



## **Humboldt County Cannabis Equity Assessment V2 --Updated March 2020**

Abstract: The legalization of Cannabis creates remarkable business opportunities in the future, however not everyone who has made a living in the past is able to thrive in the future. The California Center for Rural Policy (CCRP) at Humboldt State University and the Humboldt Institute for Interdisciplinary Marijuana Research (HIIMR) collected secondary data to create the assessment. The assessment provides recommendations that will assure assistance is provided to community members that experienced the most harm from decades of criminalization of cannabis and assist them in participation in the legalized industry in Humboldt County.

## Section 1. Executive Summary

The California Center for Rural Policy (CCRP) at Humboldt State University was asked by the Humboldt County Board of Supervisors (HCBOS) to create a Humboldt County Cannabis Equity Assessment (CEA) to:

- Provide a data-informed look at the history of impacts the prohibition and criminalization of cannabis had on the community
- Provide policy recommendations to guide the county as it develops its Local Equity Plan and program activities which will help former disenfranchised community members successfully enter the legal cannabis workforce.
- Make recommendations that will help assure that there is equity and diversity in the emerging cannabis industry

In order to accomplish this, CCRP reached out to the Humboldt Institute for Interdisciplinary Marijuana Research at Humboldt State University to help create the CEA.

The Board of Supervisors has authorized staff to update the Humboldt County Cannabis Local Equity Program as needed, and staff has done so by ensuring the program is informed by this study.

Humboldt County is committed to including equity as a key consideration as the state of California transitions the cannabis industry to legal status. Humboldt County needs an equity program that makes sense for our residents and considers the unique needs and assets of our community.

### Key Takeaways from the Equity Analysis

- Humboldt County has been a leader among rural counties in efforts to navigate the transition to a legalized cannabis industry.
- Small, rural counties in California, including Humboldt, had higher rates of cannabis arrests than other counties as well as the state as a whole.<sup>1</sup>
- Between 2009-2014, drug offenses made up 32.6% of all felony arrests in Humboldt County. This translates to an average of 742 arrests per year over a five-year period.
- Data suggests that Humboldt County's regions of highest poverty are not applying for cannabis licenses.

---

<sup>1</sup> *The NORML Almanac of Marijuana Arrest Statistics, California Marijuana Arrests, 1995-2002*. Url: [https://norml.org/pdf\\_files/state\\_arrests\\_2004/NORML\\_CA\\_Marijuana\\_Arrests.pdf](https://norml.org/pdf_files/state_arrests_2004/NORML_CA_Marijuana_Arrests.pdf), accessed March 2, 2020.

## Key Findings/Recommendations

For the complete set of findings and recommendations, please see Section 6.

**Finding #1: Equity program eligibility factors should be focused on specific targeted populations. Eligibility criteria should be supported by data wherever possible.**

**Finding #2: Ensure that applicants meeting equity program eligibility factors have adequate opportunity to take advantage of the program. Consider incentivizing ongoing support for equity applicants.**

**Finding #3: All peer jurisdictions who have implemented adult-use cannabis require data collection to understand the impact of the industry. Consider tracking data on general and equity applicants on an ongoing basis to measure the success of the equity program.**

**Finding #4: Create specific services/programs for equity applicants that address/mitigate barriers to entering the legal cannabis market.**

**Finding #5: Cannabis revenues can be directed to community reinvestment programming to rebuild/restore communities adversely affected by the past criminalization of those involved in the cannabis industry.**

**Finding #6: All cannabis operators should provide equitable employment opportunities. These opportunities should include hiring those with past non-violent cannabis convictions, local residents, and other historically-disadvantaged populations, and providing a living wage to employees.**

**Finding #7: Geographic disparities may emerge in cannabis-related activities, and scarcity of available land can cause real estate values to rise. Consider land use guidelines that ensure equitable distribution and thoughtful placement of businesses.**

**Finding #8: Update the Humboldt County Equity Assessment and use it to inform improvements to the Local Equity Program every 3 years afterwards to:**

- 1) monitor and share progress of the Equity Program,
- 2) monitor and share trends in the emerging legal cannabis industry,
- 3) identify areas for course correction and/or unexpected consequences, and

4) demonstrate an ongoing commitment to data-informed decision making and strategic planning to ensure Humboldt County's strong transition to a legal cannabis industry.

**Finding #9: Humboldt County Economic Development staff should explore and promote business opportunities beyond cultivation.**

**Finding #10: Create a program for Expungement-eligible residents identified by AB 1793.**

**Finding #11: Humboldt County Economic Development staff should promote equity branded supply chains between rural and urban equity businesses.**

**Finding #12: Create a Cottage Amnesty Program.** Now that there is funding for equity applicants, there is a need to reopen the applications to cottage legacy growers in Humboldt County who saw no feasible path to transition before assistance could be provided.

## Section 2. Introduction

Located in the northwestern corner of California, Humboldt County has a population of roughly 135,727. Almost half of the county's residents live in the seven incorporated communities of Arcata, Blue Lake, Eureka (county seat), Ferndale, Fortuna, Rio Dell and Trinidad. The County is home to eight federally-recognized tribes: Bear River Band of Rohnerville Rancheria, Blue Lake Rancheria, Big Lagoon Rancheria, Cher-Ae Heights Indian Community of Trinidad Rancheria, Hoopa Valley Tribe (and the largest geographically in California), Karuk Tribe, Wiyot Tribe and the Yurok Tribe (the largest by population in California).

The past criminalization of cannabis adversely impacted communities in Humboldt County in a manner unique to its location as the epicenter for the war on California cannabis cultivators that consolidated Federal, State and local law enforcement resources starting in the late 1970s<sup>2</sup>. This history cannot be fully understood without examining the intersection of local, State, national, and global politics that made the place and its people subject to militarized eradication efforts. It is equally important to understand how the impacts of these eradication efforts and the response to them became integrated into the social fabric of the impacted communities.

The emergence of cannabis cultivation as an alternative to rural poverty spread with old and new demographics, making the county especially resilient to paramilitary policing practices that disrupted community support systems and weakened informal social control capacities, particularly in the first decade of the annual, 8-week joint Federal-State task force, the Campaign Against Marijuana Planting (CAMP).

The Federal war on cannabis provides important context for understanding how Humboldt's unregulated cannabis markets emerged and changed over time, greatly distorting this rural county's efforts to create sustainable, broad-based economic development. The way cannabis was policed created a drug war economy that, at different times, spurred the arrival of new cannabis industry participants. These included an ever-widening segment of the local population looking for a way out of rural poverty, as well as new actors that did not always share the ecological ethics and scale of the communities from which local cannabis livelihoods emerged.

As a result the county's economy became significantly entangled with a single commodity market once again, following the boom and bust of the postwar timber economy. The "bust" associated with state-wide cannabis legalization in the context of ongoing Federal prohibition can, however, be mitigated by facilitating livelihood transitions into the regulated market for thousands of community members with limited livelihood options left behind by economic

---

<sup>2</sup> Corva, Dominic. 2014. "Requiem for a CAMP." *International Journal of Drug Policy* 25(1): 71-80.

barriers to entry. The county economy's long-term entanglement with cannabis cultivation created, however, a political and cultural infrastructure that is well-disposed to help traditional market participants transition to a sustainable future with help from an equity program focused on addressing rural poverty.

Humboldt County has a disproportionately large demographic of people with requisite knowledge and skill to otherwise succeed in the market and contribute to the county's long-term economic development. Cannabis legalization presents a challenge and an opportunity for thousands of skilled cannabis market actors in Humboldt County. They have the experience and knowledge to succeed legally, but they lack the means to overcome barriers to entry and contribute formally as successful members of a regulated future.

The legalization of commercial medical and adult use cannabis in California has dramatically shifted the economic climate. Without significant changes in, and support for what is now significantly a multigenerational local cannabis industry, the county economy and population is at risk of suffering irreparable harm. A cannabis equity program presents an important opportunity to create an environment where those adversely affected by past policies can operate and thrive in a legal manner.

### **Section 3. Equity Analysis**

#### Methodology

The California Center for Rural Policy (CCRP) at Humboldt State University was asked by the Humboldt County Board of Supervisors (HCBOS) to create a Humboldt County Cannabis Equity Assessment (CEA) to:

- Provide a data-informed look at the history of impacts the illegalization of cannabis had on the community
- Provide policy recommendations to guide the county as it develops its Local Equity Plan and program activities which will help former disenfranchised community members successfully enter the legal cannabis workforce.
- Make recommendations for future research that will help assure that there is equity and diversity in the emerging cannabis industry

In order to accomplish this, CCRP reached out to the Humboldt Institute for Interdisciplinary Marijuana Research (HIIMR) at Humboldt State University to help create the CEA.

The Board of Supervisors has authorized staff to update the Humboldt County Cannabis Local Equity Program as needed, and staff has done so by ensuring the program is informed by this study.

The County of Humboldt has created a Cannabis Local Equity Program that will use county funds derived from the Humboldt County Cannabis Excise Tax and funds received from code enforcement fines and civil administrative penalties from violations of its Commercial Cannabis Land Use Ordinance as well as grant funding from the Bureau of Cannabis Control to assist local equity applicants and licensees through its local equity program for commercial cannabis activity.

The County of Humboldt has also adopted the Humboldt County Local Equity Program Manual to focus on inclusion and support of individuals and communities in Humboldt's cannabis industry who are linked to populations or neighborhoods that were negatively or disproportionately impacted by cannabis criminalization.

Humboldt County seeks to focus its local cannabis equity program on assisting smaller scale cannabis cultivators to overcome these barriers to entry, and to build support for longer term viability through activities such as formation of cooperatives for processing, distribution, and marketing, and for road maintenance associations.

## Historical Context of Cannabis Criminalization in Humboldt County

The past criminalization of cannabis has adversely impacted communities in Humboldt County in a manner unique to its location as “ground zero” for the war on California cannabis cultivators that began in the late 1970s<sup>3</sup>. The best indicators we have to demonstrate this are Humboldt County’s “plants eradicated” nationwide rank for the two periods for which CAMP data are available: 1984-1995 and 2004-2009 (see figures below). The data indicate that Humboldt County bore the brunt of CAMP eradication by a significant margin for at least the first ten years of that program’s existence.

<i>Top 10 CA counties by CAMP eradication</i>	<i>Average plants eradicated 1984-1995</i>	<i>Share of CAMP plants eradicated 1984-1995</i>
Humboldt	40311	36.80%
Mendocino	28298	25.90%
Trinity	5686	5.20%
Santa Cruz	4887	4.50%
Santa Barbara	4050	3.70%
Butte	4029	3.70%
Sonoma	3105	2.80%
Monterrey	2391	2.20%
Shasta	2062	1.90%
San Luis Obispo	2045	1.90%
Lake	1924	1.80%

Between 1984 and 1995, Humboldt led all California counties in plants eradicated by CAMP by a significant margin. CAMP supply repression raised the farmgate price and risk profile of cannabis agriculture, which attracted less risk-averse individuals and criminal organizations to the area seeking to profit from high margins. Many local cultivators shifted to smaller, scattered cultivation plots in the shade and even hanging from trees. Helicopter-enabled enforcement also pushed cultivation indoors, which in Humboldt County meant diesel-generated operations since most cultivation took place off-grid in remote watersheds. As environmentally impactful indoor techniques improved, those lessons were increasingly applied on the grid in more urban, usually northern, parts of the County.

---

<sup>3</sup> Corva, Dominic. 2004. “Requiem for a CAMP.” *International Journal of Drug Policy* 25(1): 71-80.

