



Headwaters Fund Board Meeting Agenda

January 19, 2021 – 1:30-4:00

Remote Zoom Meeting

In accordance with Gov. Newsom's Executive Order N-29-20 (March 17th, 2020), all Headwaters Fund Meetings will be held virtually until further notice.

The Headwaters Fund invests in projects through grants and loans with the goal of helping the citizens of Humboldt County achieve increased economic opportunity, prosperity, and quality of life.

Meeting Connection Details

When: Feb 9, 2021 01:30 PM Pacific Time (US and Canada)

Every month on the Second Tue, until Jan 11, 2022, 12 occurrence(s)

Please download and import the following iCalendar (.ics) files to your calendar system.

Monthly: https://us02web.zoom.us/webinar/tZYsc-mqrjMoGd1xjZCPmqoF3_ggKdw-W8nl/ics?icsToken=98tyKuGqrz8qGNSdshqORpwQBY-gc-rziFxBjacMhBXfIBBecwzQZd1TNZI7B5Xn

Topic: Headwaters Fund Board Meeting

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/82140208239>

Or iPhone one-tap :

US: +16699009128,,82140208239# or +13462487799,,82140208239#

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US: +1 669 900-9128 or +1 346 248 7799 or +1 253 215 8782 or +1 301 715 8592 or +1 312 626 6799 or +1 646 558 8656

Webinar ID: 821 4020 8239

International numbers available: <https://us02web.zoom.us/j/82140208239>

1. Opening (1:30)

- a. Board Chair calls meeting to order
- b. Roll Call of Board-including location where they are located (staff)
- c. Approval of minutes from December 8th, 2020 Meeting - (1:30) - (Attachment 1)
- d. Public comment on non-agenda items
- e. Report out on meetings attended

2. Presentation by Ken Bates, Vice-President Humboldt Fishermen’s Marketing Association, on fishing industry including additional opportunities with certain infrastructure development. – (1:50)
 - a. Discussion
 - b. Public Comment

3. Presentation by Larry Oetker, Executive Director of the Humboldt Bay Harbor, Recreation & Conservation District, providing an update on several projects at the District and discussing new potential opportunities in the fishing, aquaculture, mariculture, wind energy, Trans-Pacific International Cable landing, and manufacturing industries. - (2:20)
 - a. Discussion
 - b. Public Comment

4. Staff to present list of HWF Competitive Grant applicants for brief discussion and update - (3:20) (Attachment 2)
 - a. Discussion
 - b. Public Comment

5. Board to review Headwaters Fund Board meeting calendar for Calendar Year 2021 - (3:50) (Attachment 3)
 - a. Discussion
 - b. Public Comment
 - c. Action

6. Staff and Board updates - (3:55)

7. Adjourn

Next Meeting: February 9th, 2021

AGENDA DETAIL

AGENDA ITEM 2

DISCUSSION

Board to receive presentation from Ken Bates, Humboldt Fishermen’s Marketing Association, on current market condition for fishermen in Humboldt County. Ken will cover additional fisheries that may be available locally if additional infrastructure were available for processing and storage.

Action: This is a non-action item

AGENDA ITEM 3

DISCUSSION

Larry Oetker, Executive Director of the Humboldt Bay Harbor, Recreation & Conservation District, will provide an update on several projects that the Harbor District is involved in and on potential business growth areas for the District and local partner organizations.

Action: This is a non-action item

AGENDA ITEM 5

DISCUSSION

Staff to present draft Calendar-Year 2021 meeting schedule for review and approval with modifications as needed.

Action: Approve Schedule

AGENDA ITEM 6

Staff to provide brief update on grant activity on Community Investment Fund grant to Humboldt Area Foundation. Report is attached to this agenda as Attachment 4.

Action: This is a non-action item

In accordance with Executive Order N-29-20 the Humboldt County Headwaters Fund Board meetings will be held virtually until further notice.

Email Public Comment: To submit public comment to the Humboldt County Headwaters Fund Board please email gohumco@co.humboldt.ca.us, provide your name and the agenda item number(s) on which you wish to comment. All public comment submitted after the agenda has been published will be included with the administrative record after the fact.

