

Project Trellis Committee Meeting Minutes
March 3, 2020 - 12:30-2:30 PM
 Remote Zoom Meeting

In accordance with Gov. Newsom’s Executive Order N-29-20 (March 17th, 2020), all Humboldt County Cannabis Micro-Grant & Loan Advisory Committee meetings will be held virtually until further notice.

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.

Item #	Description	Action
1	Approval of 02/03/21 meeting minutes	Pass
2	Approval of Project Trellis Micro-Grant Program funding awards	Pass

1. Opening (12:30)

a. Roll Call –

Committee members:

- Thomas Mulder, Chair, Miranda – present
- Sarah Balster - present
- Richard Marks, Samoa - present
- *At-Large - vacant position*
- Hannah Joy, Vice Chair, Eureka - present
- Mario Fernandez, Eureka - present
- Dylan Mattole, Honeydew – present

Alternate:

Tom Handwerker, Arcata - present

Vacant position

Staff in Attendance:

Peggy Murphy, Scott Adair

b. Approval of 02-03-2021 meeting minutes- (Attachment 1)

- Vice Chair Hannah Joy made a correction on February 3rd meeting that she just attended a Humboldt County Growers Association (HCGA) meeting, but she will not be putting together a working group (HCGA will be doing that).
- Richard Marks moved to approve the meeting minutes for February 3, 2021. Hannah Joy seconded. Motion carried unanimously.

c. Public Comment on Non-Agenda Items

- No public comment.

d. Report out on meetings attended and community feedback received concerning Micro-Grant program

- Hannah Joy has been attending the Equity Working Group meeting on Fridays, as part of Humboldt County Growers Association (HCGA). Education and outreach on Local Equity Program (LEP) was discussed as being needed. Equity eligibility criteria was generally perceived as too broad and allowable services as too narrow. Consider having a Trellis Committee Equity Working Group.

2. Committee to review proposed Micro-Grant funding slate - (Attachment 2)

a. Discussion

- Each committee member received their individual scores and ranks as well as the full Committee's ranks and funding slate. The micro-grant rank and funding slate sheet was presented and discussed. According to Peggy Murphy, medians were used to calculate rank. .
 1. Open discussion about how committee members viewed the ranking slate outcomes.
 2. Vice Chair Joy asked about prior awardees being awarded in this round and asked if the Committee is okay with awarding again and noted that she anticipates community feedback will be received regarding grantees receiving awards in multiple award years. Peggy Murphy notes that there are no restrictions for prior applicants who have received funding to receive micro-grant funding in current year and mentioned that this item should be discussed for future grant rounds. A couple applicants had prior funding awarded, which are applicant numbers 40 and 13. Chair Mulder suggested in future rounds adding a "received prior funding" item to the application.
 3. Committee Member Balster asked about whether the micro-grant program will continue to be a grant program or loan program, and if there is potential to move to include loan program based on new legislature. Scott Adair said staff can continue exploring feasibility of making this a loan program, especially if there is state legislation that will facilitate some kind of community banking/financing. There has been hesitancy with local banking and financial institutions to take on liability to provide backing for a loan program. Some would service the loan only with increased costs/fees to the applicants, which was not perceived as equitable by staff. Also, from discussions with stakeholders and community members staff observed that cannabis businesses are not necessarily looking to take on debt and nor considering leveraging debt given the banking challenges currently. Staff can review further a loan program possibility and bring a report back to the Committee. Committee Member Fernandez brought up AB 1525 topic and CCIA Partnership, and the relationship that the Industry Trade Organization has with North Bay Credit Union. Peggy Murphy mentioned this topic would be good for discussion next time or at a later time and best to focus on the funding slate. Vice Chair Joy asked how was it possible that some of her higher ranking showed to have lower ranking in the slate sheet (e.g. number 40). Peggy Murphy mentioned because the calculation was based on median, the outliers were knocked out, and that was the case for this particular ranking.
 4. Sarah Balster asked about Labor Piece Agreement (LPA) form submitted by applicants in scoring results. Peggy Murphy mentioned LPA is only a part of the scoring results.

Commented [MP1]: I did not hear this in the recording?