The California Department of Justice lost its CAMP report records between 1997-2003<sup>4</sup>, so it is difficult to tell exactly when things changed. But after 2003, the geography and logic of eradication had shifted, towards increasingly high plant count operations on public and private lands as well as away from Humboldt, especially towards remote public land operations more likely to be controlled by organized crime. CAMP clearly shifted its *raison d'être* from policing communities to maximizing plant eradication counts and protecting public land from intensive, industrial-style cultivation by organized criminal enterprises, which attracted more Federal funding and less political blowback. However, Humboldt remained a top six county for CAMP eradication between 2004 and 2009:

<i>Top 10 CA counties by CAMP eradication</i>	<i>Average plants eradicated 2004-2009</i>	<i>Share of CAMP plants eradicated 2004-2009</i>
Lake	333505	15%
Shasta	286151	12.90%
Mendocino	184192	8.30%
Tulare	153648	6.90%
Fresno	144882	6.50%
Humboldt	109646	4.90%
Los Angeles	91113	4.10%
Riverside	89195	4%
Trinity	73294	3.30%
Napa	67719	3%
Kern	66957	3%

This is a significant period for two obvious reasons. First, the passage of California's Proposition 215 in 1996 shifted the legal grounds for eradicating cultivation sites in the state. And second, CAMP's reports emphasize foreign, organized crime cultivation, particularly in national forests, as its main target. Domestic non-trespass cannabis cultivators, particularly small ones with low plant counts, were significantly de-emphasized as targets of eradication programs in the wake of Proposition 215.

Although CAMP policing practices professionalized over time, the cumulative effects of annual paramilitary raids initiated in the watersheds of Southern Humboldt did lasting damage to the

---

<sup>4</sup> Humboldt State University librarians have tried to locate CAMP reports from 1997-2003, but according to the California Department of Justice, a disgruntled employee destroyed them (see Corva, 2014, p.71).

social infrastructure of Humboldt County, whose Board of Supervisors described succinctly in their March 19, 2019 resolution to adopt an equity program:

Humboldt County’s experience with the historical criminalization of cannabis in part engendered a widespread and deep-seated multi-generational mistrust of government and regulation that significantly inhibits efforts to transform the legacy cannabis culture and economy in Humboldt County to the new legal, regulated commercial cannabis market. Until legalization, one strategy commonly and widely adopted among Humboldt County cannabis cultivators was to keep operations smaller in scale, as limited law enforcement resources prioritized larger cultivation operations that were seen as causing the greatest environmental harm.

During this period, Humboldt communities became less impacted directly by the trauma of paramilitary raid season, and more impacted by how the politics of policing cannabis in California changed and diverged from the enforcement of Federal prohibition.

In 2009, the wholesale farmgate price for a pound of cannabis was about \$3000. By 2011, it was under \$2000, and by 2014 it had dropped to \$1200. At the end of 2018, wholesale pound prices bottomed out at about \$500. Unregulated cannabis cultivation ceased to be much of a viable livelihood strategy.

Legalization did not cause the economic collapse of unregulated cannabis cultivation as an economic engine of Humboldt County. Rather, runaway production on the West Coast, where it had become integrated into the social fabric of many communities as a quasi-decriminalized informal economic sector, in the context of ongoing Federal prohibition that resists such a possibility, catalyzed the commodity bust that now intensifies conditions of rural poverty in the County.

As production increased and prices fell, the main impact shifted from direct experience with paramilitary policing to a direct experience of just how unsustainable the drug war economy is. Before we examine the economic impact of the drug war economy on Humboldt County after 1996, though, let’s review how CAMP’s formation and first phase was about enforcement on counterculture communities that were heavily impacted through the criminalization of a plant they often grew and consumed.

#### *CAMP: Policing Communities*

Initially, CAMP was especially focused on communities with significant concentrations of “hippies” and other urban refugees that had recently migrated to cut-over timber land and large

ranches that had been sold off in numerous small parcels at affordable prices. The dream of going “back to the land” drew many people to an area in southern Humboldt, northern Mendocino, and the adjacent southwestern corner of Trinity County<sup>5</sup> (Anderson 1987) in watersheds connected to the Mattole and Eel Rivers. Those communities adopted local poet Deerhawk’s combination of the river names to identify a cross-county cultural region known as the Mateel. The environmental and communitarian values of the Mateel watershed communities have been extensively documented by Humboldt anthropologist and journalist Jentri Anders in the book adaptation of her doctoral dissertation<sup>6</sup>.”

Humboldt County has a long history of involvement in the cannabis industry, associated with a pattern of migration to the rural county that began in the mid-1960s and intensified in the aftermath of 1968, as urban anti-war protesters especially from the Bay Area; Vietnam veterans; and those economically displaced by an industrial economy in general decline migrated to rural areas in search of cheap land where they began to experiment in ways to be left alone on the one hand, and at the same time find new ways to be together, although for different reasons<sup>7</sup>.

The pattern of settlement was especially visible in Southern Humboldt County, where communes and hippie communitarians proliferated in the late 1960s and 1970s. This was where “Beat” generation Humboldt native Bob McKee first subdivided family ranch holdings in Whale Gulch out to people going “back to the land”<sup>8</sup> in 1965. The first “new settlers” were academic friends from the Bay Area, including University of California, Berkeley geographer Blair Boyd, 1960s activist and longtime editor of prestigious cultural geography journal *Landscape*. His daughter, Tasha McKee, recalls the early migrants as a socioeconomically diverse group:

The new settlers were from Antioch College and knew each other and then there's an Urban school in San Francisco... teachers from there, but my dad also sold to other people who came who were not part of the academic community. He sold to mothers on welfare, 100 dollars down and some of them there was nothing down 100 dollars a month. And he loved doing that where he had a real diversity of types of people and incomes. So some people who were fairly wealthy and some people who were dirt poor ... he's really someone who believes in the 40 acres and a mule. The American dream that way and really believes that the land is better off with people who live on it and love it and that they'll care for it in a different way than a corporation that doesn't live here.

---

<sup>5</sup> Anderson, Mary. 1987. *Whatever Happened to the Hippies?* R & E Miles. San Pedro, California.

<sup>6</sup> Anders, Jentri. 1990. *Beyond Counterculture: the Community of Mateel*. Washington State University Press: Spokane, Washington.

<sup>7</sup> Boal, I., J. Stone, M. Watts and C. Winslow. 2012. *West of Eden: Communes and Utopia in Northern California*. PM Press: Oakland.

<sup>8</sup> Raphael, Ray. 1985. “Cash Crop: An American Dream.” The Ridge Times Press: Mendocino, California.

So people just started growing pot ... they were growing vegetables and everything else ... first they just started growing it for their own use, and then people started realizing there was a market for it and that they could buy themselves a better car, a new washing machine, but it wasn't at all on this 'okay, let's go make a million dollars' type of thing, it was very low-key and it was supplementing an income. And, in the beginning, there was no flying over, it was illegal, we didn't have the medical marijuana thing, but there was no flying over either so people were growing it in their vegetable garden along with that, and then they started doing the flyover stuff, and it got really intense, so if you want to talk about the war on drugs... The war on drugs here really escalated things to where the risk started to be so great, the price was way up. And so then it started attracting people who just wanted to grow like the gold rush or timber harvest where people are just coming to make a buck<sup>9</sup>.

In an interview published in 1985, CAMP commander Bill Ruzzamenti made clear that community disruption was a goal of the raids, spelling out that they are going after “community support systems” to get to cannabis:

The situation that's developed in southern Humboldt and northern Mendocino particularly is that you have vast enclaves of marijuana growers . . . We're going after the community support system that makes it appear as a viable and legitimate enterprise, since everyone around you is doing it”<sup>10</sup>.

Ruzzamenti's comment illustrates the intense “us vs. them” dynamic that developed as these communities were viewed as outlaws making their own rules and living outside of established norms. It wasn't just that they grew cannabis, lived communally, let their hair grow, or dressed differently, but that they acted as if growing cannabis was a legitimate industry that it is now becoming more than 30 years later.

CAMP's community disruption agenda belonged to a “law and order” playbook initiated by the Nixon administration in the early 1970s, which used the broad criminalization of drugs to selectively repress political dissidents and people of color. Anti-war hippies had become “soft” political targets of the Nixon administration, grouped with people of color though the drug war as scapegoats to gain “law and order” political capital.

In 1994, former Nixon aide John Ehrlichman spelled this out to journalist Dan Baum:

We knew we couldn't make it illegal to be either against the war or black, but by getting the public to associate the hippies with marijuana and blacks with heroin, and then

---

<sup>9</sup> Corva interview with Tasha McKee. September, 2011. Whitethorn, California.

<sup>10</sup> Raphael 1985: p. 108.

criminalizing both heavily, we could disrupt those communities. We could arrest their leaders, raid their homes, break up their meetings, and vilify them night after night on the evening news.<sup>11</sup>

Nixon's War on Drugs used the criminalization of ethnic and countercultural minorities to gain political power, not simply by disrupting their communities but by stirring up a moral panic against his critics through the use of mass media. This practice was so successful that it was adopted by a generation of politicians regardless of party that institutionalized the drug war and drove the rise of mass incarceration. The emergence of CAMP in Humboldt County provides a textbook rural variation on what is more commonly understood as an urban phenomenon. But first we must examine the national and global political forces that stimulated the commercialization of what was, initially, just another crop in the hippie garden<sup>12</sup>.

### *The first Green Rush*

Starting in 1975 and continuing through 1979, the U.S. government paid Mexico to spray the herbicide Paraquat on its cannabis fields, and advertised the practice widely in the media to scare U.S. cannabis consumers away from Mexican sources. The value of the domestic crop, which could easily be distinguished from its highly seeded Mexican counterparts, skyrocketed. In 1977, the San Francisco Chronicle published a front-page story on the immediate economic impact of this phenomenon on Garberville, the urban "peopleshed" for the Humboldt County's rural watersheds, in an article called "How a Town Got High."

This media coverage catalyzed the first "Green Rush," as new actors, including criminal elements but also existing, non-hippie communities living in rural poverty, realized the potential of the new cash crop. It also drew the attention of California law enforcement, which sent the first helicopters to the region in 1979 when a new Attorney General was elected on a law and order platform. In between, the national political environment also shifted radically.

The Carter Administration, led by drug policy reformer Peter Bourne, came into office explicitly in favor of decriminalizing cannabis. The administration continued Ford's Paraquat program, leading National Organization for the Reform of Marijuana Laws (NORML) Director Keith Stroup to "refuse to deny" that Bourne used cocaine at a NORML event, in a 1978 Washington Post article<sup>13</sup>. Bourne resigned and the Carter administration stepped back from reforming

---

<sup>11</sup> Baum, Dan. "Legalize it All." *Harper's Magazine*. April 2016.

<sup>12</sup> Anders 1990.

<sup>13</sup> Clark, Claire and Emily Dufton. "Peter Bourne's Drug Policy and the Perils of a Public Health Ethic, 1976-1978." *American Journal of Public Health* 105(2): 283-292.

cannabis laws in the country. The political landscape was cleared for the amplification and institutionalization of the bipartisan War on Drugs during the Reagan administration.

By 1979, Mexican imports had dropped significantly and the farmgate wholesale price of domestic cannabis reached \$2000/lb, more than \$11,000 per pound in 2011 prices. At the end of the Paraquat program, Colombia and Thailand exported the bulk of the cheap, low-end cannabis consumed in the lower 48 states, but domestic sources also achieved liftoff. Cannabis production exploded in Hawaii and the Appalachian region of the US, where a resource extraction commodity bust and therefore rural poverty also provided structural conditions for participation in the domestic industry<sup>14</sup>.

But it was rural Northern California, especially in southern Humboldt County's share of the "Emerald Triangle", where increased cannabis production was drawing attention, both for its growing reputation for quality as well as efforts at eradication. Eradication efforts were initiated by State and local law enforcement, augmented by by Federal funding once CAMP was created.

#### *From the emergence of CAMP to Operation Greensweep*

CAMP was a joint task force created in 1983 to coordinate federal, state, and local agencies for at least eight weeks every year between August and October to locate and eradicate primarily outdoor cannabis agriculture. It was timed to maximize garden visibility close to harvest time, usually the first rains of October. CAMP's funding sources came from an array of law enforcement and environmental bureaucracies that changed over time, but were dominated by the U.S. Drug Enforcement Agency (DEA) and California's Bureau of Narcotics Enforcement (BNE). Federal agencies that also contributed included the U.S. Forest Service, Coast Guard, Customs, Marshalls, Internal Revenue Service (IRS) and Alcohol Tobacco and Firearms (ATF). Significant California agencies included the Bureau of Land Management (BLM), Fish and Game, Forestry, Corrections and the California Highway Patrol (CHP).

