COUNTY OF HUMBOLDT

For the meeting of: 10/22/2024

File #: 24-1469

To: Board of Supervisors

From: County Administrative Office

Agenda Section: Consent

Vote Requirement: 4/5th

SUBJECT:
Fiscal Year (FY) 2024-25 Supplemental Budget for Economic Development Trellis Equity Program (1120275422) in the Amount of $309,493 (4/5 Vote Required)

RECOMMENDATION(S):
That the Board of Supervisors:

1. Approve the attached supplemental budget in the amount of $309,493 for FY 2024-25 for the Economic Development Trellis Equity Program (1120275422). (4/5 Vote Required)

STRATEGIC PLAN:
This action supports the following areas of your Board's Strategic Plan.

Area of Focus: Core Services/Other
Strategic Plan Category: 9999 - Core Services/Other

DISCUSSION:
On March 19, 2019, the Board approved Resolution No. 19-24 adopting the Humboldt County Cannabis Local Equity Program Manual for the operation of the County of Humboldt Local Equity Program (LEP), in response to Senate Bill (SB) 1294: the California Cannabis Equity Act of 2018. The LEP Manual focuses on the support of individuals and communities in Humboldt's cannabis industry that are linked to populations or neighborhoods negatively or disproportionately impacted by cannabis criminalization. With the adoption of the LEP, the Board authorized the Economic Development Division to apply for the Bureau of Cannabis Control's (BCC) Cannabis Equity Grant (CEG) funding.

Following the BCC's initial award of $1,338,683, the BCC released administration of the CEG funding to the Governor's Office of Business and Economic Development (GO-BIZ). Under the oversight of Go-Biz, Economic Development has received four additional awards of $2,459,581, $1,055,870, $3,429,870 and $1,234,822 respectively. Due to staff capacity and the extended timelines closing out previous grant awards the full $1,234,822, received during FY 2023-24, was not able to be awarded and distributed before June 30, 2024, as originally anticipated. The supplemental budget before your Board today will carry forward sufficient appropriation to distribute the remainder of the $1,234,822 award in FY 2024-25. These funds will be used to implement service items to the cannabis industry by direction of the approved LEP.

SOURCE OF FUNDING:
Economic Development (1120), Cannabis Equity Grant Funding (275422)

FINANCIAL IMPACT:

Expenditures (1120275422)	**FY24-25**
Budgeted Expenses	497,122
Additional Appropriation Requested	309,493
Total Expenditures	806,615

Funding Sources (1120275422)	**FY24-25**
Use of Fund Balance	806,615
Total Funding Sources	806,615

Narrative Explanation of Financial Impact:
The attached supplemental budget will increase the Economic Development Trellis Equity budget (1120275422) by $309,493, which is sufficient appropriation to distribute the remainder of the $1,234,822 award received in FY 2023-24. It is necessary to roll forward these funds into the adopted FY 2024-25 budget due to shifting timelines of the grant award cycles. It is anticipated that fund 1120 will end FY 2023-24 with a fund balance of $1.1 million, the adopted FY 2024-25 budget included $652,816 in anticipated use of fund balance leaving sufficient remaining balance for this supplemental budget.

STAFFING IMPACT:
There are no staffing impacts associated with this action.

OTHER AGENCY INVOLVEMENT:
NA

ALTERNATIVES TO STAFF RECOMMENDATIONS:
The Board may choose not to approve these recommendations; however, this alternative is not advised as this grant provides critical support for the businesses of your community and constituency and the funds for this round of award have already been received.

ATTACHMENTS:
1. Supplemental Budget (1120275422)

PREVIOUS ACTION/REFERRAL:
Meeting of: May 28, 2019; Jan. 12, 2021; Feb. 1, 2022; March 8, 2022; June 14, 2022; May 16, 2023; Aug. 22, 2023; April 9, 2024; June 4, 2024
File No.: 19-633, 21-1859, 22-94, 22-225, 22-283, 23-190, 23-1089, 24-279, 24-803