



Humboldt County Cannabis Business Micro-Grant Frequently Asked Questions Issued November 15, 2019

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.

The Cannabis Micro-Grant and Loan Advisory Committee has set aside \$180,000 for business grants to be awarded to eligible individuals working in the cannabis industry. The following information is designed to address many of the questions that may come up as interested individuals seek to complete the application for funding.

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1. 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 (per Humboldt County Resolution 19-45).

The first paragraph in the application says that it must be “Humboldt County cannabis business”, what does this mean/what types of businesses are eligible?

- Businesses 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 are eligible to apply.

Are start-up businesses eligible?

- If the applicant is not currently licensed or registered, they must be in the process of securing licensing and registration as a legal business.

If I am part of a newly formed association and/or we haven’t yet met all the requirements to be considered a legal association, can we still apply for grant funding?

- Yes, you can apply for funding. Please include details of the association in your narrative.

The application says that funding is limited to \$10,000 for individuals and \$50,000 for co-ops and associations. What do you mean by “individual”—does that mean an individual person or individual business?

- For grant funding, an “individual” means a single entity, which could refer to either an individual person or business.

If I receive a business micro grant, am I still eligible to apply for an Equity grant?

- Yes. Though the Equity program is still being developed, it will be separate from the business micro-grant program. Applicants, and awardees of the business micro-grant program, are eligible to apply to both.

2. Application Process

What if I am unable to complete the application and turn it in by December 16?

- Applications will NOT be accepted after December 16, 2019 for this funding round. You may submit an application after this date for consideration for future funding rounds

What if I don’t have or only submit some of the information listed in “Required Attachments” with my application?

- Applications must include *all* of the information requested in the list of “Required Attachments” in order to be considered for funding.

How are the applications scored, ranked and picked to receive grant funding?

The Cannabis Micro-Grant and Loan Advisory Committee has developed a scoring matrix that will be used to score and rank grant applications.

3. Funding Amounts

What if I need more than \$10,000 for my project (as an individual) or \$50,000 for my association or co-op? Can I apply for more money during the next funding cycle if \$10,000/\$50,000 isn't enough for my project?

- Individual applicants may apply for up to \$10,000 per funding cycle. Associations and co-ops can apply for up to \$50,000 per funding cycle. If you need more money for your project, you may apply for more funding during the next funding cycle. You should also seek additional funding sources, which will also help your chances of receiving grant funding.

4. Required Attachments

A. Application/Coversheet

What if I don't know all of the answers or have all of the information requested on the Application Coversheet?

- Please answer ALL questions to the best of your ability.

Can I handwrite the application coversheet, narrative, and budget or does it need to be typed?

- The coversheet, narrative, budget, etc. can be handwritten or typed.

B. Project Budget

The application says I must provide a description of attempts to secure alternative funding sources- but what if I haven't tried to find other money for my project?

- If you have not tried to find other funding, please explain why in your application narrative.

Do I have to use the budget format outlined in Attachment 2 of the Grant Application?

- No. Attachment 2 is provided as a guide, but you may use any format that outlines your project revenues and expenses.

Do I have to type out my budget?

- No. Attachment 2 is provided as a guide, but a handwritten budget is acceptable.

C. Other Required Documents

What if I don't have documentation certifying legal status of business?

- You should provide this documentation as part of your application for grant funding. Please talk to the County of Humboldt Planning Department if you think your business has legal status and you need documents to prove it.
- If you are in the process of obtaining legal status, please indicate that in your application and include any supporting documentation.

What if I don't have proof of business or agency licensing?

- You should provide this documentation as part of your application for grant funding. Please talk to the County of Humboldt Treasurer's Office if you think your business has a business license and you need documents to prove it.

- If you are in the process of obtaining your license, please indicate that in your application and include any supporting documentation.

What if I don't have proof of regulatory compliance?

- You should provide this documentation as part of your application for grant funding. Please talk to the County of Humboldt Planning Department if you think your business complies with county regulations and you need documents to prove it.
- If you are in the process of becoming compliant, please indicate that in your application and include any supporting documentation.

How do I know if I need to include "accompanying and supportive project documents"?

- Please include any documents that will help the Cannabis Micro-Grant and Loan Advisory Committee better understand your project and need for funding. These documents could include site maps, equipment specifications, contractor bids and estimates or other documents/information.

