



October 4th, 2021

Re: Board of Supervisor Meeting 10-5-2021 Agenda Items: 3a and 3b

Dear Honorable Board of Supervisors,

The Covelo Cannabis Advocacy Group appreciates Agenda Items 3a and 3b coming before the Board for consideration. Equity Grants and Local Jurisdiction Program Grant Funding are both such important ways to help our cannabis program applicants and we have provided the following comments in response to these agenda items.

*3a) Discussion and Possible Action Regarding the Local Jurisdiction Assistance Program Including: 1) Direction to Staff to Prepare an Application for up to \$18,084,837.00 in Local Jurisdiction Assistance Program Grant Funding 2) Providing Recommendations to Staff on Program Purposes and Uses, and 3) Direction to Staff to Bring a Completed Application Back to the Board of Supervisors on the Consent Calendar for the October 26 or November 9 Meeting of the Board for Review and Approval Prior to Submission (Sponsor: Cannabis)*

We support the County preparing an application for the State Grant funding. We believe it will be extremely important for our Cannabis Program to receive this funding, as our current cannabis applicants continue to navigate CEQA compliance. We would like to offer the following recommendations for grant uses:

1. Allow applicants to use grant funding to receive a fee waiver of DCC cannabis application and licensing fees.
2. Fee waivers for the State Water Board Tier 1 and 2 fees
3. Fee waivers for CDFW LSAA application fees
4. Grant funding for assistance in completing LSA projects (such as upgrading culverts)
5. Grant funding for building ponds and water storage such as rainwater catchment systems or water storage tanks
6. Grant funding for Cal-Fire or Local Fire department cannabis

- building fees
7. Grant funding to be set aside to create a Best Management Practices Program for Mendocino County, to incentivize best growing practices and regenerative farming
  8. Fee Waivers for enrolling in the O-Cal certification program
  9. Fee Waivers for creating an appellation

We support the recommendation to bring this back at the dates requested to ensure the County can meet the State deadline to receive this grant funding and put a program in place.

*3b) Discussion and Possible Action Regarding Amendments to the County of Mendocino Cannabis Equity Program Including, But Not Limited To, 1) Eliminating the Income Threshold Associated with the Cannabis Equity Program's Eligibility Criteria, 2) Allowing Direct Grant Funds to be Dispersed in a Single Tranche, 3) Expanding the Direct Grant Criteria, and 4) Authorizing and Directing the Cannabis Program Manager (Director) to Execute Grant Agreements with Eligible Equity Awardees on Behalf of the County (Sponsor: Cannabis)*

CCAG supports eliminating the income threshold requirement for the Cannabis Equity Eligibility Criteria since this should have nothing to do with receiving funds. Many cultivators that were severely impacted by the war on drugs have been shut out from applying because they don't meet the income eligibility requirements even with the recent Board direction to lower the income threshold. We do believe that this grant should be based on how an applicant was affected by the war on drugs, not on how much money they are making currently. If this criteria changes, we want to be sure that priority is given to those that have experienced the greatest impacts from the war on drugs.

We support the disbursement of the funding into 1 tranche, however we have concerns for how it may impact applicants that applied under the lower income thresholds. The direct grant will impact other services such as medi-cal or food stamp programs for those in the lower income thresholds, since the grant will have to be reported as taxable income on an applicant's tax filings and could jeopardize their eligibility for health care etc. This is unfortunate since grant funding is not direct cash, it MUST be spent on very specific things for their cannabis business. By creating 2 installments of payments, this can help with tax filings for some applicants and CCAG requests that the ability to provide the payments in 2 tranches still be made available to those in the lower income brackets. We also understand that the funding must be spent by a certain time and if the ability to award

applicants this funding rests on being able to issue the funding in 1 tranche rather than 2, CCAG supports this to move forward.

CCAG supports expanding the Direct Grant criteria. Currently it only includes funding for the following:

- Budget
- Regulatory Compliance
- Capital Improvement
- Fixtures or Equipment
- Training and Retention of Workforce

If the Board is to consider expanding the criteria, CCAG recommends expanding the list to include:

- Fire suppression
- Bookkeeping and tax filing fees
- Consultant fees to prepare Appendix G applications

CCAG supports more assistance for expediting grant awards and if this can be achieved by appointing the Cannabis Program Manager to participate in this role, we support it.

We would like to also highlight that there are currently some errors on the Elevate Impact website when applying for Direct Grants. There is no way to upload supporting documents or budget spreadsheets. We hope the Board can direct Staff to work with the Equity Grant administrators to fix these issues so that applicants can easily upload documents and ensure a streamlined process.

Thank you for the opportunity to provide comments on these agenda items.

Sincerely,

Monique Ramirez  
*for the Covelo Cannabis Advocacy Group*