CAMP brought into coordination previously existing county and state efforts to police cannabis agriculture, and was initially focused on three Northern California counties: Humboldt, Mendocino, and Trinity counties, which were dubbed the "Emerald Triangle," a geographical imagination likely introduced by law enforcement as part of a media campaign meant to evoke comparisons with Southeast Asia's opium-producing "Golden Triangle."

In 1979 Republican George Deukmejian, recently elected AG on a law and order platform, donned a flak jacket for the first "media raid" of Mattole/Eel watershed cannabis communities.

---

<sup>14</sup> Clayton, Richard. 1995. *Marijuana in the "Third World": Appalachia, USA*. Lynne Rienner, Boulder, Colorado and London.

After Deukmejian was elected governor of California in 1982, he collaborated with incoming Democrat AG John Van de Kamp and former California governor-turned president Ronald Reagan to institutionalize the state's summer eradication program as a joint Federal, State and Local task force. As governor from 1967-1975, Reagan had a history of cracking down on hippies and student protesters -- many of whom then fled to Humboldt in the back-to-the-land movement and created the earliest domestically produced cannabis markets.

Communities were disrupted from regular paramilitary raids that disproportionately targeted Humboldt and Mendocino counties. Enforcement methods often deviated from standards of professional police conduct normally accorded to citizens with constitutional protections. Three key community self-defense institutions emerged in the conflict: the Citizen's Observation Group (COG), which followed CAMP around documenting what happened; the Civil Liberties Monitoring Project (CLMP) which sued the government based on that documentation; and community alert systems that started as networks of walkie-talkies in the hills and evolved into regular programming on KMUD, the Emerald Triangle's community radio station.

In 1985, CLMP partnered with the California chapter of the National Organization for the Reform of California laws in a successful injunction against unconstitutional CAMP practices, *NORML v Mullen*. Fifty sworn declarations from County residents alleged

... warrantless searches and seizures, arbitrary detentions and destruction of property, and sustained low-altitude helicopter activity resulting in repeated invasions of privacy, emotional distress, property damage, disrupted schooling and work, and general danger to the public. Plaintiffs contend, in short, that CAMP is "out of control" and has turned its areas of operations into "war zones."<sup>15</sup>

In finding for the plaintiffs, the court found that official CAMP policy provided by the attorney general's office and supported by Ruzzamenti's testimony explicitly "endorses warrantless entries, searches, and seizures on private property," lending "considerable credence to the allegations of warrantless searches and seizures and the oppressive character of the resulting encounters with innocent residents."

In 1990, Operation Green Sweep, a joint Federal-State exercise outside CAMP's scope and guidelines issued by *NORML v Mullen*. Green Sweep marked the first time active-duty military units were used to police drug crimes, let alone cannabis, inside the United States<sup>16</sup>.

---

<sup>15</sup> *NORML v Mullen*. 1985. Url: <https://law.justia.com/cases/federal/district-courts/FSupp/608/945/1465035/>, accessed August 27, 2019.

<sup>16</sup> Mendel, Col. William. 1992. "Illusive Victory: From Blast Furnace to Green Sweep." *Military Review*. December: 74-87.

In 1992, Colonel William Mendel reflected on the global context for Green Sweep, highlighting that the impetus for the operation came from geopolitical considerations. Green Sweep, and subsequent operations in Hawaii, Oregon, and elsewhere, were designed to appease countries reluctant to cooperate with analogous coca eradication campaigns in the Andes. The first such campaign was “Operation Blast Furnace” in Bolivia, in 1986, and Mendel’s article explicitly identifies lessons learned from Blast Furnace to Green Sweep. Chief among those lessons was a focus by the US on “targeting the producer, rather than the product” (p. 76).

Mendel’s review is remarkable for its explicit acknowledgement of resistance from Humboldt County law enforcement:

As Green Sweep got underway, the sheriff “expressed displeasure with the way the troops ‘stormed in’ and area residents protested the ‘invasion’ of nearly 200 armed soldiers in camouflage fatigues and face paint as frightening for their children and horses (p 82).

The resultant lawsuit by CLMP, which focused on environmental harms associated with the operation as well as civil rights claims from communities that found themselves accosted by commandos without due process, dragged out for years before culminating in guidelines issued to the state’s BLM for considering environmental impacts associated with eradication operations nominally led by that agency on California public lands<sup>17</sup>.

Of particular interest to our focus on community disruption, a newsletter from CLMP archives notes comments from one defense lawyer to his own team:

“There was almost no irrelevant testimony. It was an impressive mix of commenters [*sic*]. You would have been impressed with the professionalism and seriousness with which the public presented their comments. Informally, I was taken in a way I haven't been before in eight years, with the profundity with which the operations have impacted this area and community. Until these two days of public meetings, I didn't realize the extent of the effects on the people who live there”<sup>18</sup>.

---

<sup>17</sup> Webster, Bernadette. Spring/Summer 2000. “Greensweep Lawsuit Update.” CLMP publication from Spring/Summer 2000. Humboldt Area Peoples Archives (HAPA). Url: <http://www.haparchive.org/civilliberties.org/ss00greensweep.html>, accessed August 27, 2019.

<sup>18</sup> Webster, Bernadette. “The Sweepings of Greensweep.” CLMP publication from Spring 1999. HAPA Archives. Url: <http://www.haparchive.org/civilliberties.org/spr99greensweep.html>, accessed August 27, 2019.

As the decade progressed, local authorities increasingly objected to CAMP's annual program. In 1997, one Humboldt County Board of Supervisor joined other county Supervisors to ask that the state de-fund the program<sup>19</sup>.

The harm caused to community members affected by being treated like enemies of the state instead of citizens with rights is difficult to quantify, but their detrimental effect on the social fabric of the county has been well documented, perhaps most spectacularly in the 2019 Netflix documentary "Murder Mountain." A more nuanced exploration of the psychosocial effects of living in a drug war zone was written by Emily Brady<sup>20</sup>, an investigative journalist who spent five years in the watersheds of Southern Humboldt. Brady's complex narrative uncovers the cultural richness of cultivation communities descended from the back-to-the-land movement, while also describing legacies of trauma and violence associated with existing in a drug war economy.

### *Post-1996: the boom and bust*

Adjusted for inflation, farmgate prices remained fairly stable until the mid-2000s as cannabis eradication suppressed supply and drove up risk capital. After the passage of Proposition 215 in 1996, however, eradication efforts backed off considerably. By 2011, however, overproduction throughout the State had already caused the bubble to burst, with prices below \$2000/lb.

Cannabis cultivation surged in Humboldt as it did all over the state, somewhat protected by the gray legal area opened up by Prop 215; and 2003's Senate Bill 420 which left it up to local authorities to regulate medical cannabis cultivation. In response, Humboldt District Attorney Paul Gallegos issued a guideline stating that his office would not prosecute plant counts below 100, a number that would trigger Federal mandatory minimums.

Over the next decade, medical cannabis statutes on the West Coast lowered the risk of exposure to cannabis cultivation considerably. Many people from all walks of life began to grow, a process likely accelerated by the financial crisis of 2008-2010. This time, enforcement efforts faced declining budgets and political will, and a classic agricultural overproduction dynamic developed.

The bubble of prosperity this created distorted the trajectory of economic development in Humboldt County considerably. On the one hand, it brought an unexpected windfall newer and

---

<sup>19</sup> Denson, ED. "No Campaign Against Marijuana Planting?" CLMP publication from Spring 1997. HAPA Archives electronic document accessed August 27, 2019. Url: <http://www.haparchive.org/civilliberties.org/spr97nocamp.html>.

<sup>20</sup> Brady, Emily. *Humboldt: Life on America's Marijuana Frontier*. Grand Central Publishing, New York and Boston. 2013.

older communities alike that was spent on building schools, volunteer fire stations, community centers, rural healthcare initiatives, a credit union, and an explosion of cottage industries that included highly innovative solar technology companies. That money, and the freedom of time that came with it, was directly responsible for the emergence of the still-robust, but now professionalized, forest restoration sector in Humboldt County<sup>21</sup>.

Cannabis provided money and time to create the forest restoration sector in Humboldt County, which professionalized over time as it learned to draw on grants and formally employ people. Divergence in the 1990s, especially after 1996 as a nouveau Green Rush came in led to metastasization of grows for different reasons had different kinds of environmental impacts. Humboldt's "traditional" growing areas not particularly known for impacts like the ones we see on public lands, but definite issues with dewatering, diesel gas consumption, erosion, and the like

22.

Shifting policing practices have made significant headway reducing the presence of industrial-scale, environmentally unsustainable cultivation sites in the County. By most accounts, CAMP does focus on eradicating cannabis cultivation that has documented public safety issues, particularly associated with environmental damage, although there have been many recent accounts of small cultivators caught up in the crossfire. The majority of cannabis cultivators remaining in the county, who are primarily small-scale farmers at this point eking out a living on greatly reduced farmgate prices, are no more of a social problem than when CAMP explicitly sought to disrupt their communities.

This time around, though, they are the victims of a regulatory cannabis framework with extraordinarily high economic and regulatory barriers to entry. Those barriers are directly financial, in terms of taxes and licensing, but also reflect the high cost of becoming compliant with county codes. Those codes are not just environmental, but for upgrading rural infrastructure that has not seen public investment since the logging boom. Through Project Trellis, the County has made a significant commitment to help transitioning cultivators with the daunting cost of modernizing rural infrastructure.

The equity program seeks to support small businesses, and the restoration of ecologically sustainable principles that characterized the emergence of cannabis agriculture in Humboldt

---

<sup>21</sup> Kelly, Erin and Marisa Formosa. "Two Rural Industries Intersecting Over Time: Cannabis Production and Forest Restoration in the Mattole Valley, California, USA." Forthcoming in *The Routledge Handbook of Interdisciplinary Cannabis Research*, edited by Dominic Corva and Josh Meisel. Routledge. 2020.

<sup>22</sup> Silvaggio, Tony. "The Environmental Impact of Cannabis Liberalization: Lessons from California." Forthcoming in *The Routledge Handbook of Interdisciplinary Cannabis Research*, edited by Dominic Corva and Josh Meisel. Routledge. 2020.

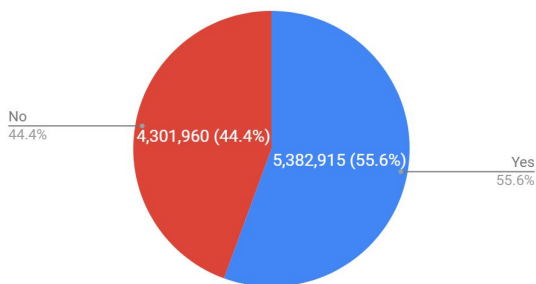
County, which was also the birthplace of cannabis agriculture in California. Traditional cultivators that are left behind are vulnerable to remaining dangerous criminal elements; have been doing it so long there is no viable career alternative; cannot receive help mitigating pre-cannabis timber-related environmental problems where they settled; and cannot afford to implement sustainable cultivation practices to address environmental problems that have emerged around them.

### History of Cannabis Policy Reforms in California & Humboldt County

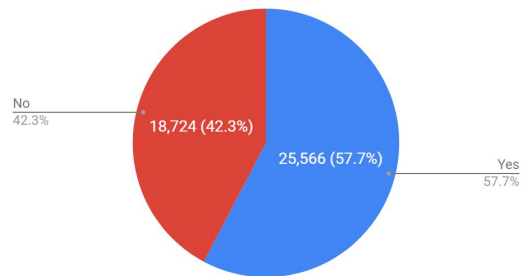
#### *California*

In 1996, California passed Proposition 215, the Compassionate Use Act. Humboldt County also supported the measure. California was the first state in the United States to legalize cannabis for medical use.

