

July 20th 2021

Re: BOS Meeting 7-20-2021 Agenda Item 5b

The Covelo Cannabis Advocacy Group would like to offer support for Agenda Item 5b to increase the income eligibility requirements for the Cannabis Equity Program and to discuss raising the award limits. Our organization has brought the income eligibility issues to the Board's awareness for some time now so we are happy to see this amendment change come forward. By raising the limits, more people that were impacted by the war on drugs will now be eligible to apply.

We do have a few questions concerning these proposed changes and have outlined them below:

- 1. Will applicants that have <u>already been approved</u> for the grant also receive additional funding if the County raises the award limits to a higher amount?
- 2. Are applicants eligible to apply more than one year for the equity grant funding or is this a one time award?
- 3. If an equity grant applicant is allowed to apply each year for funding, will the grant amount they receive in the first year go towards their income for the following year when they re-apply?
 - Example: An applicant makes a yearly salary of \$28,000 and receives grant funding for \$19,000. If they apply in the second year, is their total annual salary for that previous year now \$47,000?
- 4. Do income taxes have to be paid for the equity grant amount that an applicant receives?
- 5. Can an applicant use the LEEP Technical Assistance Grant for technical support with a third party of their choosing or does it have to be used by in house support? The grant has not stated if this is allowed or not. For example, if an applicant needs

help with bookkeeping, could the funds be used to hire a bookkeeper of the applicants choosing for the technical support?

CCAG supports the changes and hopes to receive some clarification on the questions raised in this memo. Thank you for the opportunity to provide our comments.

Sincerely,

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For the Covelo Cannabis Advocacy Group