Zoom Public Comment: When it is time for public comment on the item you wish to speak on, the Humboldt County Headwaters Fund Board Chair will ask for public comment. You may virtually raise your hand using the raise hand function on Zoom and staff will unmute your phone. Staff will then ask you to state your name and begin your comment. You will have 3 minutes to comment.

Phone Public Comment: You may call into the meeting by dialing +1 669 900 9128 and entering using meeting ID 890 6723 0036. When it is time for public comment on the item you wish to speak on, the Humboldt County Headwaters Fund Board Chair will ask for public comment. Staff will unmute phone lines and you may introduce yourself and express your desire to speak. Staff will then ask you to state your name and begin your comment. You will have 3 minutes to comment.

You may access the live stream of the meeting by using the following link:

<https://us02web.zoom.us/j/89067230036?pwd=RURNZ3R2MEFyb3dhSzg4R2FxdIE0UT09>

The County of Humboldt is committed to providing equal access to all county programs, services and activities through the provision of accommodations for individuals with disabilities as required under the Americans with Disabilities Act (ADA). With 72 hours prior notice, a request for reasonable accommodation or modification can

be made. Please contact the CAO's office of Economic Development at 707-445-7745 or by email gohumco@co.humboldt.ca.us or the ADA Coordinator at 844-365-0352 or by email at ada@co.humboldt.ca.us

Headwaters Fund Board Meeting Minutes December 8th, 2020 1:30 pm – 4:00 pm

Held Remotely via Zoom Web Conferencing

COMMITTEE MEMBERS ATTENDANCE:

- Bruce Rupp – Eureka, Chair – present
- Jenna Catsos - Eureka – present
- Carl Hansen – El Dorado Hills – present
- Dianna Rios – Fortuna – present
- Elizabeth Cameron, Vice Chair - absent
- Chuck Ellsworth – Eureka - present
- Michael Fields – Blue Lake - present

STAFF: Kenny Spain, Ryan Heitz

OTHERS IN ATTENDANCE: Randy Weaver-Cal-EDD, Gregg Foster-RREDC,

All Board Members and Staff attended remotely in accordance with Gov. Newsom’s Executive Order N-29-20 (March 17th, 2020).

Item #	Action	Pass/Fail
1	Approve 11-10-2020 meeting minutes	Pass (with edit)
3	Redwood Region Economic Development Commission (RREDC) to present Revolving Loan Fund (RLF) First Quarter Report for Fiscal Year 2020-21 (Attachment 2)	Pass
4	Board to review and approve, with noted revisions as necessary, Fiscal Year 2019-20 Year-End Report (4 th Quarter/4Q) presented by staff (Attachment 3)	Pass

1. Opening

Bruce Rupp called the meeting to order at 1:30 PM. A quorum was present.

- a. Roll call, including member location. Board members stated their name and where they were located.
- b. Approval of 12-08-2020 meeting minutes.
Carl Hansen motioned to approve minutes. Chuck Ellsworth seconded. Motion carried unanimously.
- c. No public comment on non-agenda items.
- d. Report out on meetings attended:
 - None

2. Presentation of current labor market and update on labor needs in support of developing aquaculture cluster in Humboldt County, presented by Randall (Randy) Weaver, Labor Market Consultant, Labor Market Information Division of California Employment Development Department (EDD)

Presentation by Randy Weaver (EDD)

- More rural areas, such as Humboldt County, fared Covid better than more urban areas.
- Lower wage and lower skilled occupations were particularly hit harder. Approximately 232 employer-based firms closed since beginning of Covid (March 2020). Current Humboldt County unemployment range is between 6.4% - 7.2%
- Hardest hit sectors since Covid include leisure/hospitality, retail, education, health, state/local government, information. Hardest hit business types include: drinking/eating places, beauty salons/massage salons, and places of leisure. Ages hardest hit are under 30 and over 55 years of age.
- Post Covid opportunities include: Aquaculture and Cannabis industries.
- HWB members thanked Randy for a very informative presentation.