State of California 215 Election Results



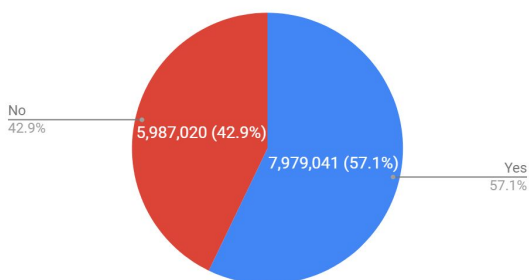
Humboldt County 215 Election Results



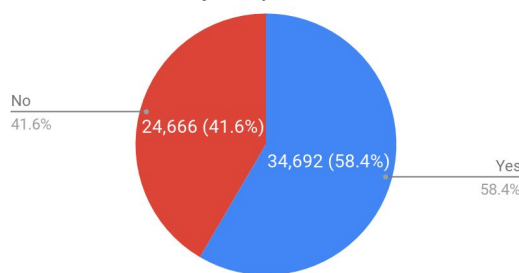
The Compassionate Care Act made it possible for patients and qualified caregivers to cultivate and possess cannabis for personal use. No regulatory structure was put in place. California voters continued to push for policies to decriminalize drug use, as evidenced by the voter-approved Substance Abuse and Crime Prevention Action in 2000, which allowed the state to offer eligible offenders convicted of drug use and/or possession treatment instead of jail time.

In 2016, California established a legal framework to regulate and monitor cannabis dispensaries after the passage of the Medical Marijuana Regulation and Safety Act. On November 8, 2016, California voters passed Proposition 64, the Adult Use Marijuana Act. Proposition 64 legalized the distribution, sale, and possession of cannabis. It passed with 57% of the vote statewide and 58% in Humboldt County.

State of California 64 Election Results



Humboldt County Prop 64 Election Results



### *Humboldt County*

According to the Humboldt County Community Health Assessment (CHA), “Jobs cultivation of cannabis in Humboldt County has begun the transition from an illicit industry to a major economic driver with the legalization of medical cannabis in 1996 (Proposition 215) and recreational cannabis in 2016 (Proposition 64).”

The CHA continues: “This previously unregulated industry has attracted a large number of seasonal workers, but accurate data on the number of individuals directly employed in the industry, and associated wages, are not yet available. Income, both individual and business, derived from cannabis, has been largely untaxed to date. Early estimates of county tax revenue due to the legal sale of recreational cannabis is projected to be \$4.876 million in FY 2017-2018.

### *Measure S*

On August 9, 2016 the Humboldt County Board of Supervisors unanimously placed Measure S on the November 8, 2016 ballot. Measure S is a commercial cannabis cultivation tax designed to help the county gain funding for cannabis-related impacts such as environmental review, public safety and drug and prevention services. Measure S was passed by voters and is estimated to produce approximately \$22 million in revenue in its first year. Measure S is a key funding source for the Cannabis Local Equity Program.

### *Project Trellis*

Ten percent of all Measure S funding is given to Project Trellis, which was created by the Humboldt County Board of Supervisors in part, to bolster the cannabis industry by:

- Providing services to populations and communities in Humboldt who were adversely affected by the criminalization of cannabis;
- Developing a framework for supportive programs designed to sustain and grow Humboldt’s cannabis industry; and
- Assisting cannabis businesses as they work to overcome the financial and logistical challenges of coming into compliance.

A portion of Project Trellis funding is earmarked for the equity program.

Project Trellis is broken into three parts:

- Micro-grant program: Aimed at providing capital assistance and business resources to Humboldt County cannabis businesses.
- Marketing and promotion: to promote Humboldt-grown cannabis as a national and industry brand.
- Local Equity Program: to serve those communities and individuals impacted by the war on drugs, and the implementation of which also serves as part of the qualifying criteria to receive Senate Bill 1294 funding.

Humboldt County has had a high level of interest in understanding and navigating the path to legalization because there is a shared belief that legalization will undermine and negatively affect the local economy. According to the Humboldt County 7-Year Financial Forecast, sales from the Business and Industry group was down by 43 percent from 2017 to 2018, and down 33 percent compared to averages from 2015 through 2017. Outlets in garden/agricultural supplies and contractors have shown the most decline. The Autos and Transportation group was down from 2017 by 27.8 percent. Restaurants-hotels and food-drugs experienced a drop from multiple large taxpayers. Sales tax revenue for the county was down 9 percent from actual revenue received in FY 2017-18, and down 20.2 percent from budgeted revenues for the current fiscal year.

Continued decrease in sales tax will lead to a loss of desperately needed local public safety services, such as 24-hour Sheriff’s patrol, 9-1-1 emergency response, local volunteer fire service, rural ambulance service, repairing deteriorating roads, and protecting victims of child abuse.

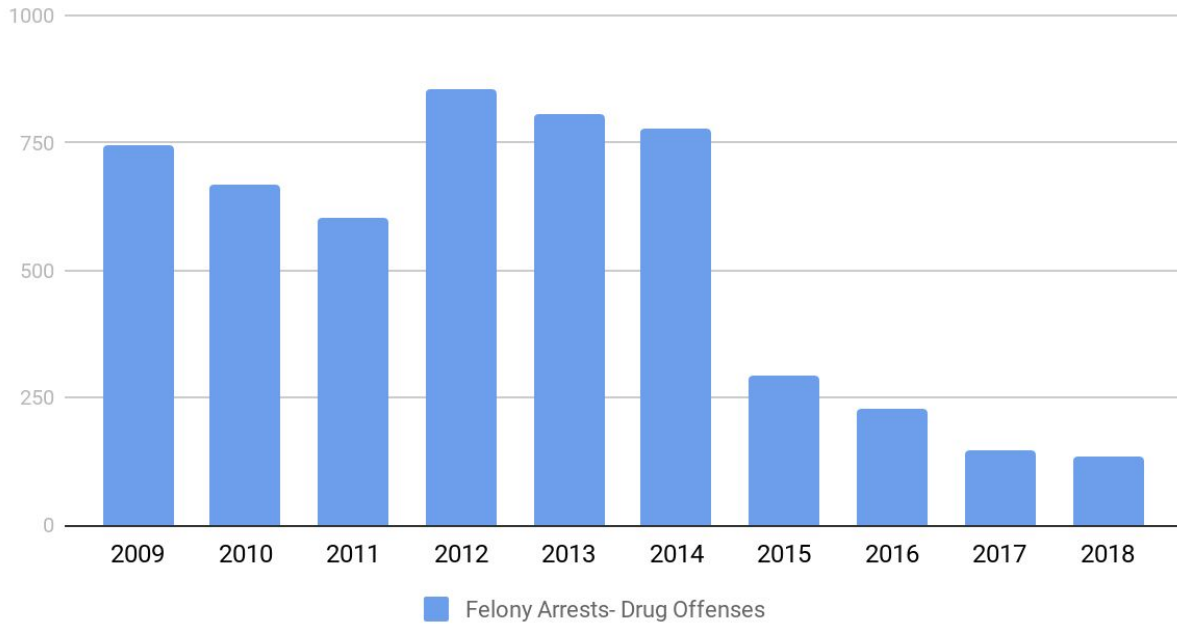
Drug Arrest Rates in Humboldt County, California and the United States

*Humboldt County*

Public data related to drug-related arrest rates was obtained from the California Department of Justice. Between 2009-2014, drug offenses made up 32.6% of all felony arrests in Humboldt

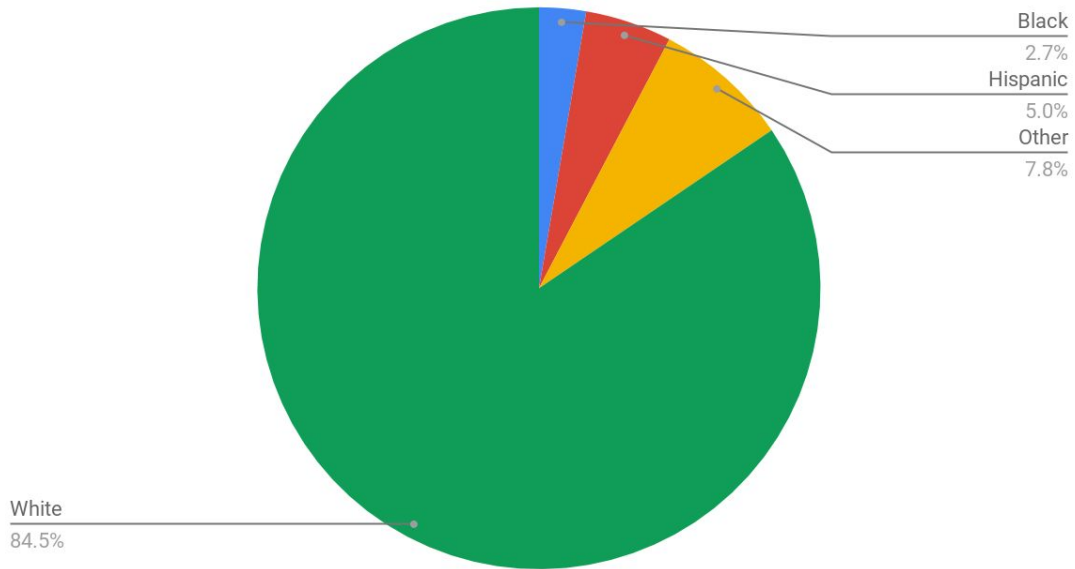
County. This translates to an average of 742 arrests per year over a five-year period. Felony arrests for drug offenses went down started in 2015 and those trends continued through 2018, the last year for which data is available.

### Felony Arrests for Drug Offenses Humboldt County, 2009-2018

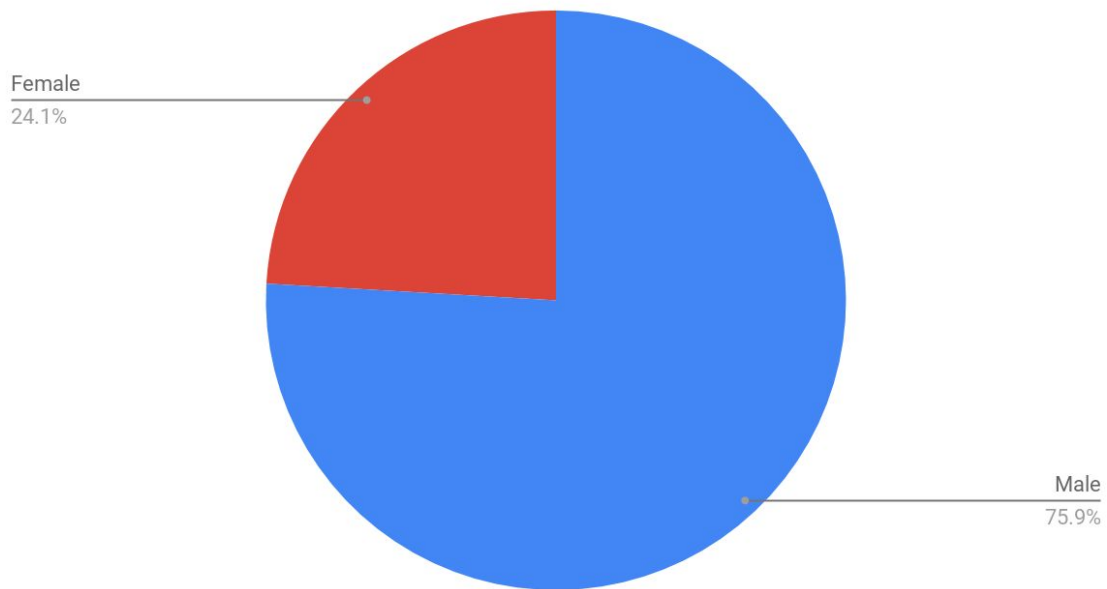


The below figures show the drug arrest data for Humboldt County by race, gender and age group from 1980-2018.