5. Optional Attachments

Will providing optional attachments help my chances of getting funding? Will it hurt my chances of getting funding if I don't include them?

- Any information that helps the Cannabis Micro-Grant and Loan Advisory Committee better understand your project and need for funding may improve your chances of receiving a grant award, but there is no guarantee that providing this information will make a difference in the ranking of your application.

What are Project Milestones?

- Project milestones are significant activities that occur during your project. Identifying and tracking milestones can be used to plan and monitor how a project is going, like significant checkpoints along the way. Some examples of milestones include: obtaining funding, moving a business location, hiring staff, signing a contract, etc.

What if I am not sure about my project timeline? Can I guess on the dates?

- Any information that helps the Cannabis Micro-Grant and Loan Advisory Committee better understand your project and need for funding may improve your chances of receiving a grant award. Please be clear if you are certain of your project timeline or are providing dates based on your best guess/estimate.

How do I know if I should include "Letters of Support" and what should be included in the letters?

- Letters of support for your project are optional and can be written by professional colleagues, business partners or others that understand your project and need for funding and can communicate that through a letter of support. These letters can be formal (typewritten) or handwritten, and should include the author name, relationship to the applicant/project and other information the Cannabis Micro-Grant and Loan Advisory Committee might find helpful when evaluating your project.

If I have partners, do I need to include a "Letter of Partner Commitment"?

- No, you do not need letters of partner commitment but these letters may help to convey a serious (rather than casual/informal) business relationship between partners. These letters may also help the Cannabis Micro-Grant and Loan Advisory Committee better understand your business, project and

need for funding as well as the partners you have that can help increase your chances of success. These letters can be written by business partners, suppliers, etc.

What if my business partner is my spouse, romantic partner or family member; should I still include a letter of partner commitment?

- Even in this situation, letters of partner commitment can help to convey a serious (rather than casual/informal) business relationship and may help the Cannabis Micro-Grant and Loan Advisory Committee better understand your business, project and the partners you have that can help increase your chances of success.

What is a Memoranda of Understanding and how do I know if I need one?

- A memorandum of understanding (MOU or MoU) is a formal agreement between two or more parties. Companies and organizations can use MOUs to establish official partnerships. MOUs are not legally binding but they carry a degree of seriousness and mutual respect and are stronger than a verbal agreement. Like a letter of commitment, an MOU indicates a serious (rather than casual/informal) business relationship.

What information should be included in “brief” resumes of key personnel?

- Resumes can be short (no more than one page) and can include the following
 - Name/contact information
 - Educational history
 - Work/employer history
 - Special skills/training
 - Other information as appropriate

Who should be considered “key personnel”?

- Key personnel includes individuals holding key roles within the business or will be key to the success of the proposed project. This could include
 - Owners
 - Managers
 - Individuals with specific expertise/experience that will help ensure you have a successful project

What is a Market Analysis and how do I know if I should include one?

- A market analysis includes information (data) on customers and potential customers for your products/and/or services. While it is not required, a market analysis can help show how your project can help your business meet the needs of existing customers or help increase the number of customers (demand). The collected data can help with business decision making and reduce the risks involved in making certain business decisions.

What is a Business Plan and how do I know if I should include one?

- While a business plan is not required as part of the application, the process of creating a business plan can help you think through the different aspects and challenges of your business and give you a roadmap for success. A business plan can also help the Cannabis Micro-Grant and Loan Advisory Committee better understand your project and plans to ensure future business success. There are

many business plan templates available online (please Google “business plan template”). Generally business plans include the following:

- Executive Summary: a short description of your business, which could include your business name and location, products and/or services offered and mission and vision statements
- Company Description, which explains who you are, how you operate and what your goals are
- Products and Services: this describes what you’re selling, with a focus on customer benefits
- Market analysis, which includes information about customers and competitors
- Summary of your sales and marketing strategy
- Organization and management team
- Financial plan and projections

What would be considered “Associated Research” and how do I know if I should include it?

- Associated research may include any background information you have gathered on your project, business/industry or other information that may help the Cannabis Micro-Grant and Loan Advisory Committee better understand your business, project and need for funding.

6. Narrative

Do I have to include a Project Narrative?

- Yes, a Project Narrative is required as part of the application.

Do I have to answer all of the questions listed in Attachment 1 of the Application?

- In your Narrative, you must include a description of:
 - The proposed project and anticipated use of requested funds
 - Attempts to secure alternative funding
- You can answer the other questions as appropriate

What if I have not tried to get other funding? Can I still apply for a grant?