Discussion

- Kenny mentioned one of the reasons for the presentation is to help with decision making as to where to target potential grants. Grants can only go to local governments, nonprofits and special districts. Need public/private partnership(s) to assist private industry with grant funds.

Randy continued

- There is some targeted government funding for out-of-school youth and veterans, but best option for job seekers is the Job Market.
- Humboldt Bay/local waters have opportunities for aquaculture (shellfish, finfish, hag/eel fish, seaweed, hydroponics, etc.). Challenges include long permitting process, fish waste, eel grass preservation, and sustainability.
- Cannabis industry sales have tripled over the last couple of years and continues to show growth potential (exceeding \$300 million in retail sales), especially in cultivation, retail, manufacturing, and distribution.
- Difficult to track how non-profits are doing since it is a tax status not an industry.

Public Comment

- None

3. Redwood Region Economic Development Commission (RREDC) to present Revolving Loan Fund (RLF) First Quarter Report for Fiscal Year 2020-21 (Attachment 2)

Discussion

- Greg Foster, Executive Director of RREDC, reviewed the RLF first quarter report for FY20-21. The report was completed later than usual due to unavoidable accounting delays.
- A number of borrowers are on deferred payment due to Covid. Interest is accruing for these borrowers and will be paid toward end of payment schedule.
- RREDC received extra \$4.6 million from US Economic Development Administration (EDA) for loan funds, so RREDC will not need to use HW loan funds at this time. RREDC is making new loans using all federal funds. So far, loaned out \$1.4 million out of the \$4.6 million. Mr. Spain asked Mr. Foster to commit to RREDC not refinancing existing HWF/RREDC participation loans. Mr. Foster noted that refinancing other debt is not an allowed use of the federal funds except in certain instances and he did commit to meeting with HWF Staff prior to any existing loan refinancing.

No public comment

Action

- Carl Hansen moved to approve the RLF first quarter report for FY20-21. Dianna Rios seconded the motion. Motion carried unanimously.

4. Board to review and approve, with noted revisions as necessary, Fiscal Year 2019-20 Year-End Report (4th Quarter/4Q) presented by staff (Attachment 3)

Discussion

- Kenny reviewed the FY19-20 year- end report.
- Next HW grant round is anticipated to be in May 2021. The FY20/21 anticipated amount available to work with for providing funding assistance to eligible entities is approximately \$150K. This is calculated based on the ending balance of interest accrued during FY19/20 (\$491K) minus expenditures committed for FY20/21 (\$320K = \$180K funds committed + \$140K operating expense) and minus \$50K anticipated for reserves.
- Carl Hansen asked about CARES Act funding and impact on demand for HW loans. Kenny mentioned there is not much demand for loans at this time due to Covid uncertainties.
- Carl mentioned he would like to find a way to financially assist businesses that cannot or do not want to take out a loan or are not eligible for CARES funding. Kenny mentioned that the CARES Act did not allow for revenue replacement, only expense

reimbursement of incurred expenses. As a result, these entities may need short-term loans to cover expenses until the CARES Restart Recovery funding comes in.

- Kenny was asked to provide for the next meeting the FY20/21 first quarter report.
- Carl asked what has Humboldt Area Foundation done so far with the \$125K loan given to them through Community Investment Fund. Kenny said he will invite Patrick from HAF to come to HWB meeting and provide updates.
- Michael Fields mentioned NORCAN is conducting a survey of nonprofits anticipated to be completed some time in January. Once the results of the survey are available, it would be a good time to invite Northern California Association of Nonprofits (NORCAN) to present the results. There are around 1,000 nonprofits in the county. Kenny asked if HWB would be interested in taking the survey. Members agreed, so Kenny will follow up with Amy Jester.

No public comment was received

Action

- Chuck Ellsworth moved to approve the FY19-20 year end report. Carl Hansen seconded the motion. Motion carried unanimously.

