 2022.** However, if you are hoping to receive a grant check in 2021 you must complete your direct grant application and submit insurance by November 29th. If you do not have insurance, you're welcome to submit a Direct Grant Application with an insurance quote and a budget. **A Direct Grant submission is still**

subject to review and approval. And again, Direct Grant funds will be available next year.

Me: I went online today to try to find insurance and abandon using an insurance agent cuz he's taking too long. Can the insurance policy be put in the name of our Business? My partner [REDACTED] has also applied and is still waiting for confirmation his application has been approved. If it does get accepted, there seems to be no point to make us both carry the insurance on the property, and instead have the policy under the Business name as 1 policy. Is that possible?

LEEP: Yes the insurance can be put into the name of your business. Please see insurance requirements attached.

Nov 19

received a reply from MCP in response to email I submitted on Sept 22nd

Permit renewal fees were reduced in July this year. The current price of a permit renewal is \$733.33. It is now one fee paid up front.

Nov 22

Me: Here is my quote for insurance! I was able to find something after over a week of looking and with 2 different agents...I'm attaching both the General Liability Insurance quote, the vehicle insurance quote and my updated Budget Proposal to include these new fees. The car insurance is in place as of today but the bill is due in December by the 22nd. Please let me know if there is anything else that is needed to get the payment this year! Thank you!!!

Nov 29

Me: I'm curious if we are able to use the direct grant funding for cannabis state testing fees? There is a place on the direct grant budget to include a fee and I wanted to know if this expense would be allowed.

Dec 2

LEEP: I've attached a copy of your budget. You can add testing fees under the Inventory Row 47. There is a note stating "Cannabis State Testing Fee" in Cell F 47. Please add the general liability and auto insurance expenses in the Insurance expense section. The items under "Equipment" will have to be submitted after you get this check and get your insurance. Please include any costs that are not capital improvements.

Me: Attached please find 2 budget proposals. The first is for the insurance and it also includes items that will not impact needing insurance because they are not capital improvements or will be transported by car from my home since they are things that will be purchased online and delivered by either UPS or FEDEX (garden tools, a microscope, planting pots and a solar pump and charger)

LEEP: I updated your application to reflect the two budgets, and have submitted them. They will be processed and the grant agreement sent out as soon as it is approved by the County.

Dec 2

Me: Thank you [REDACTED] for this update! I really appreciate it. When you say approved by the county is that the situation with county counsel and their hold up? Just wanted to be sure I understood things correctly. My insurance for the auto is due on the 22nd of December but I can pay it late but not sure how long they will let me delay it for. Hoping county counsel will get things approved with the template in time for the closing of the year.

Dec 4

LEEP: Yes, we don't have the grant agreement.

Dec 12

LEEP: Can you complete and return the attached w9 ASAP? Since you want your grant check payable to you as an individual, please complete the W9 as an individual and provide your SSN#

Me: Here is my updated W-9. Please let me know if you need anything else.

LEEP: Received. Thank you.

Me: *Ok great! I did put the business name on the form and that I'm a general partnership, is that ok? I wasn't sure*

Dec 13

Me: I wanted to check in to see if my application is in line to receive funding before the end of the year? My car policy which has been upgraded is due before the end of this month and I don't want to have to pay this out of pocket. Also my partner [REDACTED] submitted his application back in early October (the day the country changed the income threshold) and he is still waiting to hear where his application stands in this process. He created 2 budget proposals, one to reflect the items that don't require insurance and the ones that do. He has been trying to get confirmation that all of the documents that [REDACTED] requested have been received, but he hasn't responded to him. Hoping you can help him get some update and I'm also hearing that there is a signing deadline for the 14th and want to be sure he isn't missing any important deadlines.

Dec 14

Me: I'm hearing that people in the community are being asked to come to the county to sign documents to get checks received and I'm just curious what the status of my application currently is? [REDACTED] asked for me to update my W9 on Sunday night, which I did and I asked her if she could give me an update but haven't heard anything yet. I just feel concerned for how this whole process is going and knowing that people I'm friends with who only applied in mid November are looking like they are going to be receiving funding before me. That is extremely upsetting to me. I've been waiting since March! I keep asking for updates, if there is anything needed from me and so I really don't understand why I'm not receiving any follow up information. I provided insurance and now my policy is due in a few more days. I do not want to have to pay this out of pocket. Please, can someone let me know what's going on and why

people that just applied in November and are not low income are slated to receive a check before the end of the year? Meanwhile people like myself have not received any appointment to come sign any documents to get the funding this year. I really hope you can find out what's going on as soon as possible. How is Elevate keeping track of which applications are low income to process them first since that was directed by our board of supervisors? Thank you,

LEEP: *You sent your insurance in on December 8th, and sent your W-9 two days ago. Your application was not considered complete without those documents. Now the grant agreement must be drawn up. If others received their checks before you, they submitted a complete application before you. Being low income is not a program requirement.*

