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
   a. Approval of minutes from May 9, 2023 - (Attachment 1)
   b. Public comment on non-agenda items
   c. Board member recusals, conflicts, or reports on meetings, engagements, or activities which relate to (or inform) Headwaters activity.

2. HWFB to review and approve the Redwood Region Economic Development Commissions (RREDC) Quarterly Report for the third quarter of fiscal year 2022-23 – (Attachment 2)
   a. Discussion
   b. Public Comment
   c. Action

3. HWFB to review Arcata Economic Development Corporation (AEDC) Quarterly Reports for the second and third quarters of fiscal year 2022-23 – (Attachments 3 and 4)
   a. Discussion
   b. Public Comment
   c. Action

4. HWFB to consider creating a lending ad hoc committee for the fiscal year 2023-24
   a. Discussion
   b. Public Comment
   c. Action
5. HWFB to receive Mini Grant request from the City of Eureka to promote and help fund the 2023 Eureka Street Art Festival and make an award determination. (Attachment 8)
   a. Discussion
   b. Public Comment
   c. Action

6. HWFB to receive update on the Humboldt County Workforce Development Board (HCWDB) related to the upcoming retreat and to discuss possible collaboration to enhance local and regional impacts of the HWF and HCWDB. (Attachments 5 and 6)
   a. Discussion
   b. Public Comment
   c. Action

7. Humboldt Bay Harbor Conservation and Recreation District (HCHCRD) staff to provide a presentation on the status of port development activities. (TIME CERTAIN – 3:00 PM)
   a. Discussion
   b. Public Comment

8. HWFB to review draft modifications to the Charter and manuals of the HWF, annual reporting documents, and discuss timing and distribution of work to complete the work in progress. – (Attachment 7)
   a. Discussion
   b. Public Comment

9. HWFB to consider staff proposal to cancel the July regular meeting of the HWFB and to direct staff to hold a special meeting if time sensitive issues arise.
   a. Discussion
   b. Public Comment

10. Adjourn

    Next Meeting: August 8, 2023
Agenda Staff Report

AGENDA ITEM 2

DISCUSSION
The HWFB will receive and discuss the fiscal year 2022-23 third quarter report from the RREDC. This report summarizes Revolving Loan Fund activities facilitated by RREDC on behalf of the HWFB.

Staff Recommended Action: Approve the 3rd quarter RREDC RLF Report

AGENDA ITEM 3

DISCUSSION
The HWFB will receive and discuss the fiscal year 2022-23 second and third quarter reports from the AEDC. These reports summarize Revolving Loan Fund activities facilitated by AEDC on behalf of the HWFB. The 2nd quarter report is being brought back for approval due to the limited availability of staff at the previous meeting.

Staff Recommended Action: Approve the 2nd and 3rd quarter AEDC RLF Report

AGENDA ITEM 4

DISCUSSION
Staff are recommending the creation of an ad hoc committee composed of 2 board members, one alternate, and staff to meet with AEDC and RREDC to discuss HWF RLF activities including but not limited to loan pipeline, troubled loans, policy/procedure, and community impact of HWF investments. This ad hoc would report back to the full board through future agenda items.

Staff Recommended Action: Appoint members of the HWFB to serve on the lender ad hoc committee.

AGENDA ITEM 5

DISCUSSION
The Headwaters board will review, discuss, and make an award determination on the Mini Grant request submitted by the City of Eureka. The City of Eureka is requesting a Headwaters Mini-Grant in the amount of $5,000 for the 2023 Eureka Street Art Festival (ESAF). This funding will be used to promote the event and to support the creation of murals for the event.

Staff Recommended Action: Staff recommendation is to approve the request and authorize staff to draft and execute an agreement pending county counsel and risk management review.

AGENDA ITEM 6
DISCUSSION

HWFB and HCWDB staff have been communicating about the need for closer collaboration in the support of economic development activities within the county. Close collaboration between these entities could help minimize duplication of efforts, support opportunities where a gap exists in financing needs, and enhance the number of individuals who receive employment training. This in turn could support a greater number of jobs created or retained through the deployment of HWF dollars and potentially increase the funding leverage created using public funds.