5. Vice Chair Joy said she was pleased to see from reviewing the applications that there was quite a bit of diversity, and she asked about the diversity of applicants by category or type for the final ranking. Peggy Murphy said she could provide that to the next meeting.

b. Public Comment

- No public comment, except one public member said they have no public comment and are just observing the grant selection process.

c. Action

- Richard Marks moved to approve the proposed grant funding slate as presented for the Micro-Grant funding. Seconded by Chair Mulder.
- Total amount of Micro-Grant funds available is \$ 516,492 that is to be distributed to 16 applicants. Grant awards range from \$9,650 up to \$50,000.
- Peggy Murphy noted that committee member Dylan Mattole will temporarily be excused from the voting process and go into the Zoom waiting room because he is involved in a project that is being proposed for funding. Per County Counsel recommendation, exclusion from discussion would also apply if discussion pertains to their particular funding.
- Richard Marks commented that this process has been well prepared and well monitored by staff.
- Roll-call vote on the funding slate. Motion carried unanimously. The recommended funding slate will be submitted to the Board of Supervisors for approval

Commented [MP2]: This is incorrect.

3. Staff Updates

a. Discussion

- Peggy Murphy mentioned there was a request for a Treasurer's report from last meeting and Peggy has not had the time to work on this with Committee Treasurer Marks, but it is on her list to work on. Staff will work with Committee Treasurer for a Treasurer's report (including revenue sources, administrative costs, outstanding payments, etc.).
- Peggy Murphy announced that the Humboldt County Economic Development applied for the Cannabis Equity Grant program for future funds in FY2021-22 and was awarded by the Governor's Office of Business the amount of \$1,055,870.22. The County of Humboldt award is about half of the current year award, however in the current year the State had \$30 million to award to jurisdictions and for the new award amount the State had \$15 million. Committee Member Fernandez asked what the new award funds can be used toward. Peggy Murphy clarified that they can be used for services as outlined in the LEP, such as application assistance meetings, permitting assistance, direct technical assistance for small businesses (workshops and consulting), and non-competitive grants that support projects which mitigate environmental issues required for regulatory and compliance purposes.
- Scott Adair said staff is aware of community's constructive feedback on LEP and will continue to create platform to engage stakeholders in the LEP discussions. Staff noted there are restrictions and contractual obligations by the state, which limits certain activities.

- Staff has not heard back yet from County Counsel whether Project Trellis Committee members can apply for Local Equity Program (LEP). March 19th is deadline LEP application, so if staff will get a response to committee members prior to the deadline, an email will be sent out to committee members.
- Committee Member Balster asked for clarification of who can receive assistance through the equity program. Peggy Murphy stated that SB1294 outlines the intention of State Cannabis Equity Grants as assisting those who had adverse effects due to criminalization of cannabis enter and function within the commercial cannabis marketplace. .

b. Public Comment

- None

4. Future Agenda Items

- Committee Member Balster requested to see a Treasurer’s Report showing expenses incurred by the Committee such as administrative expenses. , printing, .Committee member Fernandez asked for a Treasurer’s Report of how much has gone out in micro-grants, and break down by industry type. Scott Adair stated that Staff can prepare a report that details Project Trellis Admin expenses, Payments out to date, payments outstanding, revenues and revenue sources, as well as modeling out the new award amount.
- Committee Member Fernandez requested a discussion on the changes to the landscape of cannabis loans be added to an upcoming agenda. Chair Mulder also requested fleshing out the pulse of the regulatory environment of cannabis banking and loans in a public forum.
- Local Equity Program Flexibility (for non-commercial operators): Committee Member Balster requested that the LEP flexibility topic be discussed. Peggy Murphy clarified that the Committee has authority to vet application process but not actually choose applicants.
- Policies and Procedures Manual Ad Hoc Committee: Committee Member Balster noted the Ad Hoc Committee has not met yet, but would like it to have it on the agenda in case ..
- Chair Mulder asked to hear about education and environmental impact in relation to local equity program.
- Alternate Tom Handwerker suggested to discuss question of whether private equity funding could be used, instead of bank lending, to use as revolving loan fund or paying down interest on bank loans.

5. Adjourn

Chair Mulder, seeing no further agenda items or discussion, moved to adjourn at 1:35 PM.

Next meeting is April 7, 2021.