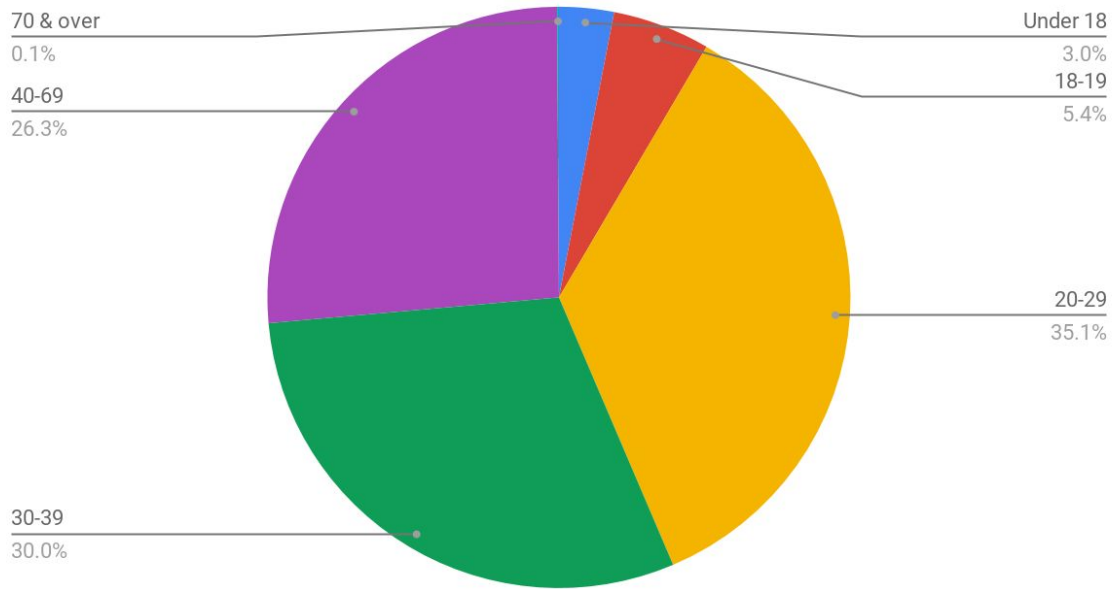
Humboldt County Drug Arrests by Race, 1980-2018



Humboldt County Drug Arrests by Gender, 1980-2018



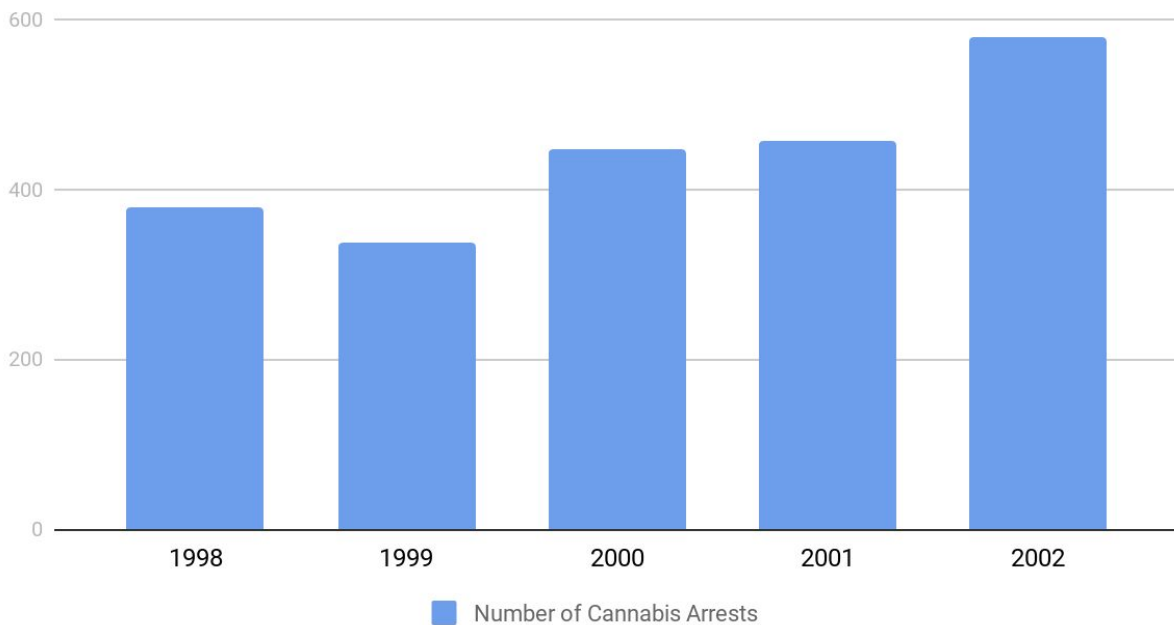
### Humboldt County Drug Arrests by Age, 1980-2018



Cannabis arrests by county for California was obtained from the Uniform Crime Reporting Program. Cannabis-related arrests between 1998 and 2002 ranked Humboldt County as #3 highest of 58 counties for rates of cannabis arrests. The tables below show that small, rural counties in California were disproportionately affected by cannabis arrests. Between 1998-2002, Humboldt County had significantly higher rates of cannabis arrests than the state of California as a whole.

California counties varied widely in cannabis possession enforcement, but Humboldt County had the highest rate of any California county for simple marijuana possession arrests in 2008 (Source: California Criminal Justice Statistics Center 2010). According to The Center on Juvenile and Criminal Justice (CJJC), “Two adjacent, major cannabis producing counties had diametrically opposite trends: Humboldt County had large increases and high rates of simple cannabis arrest, while Mendocino had among the lowest rates and most modest increases in cannabis arrests (Source: Marijuana Arrests and California’s Drug War: A Report to the California Legislature, 2010 Update, p. 7).”

### Humboldt County Cannabis Arrests, 1998-2002

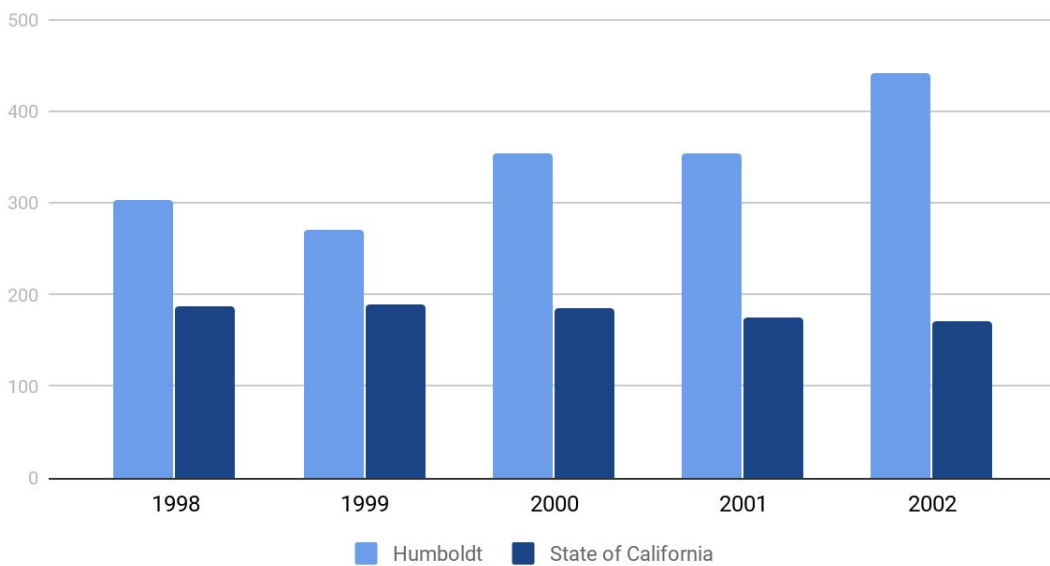


## California Cannabis Arrest Rates Ranked by County, 1998-2002

Ranking	County
1	Alpine
2	Sierra
3	Humboldt
4	Plumas
5	Trinity

Source: The NORML Almanac of Marijuana Arrest Statistics, California Marijuana Arrests, 1995-2002

### Cannabis Arrests Rates, Humboldt vs. California, 1998-2002



Humboldt’s long history of cannabis cultivation and the nature of an underground cannabis economy has led to violent crime and victimization of vulnerable populations. For example, women in the cannabis industry who experienced violence or assault were unlikely to report those crimes. The North Coast Rape Crisis Team has developed curriculum and trainings to support individuals who were subject to exploitation and trafficking within the cannabis industry. The Humboldt County Sheriff’s Office included resources for this work in their JAG grant as they recognized the adverse impacts for women associated with illegal cannabis operations.

Multiple articles have been written on this topic as women have spoken out about their experiences. According to an article titled *The Weed Industry Responds to Accusations of Rampant Sexual Assault* by Gabby Bess in 2016, “the problem of rape and sexual harassment in an industry that operates in seclusion is ongoing. In many circumstances, victims rarely report their sexual assault to the police either out of fear or the belief that law enforcement won't do anything to help them. The environment cultivated around marijuana grows, however, makes it even harder for rape victims to speak out.” In the same article, the California Growers Association executive director, Hezekiah Allen, wrote that the void of regulation has allowed illegal grows to proliferate in the grey area. "It is no secret that criminal behavior lingers in the shadows cast by prohibition and regulatory vacuum.”

### *California and the United States*

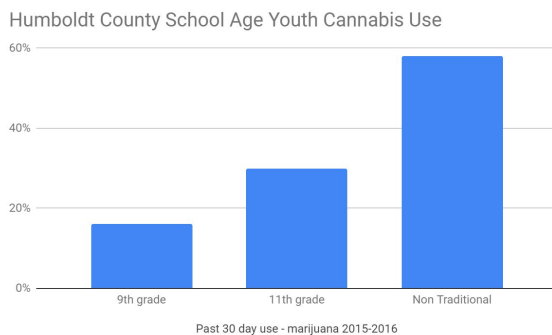
The Center on Juvenile and Criminal Justice (CJJC) has published several reports that demonstrate patterns in drug arrest rates in California that disproportionately affected people of color. Starting in the 1990's, arrests in California for drug possession increased dramatically. Cannabis possession rates increased by 124% while other categories of serious crime showed decreased arrest rates. Rates of arrest per 100,000 population rose much faster for African American, Hispanics, those under the age of 21 and European American over the age of 40.

Though a majority of states allow medical cannabis use, cannabis leads drug-related prosecutions in the United States. According to New Frontier Data, over 650,000 people were arrested for cannabis-related offenses in 2016. Cannabis accounted for 42% of all drug-related arrests in 2016, with cannabis possession offenses specifically accounting for 37% of all arrests. For comparison, heroin and cocaine accounted for 26% of arrests nationally.

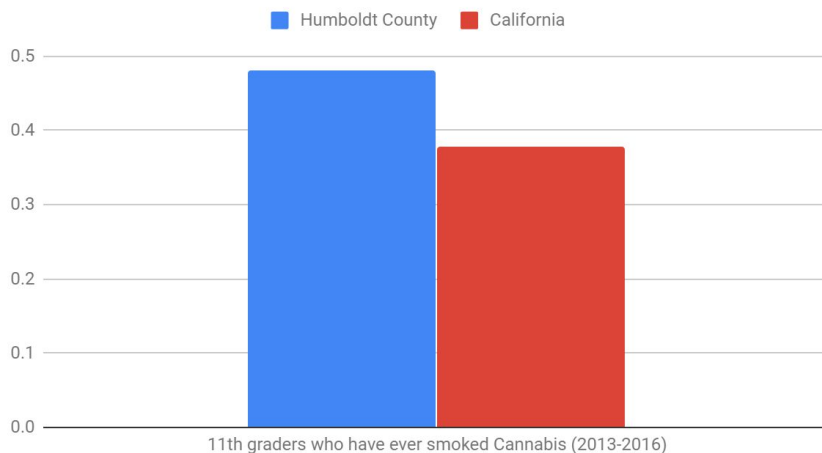
## Section 4. Current Conditions in Humboldt County

### *Youth Cannabis Use in Humboldt County*

Youth use of cannabis use starts earlier in Humboldt County than in other parts of the state. Although currently we do not have data we suspect there is a link between suspension and absenteeism from school and cannabis use. This is an area that should be studied. There is also an unusual workforce issue since technically Prop 64 allows adults aged 21 years or older to possess and use marijuana for recreational purposes, but most people in Humboldt County enter the workforce by the time they are 18. Youth cannabis use is still illegal and therefore they still may be adversely impacted.



