



## Headwaters Fund Special Board Meeting Agenda

**April 28<sup>th</sup>, 2020 – 3:00-5:00**

In accordance with Gov. Newsom's Executive Order N-29-20 (March 17<sup>th</sup>, 2020), all board members and staff will be attending remotely. Access Details are listed below.

Topic: Headwaters Fund Board Meeting

Time: Apr 28, 2020 03:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/86182821913>

Meeting ID: 861 8282 1913

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*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.*

1. Opening (3:00)
  - a. Approval of Minutes from April 14, 2020 - (3:00) - (Attachment 1)
  - b. Public Comment on Non-Agenda Items
  - c. Report Out on Meetings Attended
  
2. Board to discuss Recommendation to Board of Supervisors for HWF to participate with Humboldt Area Foundation and the Wild River Community Fund efforts through their Covid-19 Regional Response Fund - (3:10)
  - a. Discussion
  - b. Public Comment
  - c. Action

3. Board to review emergency grant round proposal by staff to determine whether to make a Recommendation to Board of Supervisors to have an emergency competitive grant round, or other funding option, due to COVID-19 pandemic - (3:40) - (Attachment 2)
  - a. Discussion
  - b. Public Comment
  - c. Action
  
4. Staff and Board updates - (4:50)
  - a. Discussion
  - b. Public Comment
  
5. Adjourn

Next Meeting: May 12, 2020

AGENDA DETAIL

**AGENDA ITEM 2**

DISCUSSION

At the last Headwaters Fund (HWF) Board meeting the board discussed partnering with Humboldt Area Foundation (HAF) and Mad River Community Fund (MRCS) through the Covid-19 Regional Response Fund. Staff (and or Patrick Cleary) will brief the board on the funding criteria for these grants, what HWF participation may look like, and timing of the granting process. Board to decide whether to make Recommendation to Board of Supervisors to jointly fund grants in participation with HAF and/or MRCS.

Action: Approve or deny joint funding.

**AGENDA ITEM 3**

DISCUSSION

At the last Headwaters Fund Board meeting the board requested staff to determine the possibility of funding an emergency grant round. Staff reached out to all grant recipients and several projects have been delayed but not ended by the Covid-19 pandemic.

The following partners have expressed an ability to wait until July 1<sup>st</sup>, 2020 to draw some or all of their awarded funds without negatively impacting their respective projects.

- Hoopa Valley Tribe-\$35,000
- Westside Community Improvement Association-\$18,825
- City of Blue Lake-\$11,475
- Humboldt Bay Harbor, Recreation and Conservation District-final \$30,000

Staff received support from other grantees, but staff felt that while they were expressing support out of commitment to the community that their project could be negatively impacted.

In addition to these funds we also have the remainder of the unanticipated receipt from the Fly Humboldt Minimum Revenue Guarantee equaling \$91,846.75 and a contingency of \$53,876.00 for Fiscal Year 2019-2020.

The current proposed FY 20-21 spending plan's allocation of \$150,000 for competitive grants, \$50,000 for inflation adjustment, and a loan loss reserve of \$73,533.80.

The HWFB can create an emergency grant round which would require Board of Supervisors approval for the budget adjustments and would drastically reduce the Headwaters Fund Board's ability to make additional grant funds available in FY 20-21.

While immediate funding of a grant round is possible due to the contingency, MRG funds, and deferrals on preexisting grant awards, it is the recommendation of staff to postpone the grant round which was initially scheduled to begin in July. Staff recommends carefully targeting organizations who have had significant Covid-19 related impacts to their operational model or revenue streams and to open the grant application period in August.

Action: Approve staff recommendation for a postponed grant round specifically targeting organizations impacted by Covid-19.

DRAFT

**PROPOSED SPENDING PLAN FOR HEADWATERS FUND FOR FISCAL YEAR 2020-2021**

**REVENUE PROJECTIONS**

Projected revenue based on YTD-3/31/2020	Interest Earnings 7/1/2019 thru 3/31/2020	
	AEDC	93,068.26 Payments thru March 2020
		<u>10,340.92</u> Monthly average
		124,091.01 Annualized
		<u>(12,409.10)</u> Covid-19 Adjustment
		111,681.91 Adjusted Revenue Estimate
	RREDC	105,128.51 Payments thru March 2020
		<u>13,141.06</u> Monthly average
		157,692.77 Annualized
		<u>(15,769.28)</u> Covid-19 Adjustment
		141,923.49 Adjusted Revenue Estimate
	Combined	<b>253,605.40</b>
County Pooled Investments-does not include Endowment Interest		20,674.00 Interest earned on 4th Quarter FY2018-19
		<u>63,819.87</u> First 3 Quarters of 2019-20
		<b>84,493.87</b> Annualized
Fund-3852 Endowments		94,726.06 7/1/2019-3/18/2020
		<u>11,144.24</u> Monthly Average (8-1/2 Months)
Combined Totals		<b>133,730.91</b> Annualized
<b>Total Estimated Reveue for FY 2019-20</b>		<b>471,830.18</b> Estimated
<b>2019-2020 Projected</b>		
<b>Estimated interest to be earned in FY 2019-20</b>		<b>471,830.18</b>
Provision for Loan Loss		33,742.76 Write-Off for FY 2019-20 loan loss.
Operating Budget		134,553.61 Adds Division Director (5%), Staff Training & allowance for Prof Svcs/Extra Help
Mini-Grants		30,000.00 Mini-grants
Competitive Grants		150,000.00 Proposed funding for FY 20-21 competitive grant round
CPI Corpus Adjustment		50,000.00 Plugged Amount
Sub-total		<b>398,296.37</b>
Contingency		73,533.80
<b>Unallocated</b>		-

Potential Grant Funding Available Now  
to be spent out of the FY 20-21 spending plan

MRG Reciept Remainder	\$ 91,846.75
WCIA	\$ 18,825.00
Blue Lake	\$ 11,475.00
Hoopa	\$ 35,000.00
Harbor District	\$ 30,000.00
Contingency	\$ 53,876.00
Total Available to shift to emergency grant round	\$ 241,022.75

As per spending Plan FY 20-21

Competative Grant Round	\$ 150,000.00
CPI Corpus Adjustment	\$ 50,000.00
Contingency	\$ 73,533.80
	\$ 273,533.80

## Grant Timeline

- May 12<sup>th</sup> - Provide Public Notice of funding availability thru Social Media, HWF Website, Partner Organizations
- May 12<sup>th</sup> - Finalize Grant Rating Selection Process, Modify Application
- June 15<sup>th</sup> – Close Application Period
- June 15<sup>th</sup> - June 30<sup>th</sup> Grant Review/Rating Process
- Mid Late June? Doodle Board to determine best date for reviewing and selecting new grant recipients
- Late June- Prepare Agenda Item for Board of Supervisors
- Following BoS Approval- Issue Awards
- July - Prepare contracts, send to Kenny for review, make changes, send to CoCo and Risk, prepare final contracts
- Mid July - Route to grantees for review, revisions? Signatures