

Humboldt County Cannabis Micro-Grant & Loan Advisory Committee
Meeting Agenda
September 4, 2019 – 1 p.m.– 3 p.m.
County Courthouse, Conference Room A, 825 5th Street, Eureka

Project Trellis was established to bolster the cannabis industry, protect future cannabis excise tax revenues by providing services to populations and communities in Humboldt who were adversely affected by the criminalization of cannabis, develop a framework for supportive programs designed to sustain and grow Humboldt's cannabis industry, and to assist cannabis businesses as they work to overcome the financial and logistical challenges of coming into compliance.

1. CALL TO ORDER AND ROLL CALL
2. PUBLIC COMMENT ON NON-AGENDA ITEMS
3. APPROVAL OF THE MINUTES – August 14, 2019
 - Discussion
 - Public Comment
 - Take Action
4. STAFF UPDATES
 - a. Equity Program
 - b. Loan Program
 - c. Program Budget
 - Discussion
 - Public Comment
 - Take Action if needed
5. OLD BUSINESS
 - a. Bylaws
 - b. Grant Application, Instruction Document, Award Criteria
 - c. Notice of Funding Availability (NOFA)
 - Discussion
 - Public Comment
 - Take Action if needed
6. NEW BUSINESS
 - a. Cannabis Micro-Grant & Loan Advisory Loan Update
 - Discussion
 - Public Comment
 - Take Action if needed
7. Adjourn (3 p.m.)

Next Meeting: TBD

Meeting room is wheelchair accessible and disabled parking is available in the lot at 5th & K Streets directly below the access ramp of the Courthouse. If you are a person with a disability and need disability-related modifications or accommodations to participate in a meeting, please contact Economic Development Department. **Requests for such modification or accommodation must be made at least 72 hours before the start of the meeting.** As officials appointed by a legislative body (Humboldt County Board of Supervisors), members of the Humboldt County Cannabis Micro Grant and Loan Advisory Committee (CMGLAC) have an obligation to understand, follow and abide by the Ralph M. Brown Act (Brown Act) and to ensure that everything the CMGLAC does is open and available to the public for review. It is important for the CMGLAC and all commissioners to follow the intent of the law as well as any legal rulings.

Project Trellis

Grant Application Instructions 2019

Uncomplete information has been highlighted and indicated with an * Asterisk *

Introduction

The purpose of Project Trellis is, in part, to bolster the cannabis industry, and protect future cannabis excise tax revenues by providing services to populations and communities in Humboldt who were adversely affected by the criminalization of cannabis, to develop a framework for supportive programs designed to sustain and grow Humboldt's cannabis industry, and to assist cannabis businesses as they work to overcome the financial and logistical challenges of coming into compliance.

Funding for the program will come from local cannabis excise tax revenues, cannabis fines and fees, and state funding via SB 1294.

Funding Focus

The Project Trellis Micro-grant program is aimed at providing capital assistance and business resources to Humboldt County cannabis businesses.

Detailed Project Application

Applicants must provide a detailed project description for use of grant funds to include a description of business and activities; narrative of proposed project and use of funds; ownership or interest in project or site(s); proof of business or agency licensing; proof of regulatory compliance, any accompanying and supportive project documents such as site maps, equipment specifications, contractor bids and estimates.

See **Grant Application** for detailed requirements

Funding Cycle & Amount

The total allocation for the current year is UPDATE which will be divided among selected project proposals. Applicants may apply for up to \$UPDATE. * **Applications will be accepted beginning UPDATE. The deadline for submitting applications is UPDATE** *

Funding Eligibility

Applicant must be a Humboldt County based business, cooperative, road association, or nonprofit agency having 75% or more of its operations based in Humboldt County and must be licensed and registered to operate in Humboldt County, whose activities are specific to the cultivation, processing, manufacturing, distribution or retail of

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cannabis, or whose organization provides support and/or services to the cannabis industry.

Detailed Budget

Applicants must provide a description of attempts to secure alternative funding sources, and a detailed operational budget of the project or grant request which shall include revenues and expenses. See Application Attachment 2 for more information.

Weighted Considerations

For Cannabis Business Grants and Loans, where numerous or competing applications exist, the Humboldt County Cannabis Micro Grant & Loan Advisory Committee shall give weighted consideration to applicants and applications whose operational activities;

- Are from Humboldt County residents, or whose businesses are majority owned by owners residing in Humboldt County.
- Consist of cultivating 10,000 square feet of cannabis or less (not to exclude co-ops and associations whose cumulative area may exceed 10,000 square feet); or
- Add to revenues collected through the Cannabis Excise Tax, or;
- Whose project and/or grant request will result in the creation and/or retention of jobs, or;
- Whose project and/or grant request adds to the sustainability of Humboldt County's cannabis industry.
 - i. Where receipt of requested micro-grant or loan is needed to become solvent.