The HCWDB will be meeting in August for a retreat, during which time they will be discussing modifications to the local and regional workforce development plans as well as the bylaws for their board. Currently, the agenda for the retreat entails exploration of roles and responsibilities of the organizations involved, discussion of various guiding legislations, and visioning around future workforce development opportunities which will be implemented into the local and regional workforce development plans.

Staff Recommended Action: Direct members of the HWFB to attend the workforce retreat to learn more about workforce development activities and functions to inform the rest of the HWFB.

AGENDA ITEM 7

DISCUSSION

The HBHCRD received a grant from the HWFB to support initial work around the early planning of a multi-purpose dock facility in the Humboldt Bay which could support the manufacturing, assembly, and service of offshore wind turbines. This grant was highly successful and allowed the HBHCRD to leverage significant funding and begin working with Crowley to develop the port.

In addition to these developments, the Bureau of Ocean Energy Management has now signed leases with two developers to begin developing offshore wind farms off the coast of Humboldt.

These developments have provided tremendous opportunities for the community into the future.

HBHCRD will be providing a presentation on the work in progress and plans around these developments for the HWFB. Staff will be available for questions after the presentation.

AGENDA ITEM 8

DISCUSSION

The HWFB has previously started to make revisions to the HWF Charter, Board Manual, Grant Manual, Community Investment Fund Manual, and financial reports to be submitted to the HWFB for consideration around spending plans.

The HWFB has authority to make typographic and procedural changes, but any programmatic changes must be made as a recommendation to the Board of Supervisors. Changes to the charter must also be made to the County Code, Title II Division 15, which has not been modified since the original approval of the charter at the inception of the fund.
When the question of availability of administrative funding occurred at the beginning of the fiscal year this work was put on hold until such a time as funding was available to support staff activities.

With ongoing funding secured for next year through a one-time general fund request approved by the BOS for FY 23-24 staff have capacity to complete this work and staff will be bringing forward additional language changes to the charter and bylaws following policy guidance received from consultants.

Following the reconciliation of fund balances, the financial reports will be supplied to the HWFB at which time the board may make recommendations to the Board of Supervisors for potential granting during FY 23-24.

The Revolving Loan Fund (RLF) manual has been omitted from changes at this point. It is the opinion of staff that changes here should be made through close collaboration with our existing lenders and other local financial lending institutions. RLF activities are dictated by the RLF manual, Master Participation Agreements, Lender Agreements, and individual loan participation agreements. Staff recommend tackling these items after midyear FY 23-24.

AGENDA ITEM 9

DISCUSSION

Due to limited actionable items, staff vacations, and pending work by contractors related to the HWF reconciliation progress it is the opinion of staff that the HWFB need not meet in August.

**Staff Recommended Action:** Cancel the August, 2023, regular meeting of the HWFB and direct staff to hold special meetings in the event of any time sensitive items.
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.

Phone Public Comment: You may call into the meeting by dialing +1 669 900 9128 and entering using meeting ID 821 4020 8239. 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.

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 (HWFB) Meeting Minutes
May 9, 2023

Board Members in Attendance: Tammy Brown, Brian Papstein, Jenna Catsos, Michael Fields, Elizabeth Cameron, Walter Geist (arrived 1:41)
Board Remote (non-voting): Carl Hansen
Staff in Attendance: Ryan Heitz, Tanner Etherton, and Shenaz Duarte.