5. **Board to give staff direction on who to invite and data needed in determining targeted HWF competitive grant round for future funding cycle as it relates to particular industries/sectors/clusters**

Discussion

- Carl Hansen mentioned he would like HWB to target grant funding based on identified community/business needs (e.g. targets of opportunities), but not compete with other funding sources (bank lending, CARES, etc.). He would like to get a broader/bigger picture on the local state-of-the-economy not just individual sector interests.
- Board members liked the idea of a fact finding mission similar to information presented by Randy Weaver and Scott Adair on the local economy, and find experts in the industries to present information with no vested interest in being funded.
- Bruce Rupp mentioned he would like to look at the Film Commission and Retail sector (e.g. MainStreet commercial businesses).
- Jenna Catsos mentioned she would like to look at renewable energy (e.g. charging stations, electric cars, etc.) and seek input from Redwood Coast Energy Authority (contact: Matthew Marshall).
- Michael Fields mentioned the California Arts Council is low in funds due to Covid, which awards fund to artists. Ann Brown-Crawford would be good contact to provide insight on this.

- Chuck Ellsworth said he would like to invite back Cassandra from the Film Commission to present at HWB meeting. Also, he would like to hear from the Fisherman’s Marketing Association for feedback on cold/ice storage and aquaculture.
- HWB members will give Kenny any other contact names they would like to invite to present at upcoming HWB meetings. Kenny was asked to identify and invite experts in the industries identified by HWB to provide industry status information at upcoming HWB meetings in January and February. The industry categories include: aquaculture/cold storage/fishing, renewable energy, films/arts/tourism, retail/main street businesses, and food hub supply (intermodal flow of regional commodities in Northern California).

No public comment was received

6. Staff and Board updates

- None

7. Adjourn

Bruce Rupp adjourned the meeting at 4:00PM.

Next Meeting – Tuesday, January 19th (instead of Jan. 12th), 2021 1:30 pm – 4:00 pm

HEADWATERS FUND COMPETITIVE GRANT ROUND APPLICANTS

List is as of 1/15/2021 at noon

ENTITY	CONTACT PERSON	EMAIL ADDRESS	PHONE NUMBER	AMOUNT	PROJECT BRIEF DESCRIPTION
Humboldt Neurohealth	Larissa Krause	larissa.krause@humboldtneurohealth.org	707-834-0080	25,000	ADA and Covid related Retrofit Improvements
Humboldt Skatepark Collective	Charles Caldwell	cecaldwell@sbcglobal.net	707-0499-7021	30,000	Skatepark Development in McKinleyville
SoHum Comm Health Dist	Chelsea Brown	Cbrown@shchd.org	707-923-3921	100,000	New Hospital
Humboldt Senior Resource Center	Janet Ruprecht	jruprecht@humsenior.org	707-443-9747 ext 1231	30,000	Behavioral Health Services for Humboldt Seniors
Humboldt Bay Harbor, R&C District	Larry Oetker	loetker@humboltdbay.org	707-443-0801	65,000	Pre-development Planning for Offshore Wind Energy Project
				250,000	

**HEADWATERS FUND BOARD MEETING
JANUARY 19, 2021**

CALENDAR YEAR 2021 MEETING SCHEDULE				
Month	Regular Date	Rescheduled Date	Special Mtg Dates	Purpose of Meeting
January	12th	19th		Regular meeting delayed until 19th due to SBRR Grant reviews
February	9th			Regular meeting plus review Grant Apps
February			23rd	Special meeting to select grants for recommendation to BOS
March	9th			Regular meeting
April	13th			Regular meeting
May	11th			Regular meeting
June	8th			Regular meeting
July	13th			Regular meeting
August	10th			Regular meeting
September	14th			Regular meeting
October	12th			Regular meeting
November	9th			Regular meeting
December	14th			Regular meeting

Eligibility outlined in Headwaters Grant Agreement between County and HAF - Craig	
1	Recipients must be Humboldt County non-profits
2	Grant must be related to job retention or creation
3	Headwaters grants will receive a minimum of 100% match
4	\$10k max
5	There needs to be no other funding option (no PPP, other funders, or funds have been exhausted)
6	The funds are used for direct costs/support to address urgent needs