Required Application Components, Including Attachments- * **Final list pending** *

Required:

- Completed Application/Coversheet
- Project Narrative (see instructions Attachment 1)
- Project Budget (see sample, Attachment 2)
- Timeline with expected project milestones and completion dates
- Organization's current annual operating budget
- Documentation certifying legal status of business
- Proof of business or agency licensing
- Proof of regulatory compliance

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- Any accompanying and supportive project documents such as site maps, equipment specifications, contractor bids and estimates.

Optional Attachments

- Letters of support attach documentation of collaboration and/or project need in the form of Letters of Support, Letters of Partner Commitment, and/or Memoranda of Understanding.
- Brief resumes of key personnel
- Market Analysis
- Business Plan
- Associated Research

Please minimize the length and number of attachments and make sure they are relevant to the grant application. Attachments may be shortened or left out of the grant packet at staff's discretion.

Application Process

Applications should be submitted electronically. However, hard copies are accepted if some documents are easier to submit in paper format. Mail or drop-off paper applications to: Project Trellis Grant and Loan Fund, 520 E Street, Eureka, CA 95501. Email electronic copy to ***PENDING***.

All complete applications will be forwarded to the Humboldt County Cannabis Micro-Grant & Loan Advisory Committee (CMGLAC) for review. During the review process there may be a site visit or applicants may be contacted with questions. The Board will review all eligible applications and determine award amounts. Some projects receive a lower amount than was requested. The Humboldt County Cannabis Micro-Grant & Loan Advisory Committee (CMGLAC) will recommend projects to the Humboldt County Board of Supervisors for approval. **A typical approval process can take * PENDING months from the time of application.***

Applications are subject to public records acts and disclosure requirements.

Grantee Obligations

Grantees must sign a grant contract that will include a payment and report schedule, insurance requirements and monitoring requirements. Grantees must utilize Cannabis microgrant funds within 24 months of the execution of the grant contract. Exceptions to this policy will be considered for special project needs. Tribal entities will be required to sign a limited waiver of sovereign immunity as part of the contracting process.

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At the close of the project, grantees will submit a final project report detailing expenditures, outcomes (quantitative and qualitative), and a project evaluation. Grantees also will provide the Humboldt County Cannabis Micro-Grant & Loan Advisory Committee (CMGLAC) with project and organizational information for the Fund's annual public report. Grantees must maintain records of all project costs that are claimed by the grantee as being covered by the Grant Fund and other funders. The grant contract may stipulate other monitoring and evaluation requirements as needed.

For More Information

For further information, updates, and application forms for the Grant Fund or the other programs of Project Trellis, please check our website at <https://humboldt.gov.org/2473/Project-Trellis>. With specific questions about your proposal, email *** PENDING *** or call (707)445-7745.

Project Trellis Micro-Grant Program Application

Incomplete/pending information has been highlighted and indicated with an * Asterisk *

Thank you for your interest in the Project Trellis Micro-grant program. As specified in Humboldt County resolution 19-45, the fund's purpose is to:

Provide capital assistance and business resources to Humboldt County cannabis businesses.

Eligibility

Applicant must be a Humboldt County based business, cooperative, road association, or nonprofit agency having 75% or more of its operations based in Humboldt County and must be licensed and registered to operate in Humboldt County, whose activities are specific to the cultivation, processing, manufacturing, distribution or retail of cannabis, or whose organization provides support and/or services to the cannabis industry.

Application Process

Applications are due * pending *. Only completed applications will be accepted for consideration

More information

Funding for the current cycle is * \$\$\$ *. Applicants may apply for up to * \$\$\$ *, however, based on project and award amounts, multiple projects may be funded. The application form, instructions, and information on the Grant Fund may be found on at

<https://humboldt.gov.org/2473/Project-Trellis>.

Please contact * pending *, to discuss any questions about your application. Applications can be submitted electronically to *Pending* or delivered to County Economic Development, Attn: Scott Adair, 520 E Street, Eureka, CA 95501.

APPLICATION PACKET CHECKLIST- *confirm list when application process finalized*

Required Attachments

___ Completed Application/Coversheet

___ Project Narrative (see instructions Attachment 1)

___ Project Budget (see sample, Attachment 2)

___ Timeline with expected project milestones and completion dates

___ *Organization's current annual operating budget*

___ Documentation certifying legal status of business

___ Proof of business or agency licensing

___ Proof of regulatory compliance

___ Any accompanying and supportive project documents such as site maps, equipment specifications, contractor bids and estimates.