1. Opening time 1:31PM
   a. Approval of minutes from March 14, 2023 - (Attachment 1)
      • Motion by Brain Papstein with Tammy Brown seconding to approve the March 14th, 2023 minutes. Motion carried unanimously (Walter Geist absent)
   b. Public comment on non-agenda items
      • Public comment period provided, none given.
   c. Board member recusals, conflicts, or reports on meetings, engagements, or activities which relate to (or inform) Headwaters activity.
      • Tammy Brown attended a meeting to discuss a state loan program which would provide working capital to businesses working on government contracts.
      • No recusals

2. HWFB to recommend to the Board of Supervisors that Elizabeth Cameron be reappointed for a final term of 3 years to the Board of Supervisors (BOS)
   a. Discussion
      • Elizabeth Cameron expressed interest to be re-appointed and serve a final term.
   b. Public Comment
      • Public comment period provided, none given.
   c. Action
      • Motion by Elizabeth Cameron and seconded by Walter Geist to recommend to the BOS that Elizabeth Cameron be reappointed for final term of 3 years. Motion carried unanimously.
3. HWFB to review Arcata Economic Development Corporation (AEDC) Quarterly Report for the second quarter of fiscal year 2022-23 – (Attachment 2)
   a. Discussion
      • This report was submitted late due to staff retirement at AEDC. New staff have been hired and will be available for discussion at the next meeting. The HWFB discussed the need for identical reports from both lenders and directed staff to address this at a future date.
   Public Comment
      • Public comment period provided, none given.
   b. Action
      • Motion by Walter Geist and seconded by Brian Papstein to defer review and approval of the Q2 report until AEDC brought forwards the Q3 report. Motion carried unanimously.

4. HWFB to determine meeting schedule for fiscal year 2023-24
   a. Discussion
      • Brief discussion of future meeting locations and timing.
   b. Public Comment
      • Public comment period provided, none given.
   c. Action
      • Motion by Elizabeth Cameron and seconded by Tammy Brown to start future meetings at 2pm at the Courthouse. Motion carried unanimously.

5. HWFB staff to report on potential work by CliftonLarsonAllen LLP (CLA) regarding reconciliation of fund balances and providing policy guidance.
   a. Discussion
      • Staff discussed the proposed scope of work for CLA to tackle in relationship to the HWF. Includes up to 120 hours of reconciliation work with the remaining hours available for policy work.
   b. Public Comment
      • Public comment period provided, none given.

6. HWFB and staff to discuss Community Investment Fund (CIF) loan pipeline
   a. Discussion
      • Staff discussed several possible opportunities around making loans through the CIF. Historically few loans have been made through the CIF and therefore interest earnings are limited to the county pooled investment rate. Staff will be continuing to seek eligible projects and bring them before the HWFB.
   b. Public Comment
      • Public comment period provided, none given.

7. HWFB and staff to discuss community engagement related to HWF lending activity
a. Discussion
   - Previously the HWFB identified a number of avenues for expanding community engagement and knowledge of HWF programs and funding availability.
   - At no point has the HWF been fully deployed, there is a need for marketing the availability of loan and grant funds to engage with additional institutions.
   - Staff will draft some marketing materials for HWF programs and reach out AEDC and RREDC about their individual programs and products to market the availability of services.
   - Much of this work will be conducted following the completion of reconciliation work by CLA.

b. Public Comment
   - Public comment period provided, none given.