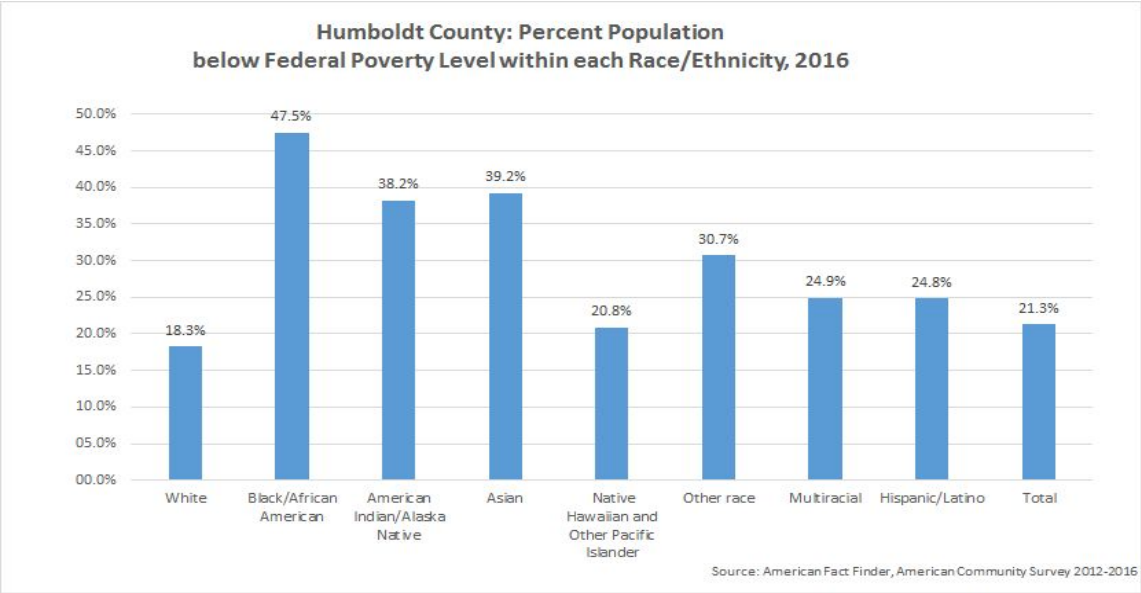
### 11th Graders Who Have Used Cannabis



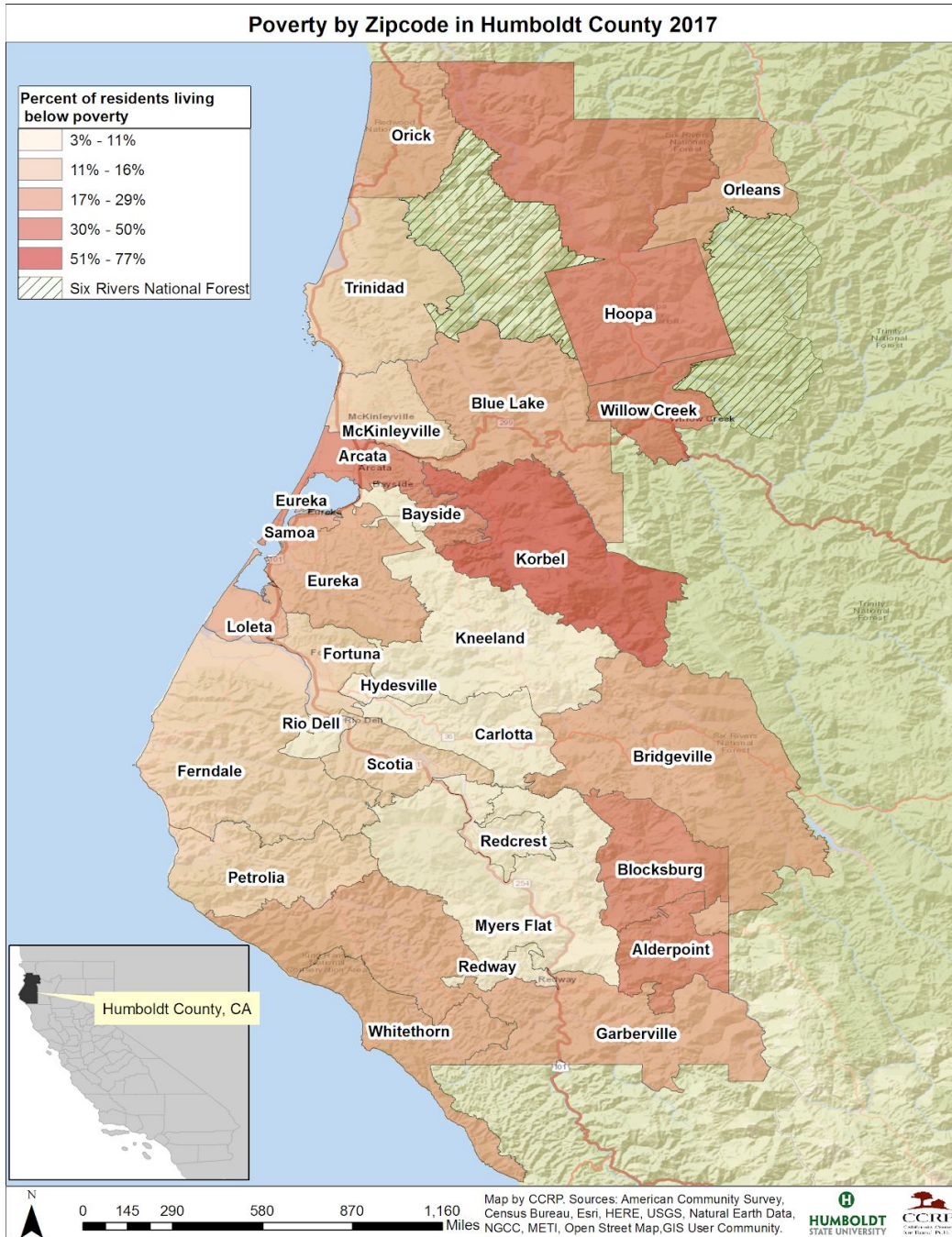
### *Poverty in Humboldt County*

In Humboldt County, 21.0% of the total population lives below the federal poverty level (FPL\*). The race/ethnicity with the highest percentage of poverty is the Black/African American population (47.5%). The white population has the lowest percentage of poverty (18.3%). Conversely, the total number of people in poverty is highest in the white population (19,664) and

lowest in the Native Hawaiian and Other Pacific Islander population (69), thus it is important to look at both the percentage and the actual numbers.

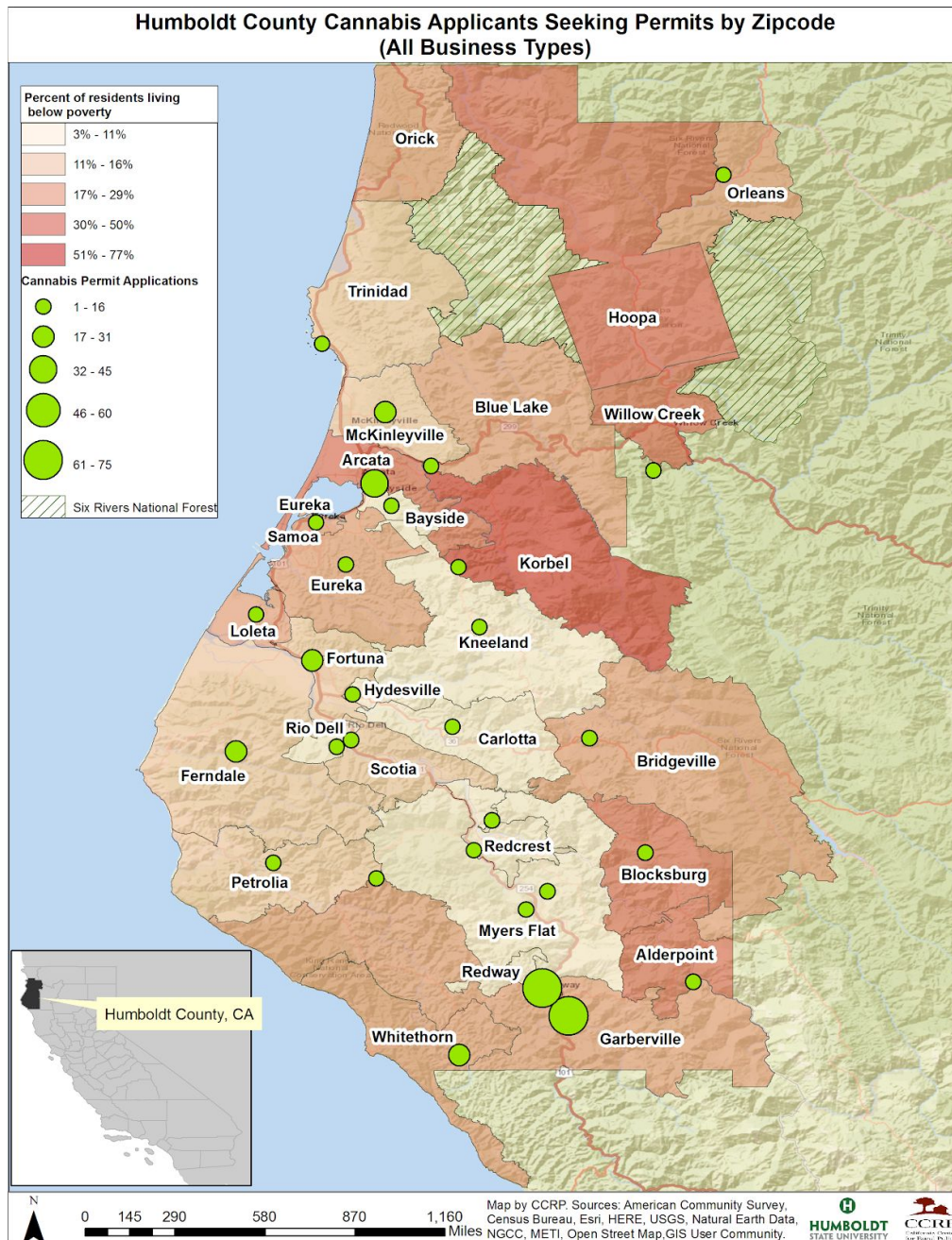


The map below illustrates the geographic distribution of poverty by zip code in Humboldt County.