Me: *No that is not true!! I submitted all my insurance info to you by the deadline On November 22nd!! I will forward the info to you now.*

LEEP: *My mistake you are right. That doesn't change that the W-9 was just received. Your grant document still needs to be drafted. We've already explained the grant agreement approval-delays. There are people who applied way before you who are still waiting for their grant application because some of their documentation needed to be fixed. There is nothing amiss going on. One applicant making less money than someone else does not expedite applications. Like we stated before, this is a new program. There are going to be kinks that need to be worked out.*

Me: *I gave you guys everything months ago and the w9. Then Paula contacted me over the weekend asking for me to change the way I filled it out. SO I did that and submitted it back right away (within a few hours) SO now I cant get funding this year? what? The board directed LEEP to prioritize the low income applicants... that is clearly not happening. Why is my friend who submitted her application on the November 28th deadline going to receive funding before me? Can you understand how upsetting that is to me? I have done everything you asked... why didn't you review my documents earlier to tell me if something was wrong with the w9? I asked you multiple times if you had everything you needed to process me in time and you said you had it all. **Please can you call me so we can figure this out!***

Dec 14

spoke to the underwriter on the phone who said she would find out if my W9 had been filled out correctly and get back to me later that day. She did not call me back.

Jan 5

Me: *I'm hoping you can give me an update on where things are at with my equity application? Did you find out if I filled out the W9 correctly? Has the county reviewed my budget proposal and approved it? What is needed to get this thing approved? Would be very appreciative of any sort of update. My insurance bill is past due now and I'm pretty upset I'm gonna end up having to pay it out of pocket since the funding has not come thru yet.*

LEEP: *I'll check in on the status and get back to you.*

Jan 10

Me: *Just following up since it's been 5 days and I still have no update on what's going on with my grant. time just keeps ticking...*

LEEP: *I apologize for the delay. Thank you for following up again. I'll follow up with our team for an expeditious answer to your question.*

Jan 13

LEEP: *We reviewed budgets today with Kristin. It has been again confirmed that taxes cannot be a budget line item. Currently, the attached budget allocates \$14,000 to taxes which the Mendocino County Board of Supervisors has not approved. Therefore there are two options that I can think of:*

- 1. Remove the taxes and submit the budget for \$36k*
- 2. Allocate the \$14K to other categories. Please let me know ASAP what you would like to do.*

Me: *The allocated amount of \$14,000 is NOT for county cultivation taxes, it has always been set aside to pay the income taxes on my tax return since we've been told repeatedly that the grant is considered taxable income. Please let me know if there is something else that needs to change otherwise I'm hoping my budget is good to go as is with this clarification.*

Jan 14

LEEP: *At this point the Board of Supervisors has not approved the use of Grant funds for taxes. If you could please reallocate the funds to other categories it would really speed up your Grant.*

Me: *Yes that's true but not for IRS taxes. I was advised by your team to set aside funds in my budget to pay for the IRS taxes. This is so frustrating that yet another thing has changed. I'm contacting my district supervisor to figure out why I can't use these funds for my IRS taxes. Otherwise if this policy is including IRS taxes then that means every applicant will have to come up with their own funding to pay for the taxes that will be owed on this taxable grant. Even if I take less money I'm still going to have to come up with money on my own. That's not how this grant was supposed to work and especially not so for low income applicants such as myself. This program is an absolute utter failure and I am appalled at how long it's taken to review my budget to figure out that I can't use this funding to pay for the additional taxes that this funding is going to generate on my income return just because I'm taking the money. There must be a sensible solution to all this madness.*

LEEP: *I do appreciate your comments. Unfortunately the Board of Supervisors did not approve tax payments. We previously thought that they had but we were incorrect. There are so many cash expenses associated with your business. I thought it would be easier just to reallocate the funding to other categories. You are welcome to contact your supervisor. But just understand that if you are waiting for the Board's approval of taxes that's only going to delay the timing of when you can get the grant funds. I'm happy to jump on a call with you to talk about your budget because there might be a faster track to getting the money. Let me know when you are available to do a call. In the meantime, please see the attached sample budget for ways you can spend the grant funds*

I emailed the BOS and LEEP and MCP:

Dear Board of Supervisors and Kristin Nevedal,

I am reaching out to you today to get clarification regarding grant funding being allowed to be used to pay for FEDERAL and STATE INCOME taxes generated by accepting the Local Equity Direct Grant. From the beginning of this program, applicants were told that this grant funding is TAXABLE and would therefore need to be included as part of our income on our State and Federal tax returns. We were told that we could set aside a portion of the direct grant to pay for State and Federal taxes and include this as a line item on our budget proposals. As an applicant, that is what I did for my direct grant application. I allocated \$14,000 from the \$50K to pay for the Federal and State taxes (approx 28% combined) which would leave me with \$36,000 to spend. I've been contacted by Paula from Elevate Impact who stated in an email yesterday that this item in my budget must be changed because per Board direction, funding is not allowed to be spent on taxes. However, it was my understanding that Board direction merely referred to County cannabis taxes and true ups. Can you please provide clarity as to what the Board direction is, and reply to all as I've included my underwriter [REDACTED] and [REDACTED] from the Elevate Team so they can be made aware of any changes. As you can imagine this issue is time sensitive due to the grant deadlines for administration. Your response to this important question is greatly appreciated.