8. Adjourn
   - 2:30PM
<table>
<thead>
<tr>
<th>Period</th>
<th>Average Loan Balance</th>
<th>Interest Paid HWF**</th>
<th>Cash Basis Yield***</th>
<th>Change in HWF</th>
<th>Interest Capitalized This Period</th>
<th>Loan Losses/Recovery this Period</th>
<th>Net Return Including Recoveries/Losses</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/31/2023****</td>
<td>1,157,836</td>
<td>1,316,042</td>
<td>13,799</td>
<td>(4,573)</td>
<td>9,226</td>
<td>-</td>
<td>2.80%</td>
</tr>
<tr>
<td>12/31/2022****</td>
<td>1,474,247</td>
<td>1,882,325</td>
<td>22,961</td>
<td>(8,751)</td>
<td>14,210</td>
<td>-</td>
<td>3.02%</td>
</tr>
<tr>
<td>9/30/2022****</td>
<td>2,390,404</td>
<td>2,298,121</td>
<td>23,041</td>
<td>(1,591)</td>
<td>66,999</td>
<td>-</td>
<td>7.82%</td>
</tr>
<tr>
<td>2021-2022</td>
<td>2,305,838</td>
<td>2,377,378</td>
<td>68,590</td>
<td>-</td>
<td>2.82%</td>
<td>-</td>
<td>3.15%</td>
</tr>
<tr>
<td>2020-2021</td>
<td>2,448,918</td>
<td>2,454,512</td>
<td>87,560</td>
<td>-</td>
<td>4.65%</td>
<td>-</td>
<td>5.00%</td>
</tr>
<tr>
<td>2019-2020</td>
<td>2,460,106</td>
<td>2,575,819</td>
<td>144,609</td>
<td>-</td>
<td>6.05%</td>
<td>-</td>
<td>5.08%</td>
</tr>
<tr>
<td>2018-2019</td>
<td>2,691,531</td>
<td>2,708,601</td>
<td>160,645</td>
<td>-</td>
<td>5.87%</td>
<td>-</td>
<td>6.49%</td>
</tr>
<tr>
<td>2017-2018</td>
<td>2,725,671</td>
<td>2,915,692</td>
<td>171,525</td>
<td>-</td>
<td>5.83%</td>
<td>-</td>
<td>6.09%</td>
</tr>
<tr>
<td>2016-2017</td>
<td>3,105,712</td>
<td>2,888,199</td>
<td>157,554</td>
<td>-</td>
<td>5.57%</td>
<td>-</td>
<td>5.71%</td>
</tr>
<tr>
<td>2015-2016</td>
<td>2,670,685</td>
<td>2,494,823</td>
<td>143,092</td>
<td>-</td>
<td>5.90%</td>
<td>-</td>
<td>7.36%</td>
</tr>
<tr>
<td>2014-2015</td>
<td>2,318,961</td>
<td>2,247,540</td>
<td>84,915</td>
<td>(18,196)</td>
<td>68,773</td>
<td>-</td>
<td>3.00%</td>
</tr>
<tr>
<td>2013-2014</td>
<td>2,176,119</td>
<td>2,290,930</td>
<td>86,969</td>
<td>-</td>
<td>5.06%</td>
<td>-</td>
<td>5.26%</td>
</tr>
<tr>
<td>2012-2013</td>
<td>2,405,741</td>
<td>2,429,923</td>
<td>114,907</td>
<td>-</td>
<td>4.31%</td>
<td>-</td>
<td>4.41%</td>
</tr>
<tr>
<td>2011-2012</td>
<td>2,454,105</td>
<td>2,058,467</td>
<td>86,923</td>
<td>-</td>
<td>5.07%</td>
<td>-</td>
<td>3.96%</td>
</tr>
<tr>
<td>2009-2010</td>
<td>2,162,828</td>
<td>1,633,288</td>
<td>74,518</td>
<td>-</td>
<td>5.05%</td>
<td>-</td>
<td>5.05%</td>
</tr>
<tr>
<td>2008-2009</td>
<td>1,603,748</td>
<td>1,753,866</td>
<td>95,908</td>
<td>-</td>
<td>5.47%</td>
<td>-</td>
<td>5.59%</td>
</tr>
<tr>
<td>2007-2008</td>
<td>1,903,983</td>
<td>1,795,369</td>
<td>79,059</td>
<td>-</td>
<td>5.49%</td>
<td>-</td>
<td>5.49%</td>
</tr>
<tr>
<td>2006-2007</td>
<td>1,733,521</td>
<td>1,712,020</td>
<td>86,796</td>
<td>-</td>
<td>5.43%</td>
<td>-</td>
<td>5.44%</td>
</tr>
<tr>
<td>2005-2006</td>
<td>1,650,518</td>
<td>1,699,646</td>
<td>97,874</td>
<td>-</td>
<td>5.57%</td>
<td>-</td>
<td>5.64%</td>
</tr>
<tr>
<td>2004-2005</td>
<td>1,748,774</td>
<td>1,584,545</td>
<td>62,486</td>
<td>-</td>
<td>4.15%</td>
<td>-</td>
<td>4.76%</td>
</tr>
<tr>
<td>2003-2004</td>
<td>1,420,315</td>
<td>710,158</td>
<td>4,739</td>
<td>-</td>
<td>1.05%</td>
<td>-</td>
<td>2.92%</td>
</tr>
</tbody>
</table>

**Total** 1,957,211 $61,604 ($51,981)

*Average loan balance is calculated as the average of the beginning and ending balance of the period.
**Actual cash paid to HWF.
***Interest paid/average loan balance. Annualized for quarterly reports.
****Figures are unaudited and subject to revision.