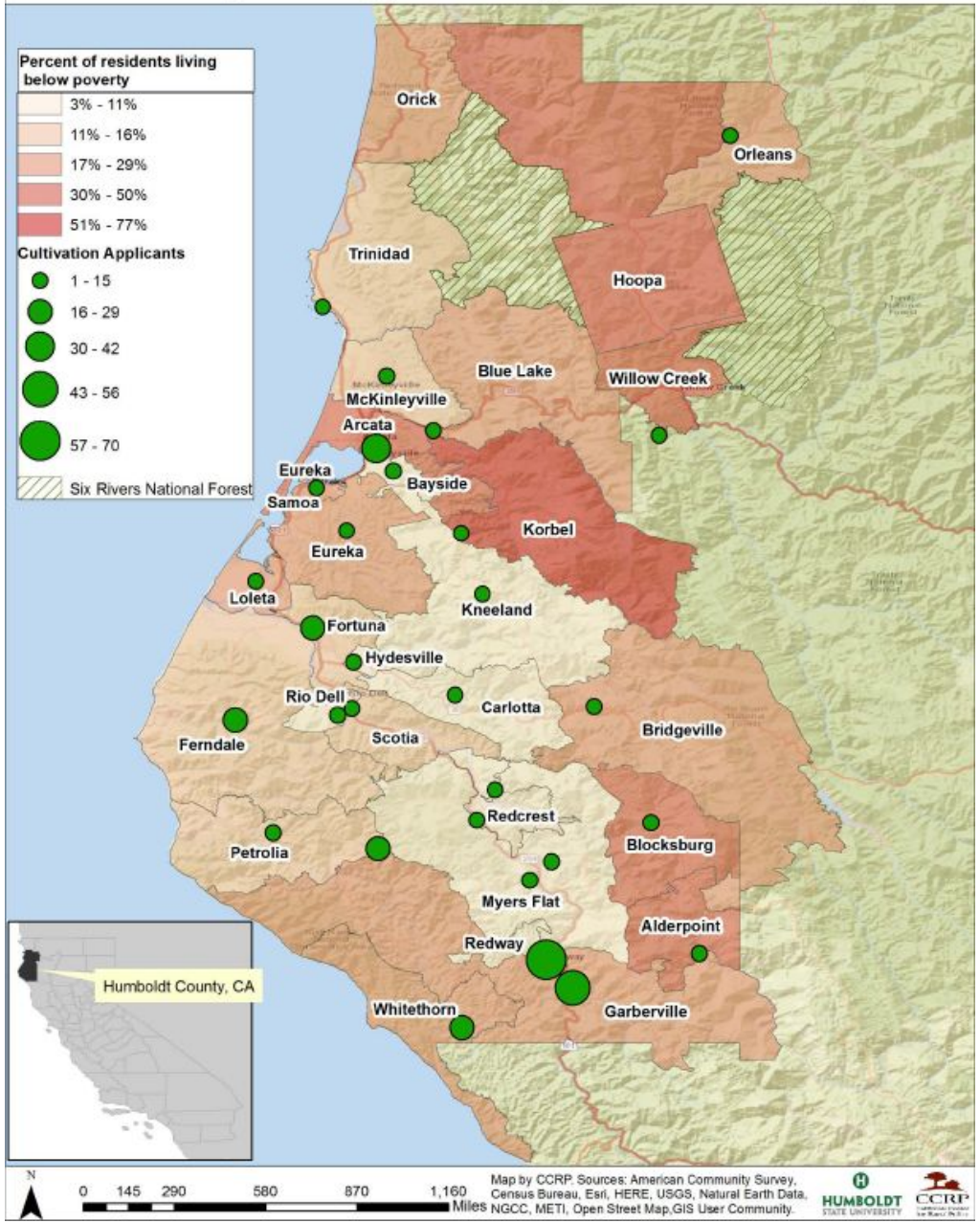


### Overview of Humboldt County Cannabis License Applicants

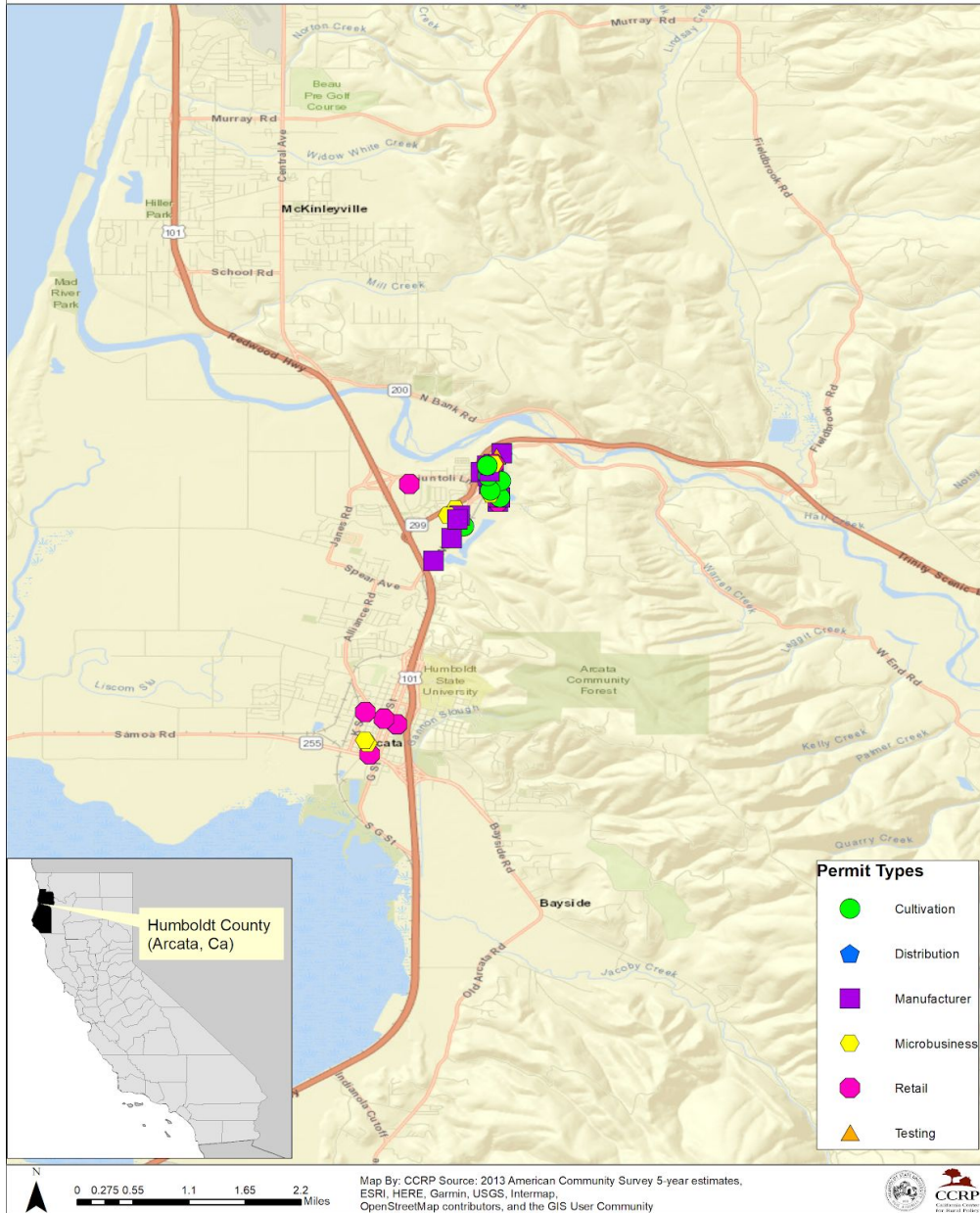
The two maps below illustrate the geographic distribution of applicants seeking all types of cannabis licenses and those seeking just cultivation licenses in the county. Humboldt County accounts for 19% of all cannabis applications for licenses in California. Out of the 27 participating counties, Santa Barbara and Humboldt account for more than half of the active grower licenses.

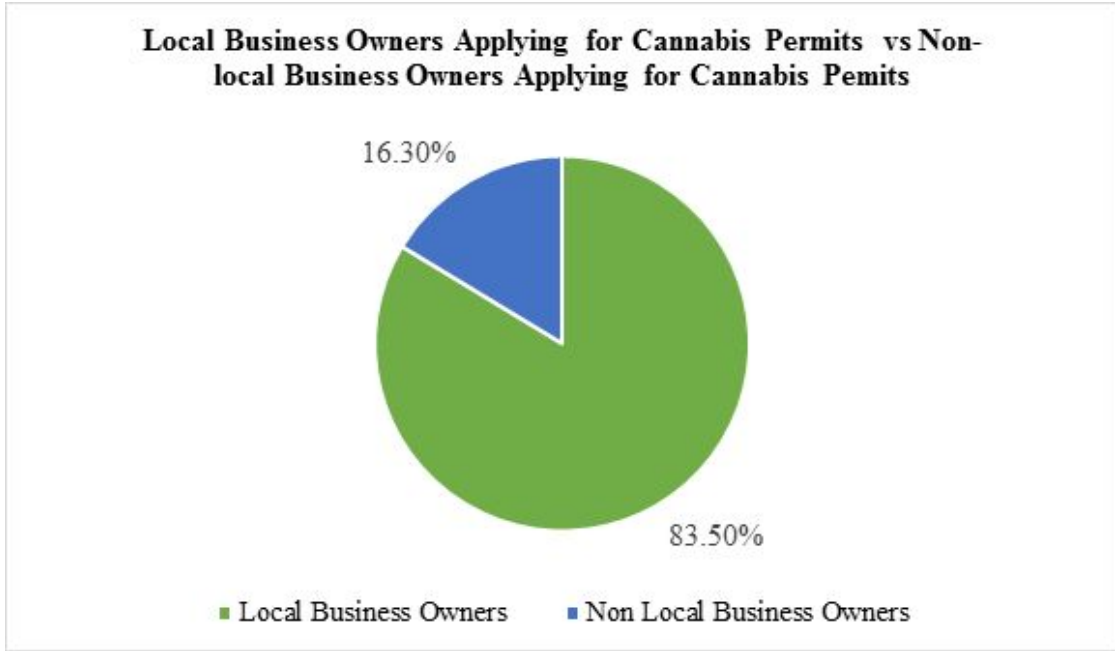


### Humboldt County Cannabis Applicants Seeking Permits for Cultivation by Zipcode



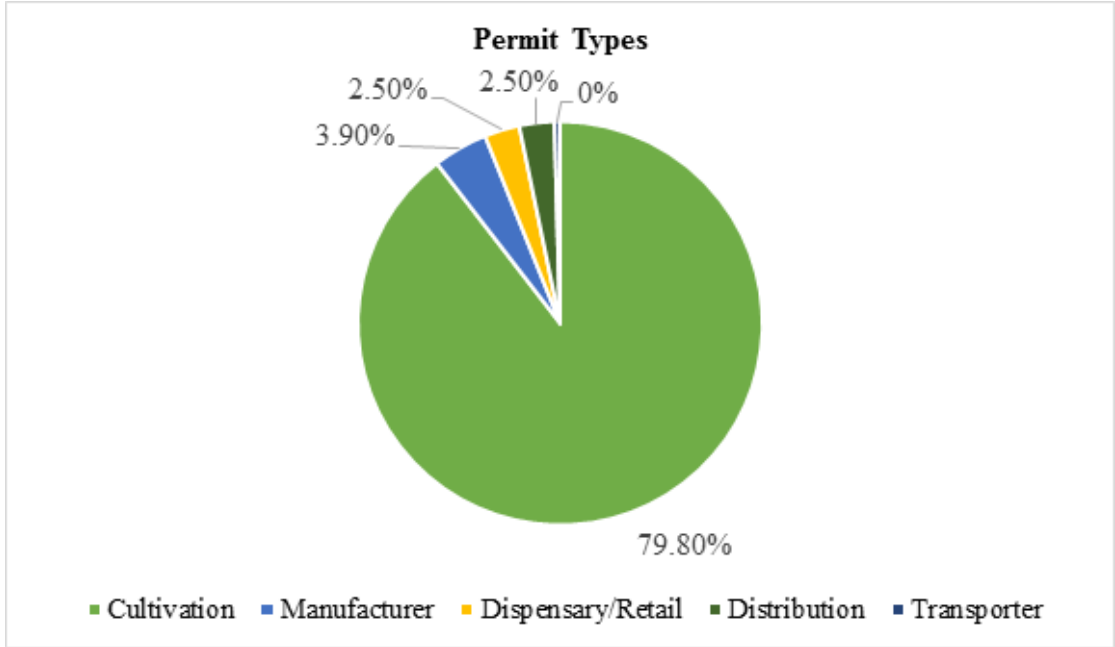
# Cannabis Permit Applicants in Arcata California





83.5% (N=400) of business owners applying for cannabis permits reside in Humboldt County.

Local Business Owners Applying for Cannabis Permits	Non-Local Business Owners Applying for Cannabis Permits in CA	Non-Local Business Owners Applying for Cannabis Permits out of state
N=400	N=50	N=28



The majority (79.80%) of applicants are seeking cannabis cultivation permits. (Please note that several applicants applied for more than one type of permit).

<b>Permit Type</b>	<b>Applicants</b>
Cultivation	N =387 (79.8%)
Manufacturer	N =19 (3.9%)
Dispensary/Retail	N =12 (2.5%)
Distribution	N =12 (2.5%)
Transporter	N = 2 (0.4%)
Testing	N = 0

## **Section 5. Barriers to Entry**

This section includes an overview of barriers that can make it difficult to enter the cannabis market. Humboldt County's equity program should have components designed to mitigate these barriers.