Optional Attachments

- Letters of support attach documentation of collaboration and/or project need in the form of Letters of Support, Letters of Partner Commitment, and/or Memoranda of Understanding.
- Brief resumes of key personnel
- Market Analysis
- Business Plan
- Associated Research

Project Trellis Micro-Grant Program Application

Project Trellis Micro-grant program Application Coversheet/Application

Date of application: _____

Organization/Business Name: _____

Applicant interest in project/site: _____

Is the business owned or majority-owned by Humboldt County residents? _____

Ownership Structure and Owners: _____

Applicant Name and Title: _____

Phone: _____ Email: _____

Address: _____

* Total current year organizational budget: _____ * # of FTE employees: _____

Summarize the organization's business and activities (in the space provided):

Amount requested: _____ Total project cost/funding needed: _____

Additional source (s) of funding: _____

Project Trellis Micro-Grant Program Application

Type of project: Planning Implementation Technical Assistance Capital investment Other _____

Project Location: _____

Funding will be used to:

- Support permit acquisition/regulatory compliance
- Address regulatory requirements for business retention or creation
- Provide/Increase access to external markets
- Retain and grow existing businesses
- Provide workforce training
- Help launch a new business
- Create or retain jobs
- Leverage other funding
- Other (describe): _____

Are any of the following components required for long term business success, and if so, are they in place already? (check off in left column if required, then check of "yes" or "no" for if they are in place already)

- | | | |
|--|------------------------------|-----------------------------|
| <input type="checkbox"/> Building permits | <input type="checkbox"/> yes | <input type="checkbox"/> no |
| <input type="checkbox"/> Market research | <input type="checkbox"/> yes | <input type="checkbox"/> no |
| <input type="checkbox"/> Legal review | <input type="checkbox"/> yes | <input type="checkbox"/> no |
| <input type="checkbox"/> Regulatory approval | <input type="checkbox"/> yes | <input type="checkbox"/> no |
| <input type="checkbox"/> Consultants hired | <input type="checkbox"/> yes | <input type="checkbox"/> no |
| <input type="checkbox"/> Staff hired | <input type="checkbox"/> yes | <input type="checkbox"/> no |

Project title: _____

Summary of Funding Request

- Please provide a less than 250 word summary of your funding request which answers the following questions: How will requested funding improve your ability to operate and/or sustain a cannabis business in Humboldt County? What are you going to do with the funds? Why is grant funding necessary? What will be accomplished? How will you accomplish this? Is grant funding needed for the business to become solvent?

If the project/grant funding will result in the creation or retention of jobs in Humboldt county— what is the number of permanent, long term, private sector jobs to be created or retained:

_____ Number of FTE jobs at risk if funding not received _____

Project Trellis Micro-Grant Program Application

Does the project/business consist of less than cultivating 10,000 square feet of cannabis (not including co-ops and associations whose cumulative area may exceed 10,000 square feet)?

DRAFT

Attachment 1

Project Trellis Micro-grant program Application

Explanation of Narrative Questions

Please answer the questions below in a narrative (attachment). Limit the narrative to ***5 pages***. Answers should be written in 12 point font with 1" margins.

- 1) Describe the proposed project, the need for funding and how the requested funding will improve your ability to operate, maintain or grow the business. What is the problem you are solving? What is the current situation, and future vision? Which businesses or other resource agencies are you working with that have helped you identify the need? What are the risks and challenges for success and how will you mitigate those?
- 2) Describe the **measurable objectives** of your project (see examples below) and how grant funding will support achievement of these objectives. Quantify the expected outcomes.
 - Support permit acquisition
 - Address regulatory requirements for business retention or creation
 - Provide/Increase access to external markets – what is the expected increase in sales for local businesses?
 - Retain and grow existing businesses - what is the expected increase in sales?
 - Provide workforce training – how many people? How will the businesses benefit? What is the Impact on costs, revenues and/or employment?
 - Help launch a new business – how will funds be used ?
 - Leverage other funding – how much other funding?
- 3) Describe what you will do to achieve your objectives. Describe how you will measure progress towards your objectives.
- 4) Describe the work which has already been done to meet your objectives (i.e. prior research, planning, permitting, investment). You may attach backup documentation.
- 5) List the jobs directly created as an outcome of the successful implementation of this project, titles, roles/general responsibilities, expected employers and expected wages. (Note: Please do not include jobs which will be actually paid for by grant funding or are short-term, temporary project related jobs.) If the project is expected to create indirect jobs in the long term please quantify those as well.
- 6) If appropriate, explain how the project will provide environmental benefits in one or more of the categories listed below.
 - Mitigate or address prior environmental damage
 - Protect and or improve the natural environment
 - Support the sustainable use of environmental resources
- 8) Explain the capacity of your organization, staff and project partners to implement this project.
- 9) Please list any consultants or firms you may hire with grant funding. If you are not considering using a local business please explain why.

Project Trellis Micro-grant program Application

Sample Project Budget Format

Applicants must provide a description of attempts to secure alternative funding sources, and a detailed operational budget of the project or grant request which shall include revenues and expenses.