- Applicants are required to outline any attempts to secure alternative funding. If this does not apply to you, please say so in your narrative.

What if grant funding won’t help me save jobs or do the other things asked about in the Narrative Questions?

- Your project isn’t required to meet all of the goals asked about in the Narrative Questions/Attachment 1. Please just address the questions to the best of your ability.

Revenue Contribution—How do I know if my project will add to revenues collected through the Cannabis Excise Tax?

- Cannabis Excise Tax Revenues are collected when cannabis businesses make a profit. If your project will help you increase revenue/make a profit, please explain that in your narrative.

Job Creation or Retention—What if I don’t know how many jobs my project will create or retain (save)? Or if I just have an estimate?

- If you believe your project will create or save (retain) any jobs, including one for yourself as a self-employed person, please explain this in the application. If you are estimating/guessing at the number of jobs impacted, please just state that in the application.

What if my project is just to save my business and won’t add any new jobs? Should I still apply?

- Yes, if you need funding to save or strengthen your cannabis related business, you can apply for grant funding.

How do I know if my business “Adds to the sustainability of Humboldt County's cannabis industry.”

- If you need funding to save or strengthen your cannabis-related business, you meet this criteria.

What does it mean to become “solvent?”

- To be considered solvent, the value of your business assets must be greater than the amount of your debt (the amount you owe).

What does it mean to increase long-term sustainability?

- Increasing long-term sustainability means that funding will help you stay in business over the long-term (years) vs. potentially going out of business (without funding).

What does it mean to enhance the County’s competitive edge and how do I know if my project does that?

- Having a competitive edge means that your business offers information, a skill, a process, a product or a resource that competitors don't have. Cannabis businesses in Humboldt County that offer something unique help to give the county an advantage, or competitive edge.

7. Other

A. Resources/Help

Who can help me create a business plan or complete other parts of my application?

- County staff, members of the Board of Supervisors, and committee members (as long as they do not violate confidentiality, the Brown Act and other fair business practices) can help applicants understand the application process and requirements.
- The North Coast Growers Alliance can also offer assistance to members. Please go to <https://www.hcga.co/> for more information.
- Other local and cannabis specific associations exist within Humboldt county and may be able to provide ancillary support services for applicants. For details concerning the services that they provide, and membership requirements, contact these organizations directly.

Humboldt County Cannabis Chamber of Commerce

- <https://www.humboldtcannabischamber.com/>
- PO Box 5916
- Eureka, CA 95502
- info@humboldtcannabischamber.com
- Tel: 707-440-9366

International Cannabis Farmers Association

- <https://www.icfa.farm/>
- <https://www.icfa.farm/contact>

Southern Humboldt Business & Visitors Bureau

- <https://www.elevatethemagic.com/>
- info@shbvb.org
- (707) 543-1755
- Find us on Instagram @humbolddbureau

B. Confidentiality

Who will see my Trellis Business Grant Application? It may contain a lot of personal information and private information about my business that I don't want others to see.

- Applications will be reviewed by County of Humboldt staff and the Cannabis Micro-Grant and Loan Advisory Committee (CMGLAC). The County of Humboldt understands that some applications may contain sensitive information. County staff is presently working with County Counsel on best practices regarding the treatment of confidential information. The County reserves the right, where it is entitled to do so, to redact or remove sensitive information contained in applications, and to strike said information from the public record, and to instruct committee members to refrain from discussing such information in a public setting. If an applicant has specific concerns about revealing specific information about their business, project or proposal please contact County staff to discuss, or prominently detail those concerns in the application.

C. Insurance Requirements

The application instructions say that I must sign a grant contract that includes insurance requirements.

What sort of insurance do I need to receive a grant?

- The County has agreed to waive the insurance requirement for Project Trellis Business Micro-grant awards as long as the awardee agrees to sign an indemnification agreement. This agreement will contain the following language:
Indemnification: GRANTEE shall hold harmless, defend and indemnify the COUNTY and its officers, officials, employees and volunteers from and against any and all liability, loss, damage, expense, costs (including without limitation costs and fees of litigation) of every nature arising out of or in connection with GRANTEE's performance of work hereunder or its failure to comply with any of its obligations contained in the agreement, except such loss or damage which was caused by the sole negligence or willful misconduct of the COUNTY.