According to an article in *The Madera Tribune* on July 10, 2019, UC Berkeley is conducting research to understand why cannabis farmers are not joining the legal market. According to the article, "Van Busic estimates that less than one-third of cannabis growers in Humboldt County have completed the permit process.." Cannabis growers are being asked to participate in a survey about their experiences with the regulated market. The survey closed on August 1, 2019.

Preliminary survey results showed the following:

1. Small farmers have a hard time getting permits
2. Nearly half of people who have applied still have their permits pending with CDFG
3. Everyone (those with permits, those without, those who did not apply) was confused by the process
4. Many of those who did not apply for permits were on land zoned such that they could not apply
5. Many of those who did not apply for permits had other income sources; cannabis was used to supplement income

### *Financial*

All new businesses face financial requirements to enter a new market. For individuals adversely affected by historical criminalization of cannabis, financial barriers can be difficult to overcome. The application fees, fees for professional studies of environmental, water supply, road engineering issues, and the cost of compliance with mitigation measures are significant barriers for smaller scale operations and/or socio-economically disadvantaged populations.

### *Administrative/Technical*

Applications require an understanding of and compliance with complex requirements from multiple local and state agencies. This process is especially daunting for the smaller, family-based, cultivators.

### *Business Acumen*

The skills needed for participation in a highly regulated marketplace, including business planning, human resources management, accounting and inventory controls can be significant barriers to entering a new market.

### *Distrust of Government*

As was mentioned above, CAMP raids and the experience of cannabis growers during the era of criminalization of cannabis have left many individuals in the industry with a deeply engrained sense of distrust and fear of government.

## **Section 6. Cannabis Equity Program Recommendations**

### Review of Other Jurisdiction's Effort to Promote Equity in Cannabis Implementation

Other jurisdictions' in communities and states with a legal cannabis industry have developed and/or implemented programs to improve equity. Humboldt County has worked closely with the Rural County Representatives of California (RCRC) to understand the impact of legalizing cannabis on rural counties in California. Humboldt County has been ahead of the curve in licensing efforts due to historical involvement in the cannabis industry as well as a proactive Board of Supervisors.

### Findings & Recommendations

**Finding #1: Equity program eligibility factors should be focused on specific targeted populations. Eligibility criteria should be supported by data wherever possible.**

Humboldt County should consider including the following eligibility criteria:

- Conviction history associated with cannabis-related offenses
- Immediate family member with a conviction history associated with cannabis-related offenses
- Low income status
- Residency consideration
- Ownership consideration
- Geographic location
- Size of operation

<b>Criteria</b>	<b>Recommendation</b>
Conviction history	<p>Have been arrested for or convicted of the sale, possession, use, manufacture or cultivation of cannabis (including as a juvenile), or been subject to asset forfeiture between 1971 and 2015</p> <p>Have a parent, sibling or child who was arrested for or convicted of the sale, possession, use, manufacture or cultivation of cannabis between 1971 and 2015</p>
Low income status	Household income at or below 80% of Humboldt area’s median income
Residency consideration	Give additional consideration to those who have resided in Humboldt County for at least five years between 1971-2016
Ownership consideration	Give additional consideration to those who own at least 40-51% of the business
Geographic location	Have lived within a five mile radius of the location of raids conducted by CAMP during 1971-2016
Size of operation	Have engaged in cultivation of cannabis on property in Humboldt County owned, leased, or with the express permission of the owner, with a cultivation area less than 10,000 square feet

**Finding #2: Ensure that applicants meeting equity program eligibility factors have adequate opportunity to take advantage of the program. Consider incentivizing ongoing support for equity applicants.**

- **Prioritization:** Consider a prioritized permit process for equity applicants.
- **Ratios:** Consider mandating a requisite number/percentage of equity applicants during permitting.
- **Provisional Approval:** Consider allowing for provisional approval of permits to allow equity applicants to overcome financial barriers. Provisional approval may provide potential investors with more certainty and willingness to provide capital investments.
- **Amnesty Program:** Consider developing pathways such as an amnesty program to encourage existing nonconforming businesses (such as small operators who qualify as equity applicants) to transition to the legal market.

**Finding #3: All peer jurisdictions who have implemented adult-use cannabis require data collection to understand the impact of the industry. Consider tracking data on general and equity applicants on an ongoing basis to measure the success of the equity program.**

Recommended Metrics:

- Number of equity applicants to apply
  - Types of drug-related offenses
  - Income status
  - Race
  - Ethnicity
  - Gender
  - Sexual Identity
  - Residency Status
  - Ownership Structure
- Workforce characteristics
  - Total number of employees
  - Number of local employees
  - Employment status (full-time, part-time, etc.)
- Equity program-specific data
  - Number of applicants eligible for equity program
  - Number and types of services provided to equity applicants
  - Number of equity program applicants to receive licenses

**Finding #4: Create specific services/programs for equity applicants that address/mitigate barriers to entering the legal cannabis market.**

Barrier	Recommendation
Financial	<ol style="list-style-type: none"> <li>1. Waive fees for application assistance trainings</li> <li>2. Deferral of payment of application fees for zoning and special use permits</li> <li>3. Waive or defer fees for trainings and certifications required by law</li> <li>4. Loans or grants to incentivize businesses that mitigate adverse environmental effects of cannabis cultivation</li> </ol>
Administrative/Technical	<ol style="list-style-type: none"> <li>1. Technical assistance for formation of cannabis cooperative associations</li> <li>2. Technical assistance to ensure public and private road access to cannabis operations</li> </ol>

	<ol style="list-style-type: none"> <li>3. Provide training and/or technical assistance to assist those with past cannabis convictions get their records expunged</li> <li>4. Work with banking institutions and provide technical assistance to support equity applicants in accessing banking services</li> </ol>
Business Acumen	<ol style="list-style-type: none"> <li>1. Employment skill training for equity participants employed or seeking employment in licensed cannabis operations</li> <li>2. Training/support for business owners to understanding workforce rules and regulations. See recommendations below*</li> </ol>
Distrust of Government	<ol style="list-style-type: none"> <li>1. Conduct outreach and education efforts in areas that were focused on by law enforcement for cannabis eradication and cannabis arrests; encourage those individuals to apply for licenses and enter the legal industry</li> <li>2. Create outreach materials that are clear, concise, and accessible to those with low literacy. Consider creating materials in multiple languages such as Spanish and Hmong.</li> </ol>

The June 2018 *Workforce Report: Humboldt County’s New Cannabis Landscape* authored by Deborah Claesgens & Michael Kraft on behalf of the Humboldt County Workforce Development Board made the following recommendations\* to support cannabis businesses:

Agriculture/Cultivation:

- Access to business planning, low cost loans or investment sources that can assist smaller, often multi-generational family farmers with the costs of legalization, so that income can be spent on hiring, training, growing wages and benefits of a variety of jobs-from farm management to bookkeeping.
- Support for reasonable regulations and zoning that promote and incentivize employers to build good business and workforce development practices.
- Access to standard human resource methods: hiring and orientation, training in proper and regulated land use for farm and field workers, hiring and supervision processes, setting job benchmarks and performance standards, evaluating performance for promotion or wage scale increases.
- Access to business and HR tools: developing HR manuals and procedures, how to frame up a request for a consultant scope, interview and select the right consultant or consultant firm, how to manage a consultant scope.
- Developing, securing and increasing farm management skills in agricultural, biology, land management.

- Access to agricultural extension services to help with the science of plant biology from a medicinal and commercial standpoint, and help feed local graduates in biology and environmental sciences into the industry-much like the timber industry has done.

### Manufacturing/Production

#### *Large Scale/Well-Financed Startups*

- Access to supervisory skills, consistent HR policy development (hiring and termination, teamwork) across jobs and between employees.

#### *Artisan Size Businesses*

- Access to business planning (business startup strategy: how to build and manage a detailed startup business plan that can scale up and include facilities, marketing, tax and regulation, payroll, human resources hiring and supervision, and teamwork).
- Access to incubation and manufacturing hubs that can hire, cross train and job share positions between small entrepreneurs.

### Retail

- Access to comprehensive business and marketing strategies that connects cannabis retail to tourism, related workforce development (hiring, training, presentation, customer service, job readiness and supervisory skills).
- Access, training or mentorship in general business supervisory, customer service, workplace norms (the Big Five),and software skills.
- Evaluate the specific need and content for a program that certifies front line positions (bud tending, security, track and trace, manufacturing and packaging personnel).

### Testing

- Increase the hiring of biology and chemistry degree graduates trained in laboratory protocols by building those skills into certification and degree programs.
- Training in customer service, workplace norms (the Big Five), software, and lab methods.

**Finding #5: Cannabis revenues can be directed to community reinvestment programming to rebuild/restore communities adversely affected by the past criminalization of those involved in the cannabis industry.**

Some potential focus areas include:

1. Youth alcohol and drug prevention efforts
2. Restorative justice programs
3. Neighborhood safety programs

4. Non-profit organizations whose work focuses on health and well-being of residents
  - a. Organizations working to address abuse, assault, and trafficking within the cannabis industry
5. Community development projects

**Finding #6: All cannabis operators should provide equitable employment opportunities. These opportunities should include hiring those with past non-violent cannabis convictions, local residents, and other historically-disadvantaged populations, and providing a living wage to employees.**

- Leverage existing workforce programs such as OEWD Reentry Services Program
- Expand workforce curriculum to support new workforce
  - Support workforce fairs to provide outreach and education
  - Engage individuals who are experienced in the cannabis industry and have transitioned from the unregulated market to the regulated market to ensure curriculum is relevant and applicable
- Consider incentivizing employers to prioritize hiring for local residents, those with past non-violent cannabis convictions, and other historically-disadvantaged populations (such as women, those who lived in communities targeted by CAMP raids, those living in poverty, and tribal members).

**Finding #7: Geographic disparities may emerge in cannabis-related activities, and scarcity of available land can cause real estate values to rise. Consider land use guidelines that ensure equitable distribution and thoughtful placement of businesses.**

- Make attempts to equitably distribute cannabis storefront retail to mitigate overconcentration in socioeconomically disadvantaged neighborhoods
- Limit cannabis-related businesses in close proximity to schools, child care centers, public parks and trails, and community centers or businesses that serve youth.
- Consider the concentration of alcohol and tobacco retailers when issuing land use approvals and avoid overconcentration of businesses that are engaged in activities that have potential harm to one's health.
- Consider having Project Trellis Citizen Advisory Committee monitor issues related to overconcentration and trends in real estate values or delegate this responsibility to communities.

**Finding #8: Update the Humboldt County Equity Assessment next year and every 3 years afterwards to:**

- 1) monitor and share progress of the Equity Program,
- 2) monitor and share trends in the emerging legal cannabis industry,
- 3) identify areas for course correction and/or unexpected consequences, and
- 4) demonstrate an ongoing commitment to data-informed decision making and strategic planning to ensure Humboldt County's strong transition to a legal cannabis industry.

**Finding #9: Humboldt County Economic Development staff should explore and promote business opportunities beyond cultivation.** Humboldt County has been so associated with cultivation that we may not be thinking broadly enough about other successful business opportunities with less barriers that could be easier for disadvantaged populations to create. Currently almost 80% of permits in Humboldt County are for cultivation.

**Finding #10: Create a program for Expungement-eligible residents identified by AB 1793.** Humboldt County should host community expungement events for individuals impacted by the war on drugs in coordination with the Probation Office, the Courts and other relevant partners. Equity funding should be available to equity applicants who need assistance with the costs associated to expunge arrest records.

**Finding #11: Humboldt County Economic Development staff should assure an equity branded supply chain.** With equity programs occurring throughout the state there is an opportunity for creating branded supply chains between rural and urban equity businesses. To kickoff this activity we would recommend hosting a "Cannabis Equity Market Conference" in 2021.

**Finding #12: Create an Cottage Amnesty Program.** Now that there is funding for equity applicants, there is a need to reopen the applications to cottage legacy growers in Humboldt County who saw no feasible path to transition before assistance could be provided.