Use the following format for your project budget submittal. You may modify this form to meet your project's needs. For major expenses, please be specific.

<i>Project Expense Item</i>	Total Cost (\$)	Requested Amount from Project Trellis Grant Fund	Amount of other funding	Source of Other Funds
Example: Travel	5,000	2,000	3,000	Owner
Direct Salaries & Wages (breakdown by individual position & indicate full or part-time; list indirect staff costs in "Overhead- staff related" section below)				
Staff 1				
Staff 2:... etc.				
Sub-total: all Direct Salaries & Wages				
Benefits & Payroll Taxes				
Consultant & professional fees (specify)				
Travel (describe)				
Equipment (specify)				
Overhead- non-staff related				
Overhead- staff related (breakdown by individual position; include payroll taxes and fringe benefits)				
All Overhead Costs as % of Total Project Cost				
Total Project Cost				

Note 1: "Overhead- non-staff related" includes office supplies, printing, telephone/fax, postage, rent, and utilities.

Note 2: "Overhead- staff related" is comprised of indirect staff costs (e.g. bookkeeper).

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Grant Selection Criteria 2019

Uncomplete/pending information has been highlighted and indicated with an * Asterisk *

Date _____

Project/Applicant: _____

Funding Focus

The Project Trellis Micro-grant program is aimed at providing capital assistance and business resources to Humboldt County cannabis businesses

The committee may need to develop different criteria/differentiate between grants and loans

Summary of Funding Eligibility

- Applicant must be a Humboldt County based business, cooperative, road association, or nonprofit agency having 75% or more of its operations based in Humboldt County
- Applicant must be licensed and registered to operate in Humboldt County, whose activities are specific to one or more of the following,
 - cannabis cultivation
 - cannabis processing,
 - cannabis manufacturing,
 - cannabis distribution
 - cannabis retail
 - provides support and/or services to the cannabis industry

Minimum Requirements for Funding Consideration

- Meets eligibility requirements defined above

Applicant submitted completed application that includes

Required:

- Completed Application/Coversheet
- Project Narrative (meets instructions Attachment 1)
- Project Budget (see sample, Attachment 2)
- Timeline with expected project milestones and completion dates
- *Organization's current annual operating budget*
- Documentation certifying legal status of business
- Proof of business or agency licensing

Project Trellis

Grant Selection Criteria 2019

Adds to industry (*Points?*):

Project and/or grant request will add to the sustainability of Humboldt County's cannabis industry.

0 _____ *?*
Applicants don't meet criteria Applicants meet criteria

Solvency (*Points?*):

Receipt of requested micro-grant or loan is needed to become solvent.

0 _____ *?*
Applicants don't meet criteria Applicants meet criteria

Other (possible) Considerations

READINESS (*Total possible ?*):

Meeting Objectives (*Points?*):

Funding will help applicant meet clearly stated objectives and outcomes can be measured/demonstrated.

0 _____ *?*
Applicants don't meet criteria Applicants meet criteria

Readiness (*Points?*):

Applicant has the necessary resources (skilled personnel skills, plan, business structure, etc.) needed to achieve desired outcomes.

0 _____ *?*
Applicants don't meet criteria Applicants meet criteria

Preparedness (*Points?*):

Applicant has already conducted work toward meeting objectives (i.e. prior research, planning, permitting, investment).

0 _____ *?*
Applicants don't meet criteria Applicants meet criteria

Long-term sustainability (*Points?*):

The applicant is using funding to increase long-term sustainability.

0 _____ *?*
Applicants don't meet criteria Applicants meet criteria

OVERALL BENEFIT: ENVIRONMENT, PEOPLE, COMMUNITY OR ECONOMIC ADVANTAGE

(*Total Points Possible?):

Economy (*Points?*):

Project supports industry growth and development and enhances the County's competitive edge.

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0 _____ **?*
Applicants don't meet criteria Applicants meet criteria

Environment (*Points?*):

Project has a positive effect on the environment and long-term sustainability in the form of restoration, pollution prevention or mitigation of environmental damage, resource conservation, application of alternative energy, use of recycled materials or other environmental enhancement.

0 _____ **?*
Applicants don't meet criteria Applicants meet criteria

CAPACITY AND ORGANIZATIONAL STRENGTH (POINTS POSSIBLE?)

Prior Experience With Similar Programs or Projects (*Points?*):

The Applicant has experienced will be rated on their history of success administering projects or programs.

0 _____ **?*
Applicants don't meet criteria Applicants meet criteria

Capability (*Points?*):

The applicants has the ability to administer the project and achieve desired outcomes based on skills, partnerships and depth of resources.

0 _____ **?*
Applicants don't meet criteria Applicants meet criteria