Jan 15

Spoke with the head of LEEP to clear up issues concerning my W9 application. I found out I needed to remove my business name from line 2 of the document and make sure that Line 1 (my name) matched my bank account name listed even with middle initials. Also was told about the tax allocation and needing to change my budget. I agreed to fix this and resubmit to her.

Received a follow up email from LEEP: *Thank you again for speaking with me this morning. One thing I forgot to mention is when you send over your budget please send over any purchase orders or invoices which identify the amount that you would need to spend, and this amount should match the amount on your budget.*

Me: *ok, do you need all the receipts for things I've researched to buy? Is this another requirement? Is this for every item?*

LEEP: *Yes anything you have researched would be helpful. Yes for every item. I would not say this is necessarily a new requirement. But it definitely speeds up the approval process.*

Jan 16

Me: *Here are my revised budget proposals. I realized that I probably have to update the written explanation so I've included that for you as well. Along with all the quotes I've been able to get for these items on the budget. I'm also including the W9 filled out the way you requested. I had a verbal quote with a bookkeeper so I will have to ask her to put together a*

quote for me this week, but all the rest of the information is there for you. Please let me know if you need anything else for this application.

LEEP: *When you are done getting all the quoted you need to include in the budget can you please update it send the revised copy over along with an updated written explanation? I'll update your application.*

Me: *Everything is there for you already except for the quote for bookkeeping. I accounted for it in the written explanation though. This is the first time I've heard that we are to supply quotes for the budget items. I wish we had been made aware of this earlier on in the process. I will try to get the quote tomorrow for the bookkeeping expense.*

Jan 17

LEEP: *Why did you submit 2 budget templates? Can they be combined into one budget totally \$50,000?*

Me: *I did this because of the insurance aspect. It's what you advised us all to do at the last webinar. You stated very clearly that if we had items in the budget that would not trigger insurance needs, to break those items out and submit as two budgets. So that is what I've done. Has that changed now too?*

Jan 18

LEEP: *Attached is your reformatted budget which ties out to the quotes that you provided. I have marked in yellow the ones that are missing. I note that #2 looks like you already paid for the goods. We cannot cover reimbursements with this grant. Let me know if I have that wrong. Next, is there a way you can include more of the cost numbers in your written narrative? Finally, I have a call with Kristin tomorrow so whatever you can get me before noon would be great.*

Me: *Yes item #2 is a quote, they sent it to me that way on their receipt paper but it does say ***quote*** at the top. I will restate the written explanation and resend along with the other quote you couldn't access. I'm still waiting for the accounting quote but will have that tomorrow. I spoke with the accountant today and she said she'd send it tonight.*

Jan 19

Me: *Attached is the revised written explanation and a better copy of the PKS garden tool quote. I received it by email from the company. I will send over the remaining quotes for lab testing fees and accounting/bookkeeping services tomorrow. Here is the quote for my testing fees. Still waiting on the accountant : (*

Jan 27

Me: *please find in the attachment below my accounting quote for my budget. Can you please confirm you have received it and have all that you need now to finish up my application? I would also like to get the status of my technical assistance and the fee waivers?*

I recently received a bill for registering our cannabis scale with the Ag Department and I would like to add this fee to my waiver. So far I have requested that the funds pay for our renewal cannabis application fees. I'm attaching the yearly scale bill for your reference. I hope everything is good to go now. You haven't confirmed that you received the PKS quote for the garden tools. Just want to be sure you have everything.

Me: *My partner [REDACTED] has not received any correspondence from his underwriter for over 10 days after giving him the requested documents. [REDACTED] asked him for. [REDACTED] has sent you an email this morning to see if you can help him. Since we both own and operate [REDACTED] together on the same property, we are assuming we don't need to have 2 insurance policies for the land? This has been a main question he has been asking Jovan and has not received an answer. Hoping you can help us get this answered. The plan was to use my direct grant to pay for the policy and once in effect, it would satisfy the requirement for [REDACTED] to receive his funding since a liability policy would be in place on the land. We already have the insurance for the cars in place and currently active.*

LEEP: *No you should not need 2 insurance policies. I will check on Gus's status.*

Me: *Ok thanks [REDACTED] for checking on this for him. I sent you an email earlier today as well with my bookkeeping quote for my budget and had a few other questions for you. Can you tell me what's going on now with my direct grant? Is everything good to go now?*