RRED-C - Headwaters Fund Loan Portfolio Performance - Cash and Accrual Basis - 03/31/2023

---

**Year-End Loan Balances and Cash Payments**

- Period End Loan Balance
- Interest Paid HWF

---

**Attachment 2**
## AEDC - Headwaters Fund Loan Portfolio Performance - Cash and Accrual Basis

<table>
<thead>
<tr>
<th>Period</th>
<th>Period End Loan Balance</th>
<th>Average Loan Balance**</th>
<th>Interest Only Paid HWF***</th>
<th>Cash Basis Yield****</th>
<th>Change in HWF Accrued Interest</th>
<th>Total HWF Interest (Cash and Accrued)</th>
<th>Interest Capitalized This Period</th>
<th>Accrual Basis Yield</th>
<th>Loan Losses/Recovery this Period</th>
<th>Net Return Including Recoveries/Losses</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2023*</td>
<td>1,820,224</td>
<td>1,903,521</td>
<td>32,488</td>
<td>6.82%</td>
<td>-</td>
<td>32,488</td>
<td>- 6.82%</td>
<td>-</td>
<td>6.82%</td>
<td></td>
</tr>
<tr>
<td>FY 2022</td>
<td>1,986,817</td>
<td>2,311,952</td>
<td>134,714</td>
<td>5.83%</td>
<td>0</td>
<td>134,714</td>
<td>- 5.83%</td>
<td>0</td>
<td>5.83%</td>
<td></td>
</tr>
<tr>
<td>FY 2021</td>
<td>2,637,086</td>
<td>2,801,853</td>
<td>126,063</td>
<td>4.50%</td>
<td>10,296</td>
<td>136,359</td>
<td>- 4.87%</td>
<td>0</td>
<td>4.87%</td>
<td></td>
</tr>
<tr>
<td>FY 2020</td>
<td>2,966,620</td>
<td>3,108,811</td>
<td>137,354</td>
<td>4.42%</td>
<td>2,521</td>
<td>139,875</td>
<td>- 4.50%</td>
<td>0</td>
<td>4.50%</td>
<td></td>
</tr>
<tr>
<td>FY 2019</td>
<td>3,251,001</td>
<td>3,023,221</td>
<td>166,792</td>
<td>5.52%</td>
<td>166,792</td>
<td>333,584</td>
<td>- 5.52%</td>
<td>0</td>
<td>5.52%</td>
<td></td>
</tr>
<tr>
<td>FY 2018</td>
<td>2,795,441</td>
<td>2,841,802</td>
<td>152,295</td>
<td>5.36%</td>
<td>3,972</td>
<td>156,267</td>
<td>- 5.50%</td>
<td>(73,821)</td>
<td>2.90%</td>
<td></td>
</tr>
<tr>
<td>FY 2017</td>
<td>2,888,163</td>
<td>2,478,044</td>
<td>116,861</td>
<td>4.72%</td>
<td>15,901</td>
<td>132,762</td>
<td>- 5.36%</td>
<td>0</td>
<td>5.36%</td>
<td></td>
</tr>
<tr>
<td>FY 2016</td>
<td>2,067,926</td>
<td>2,182,185</td>
<td>112,390</td>
<td>5.15%</td>
<td>2,324</td>
<td>114,714</td>
<td>- 5.26%</td>
<td>0</td>
<td>5.26%</td>
<td></td>
</tr>
<tr>
<td>FY 2015</td>
<td>2,296,444</td>
<td>2,097,853</td>
<td>98,641</td>
<td>4.70%</td>
<td>5,839</td>
<td>104,480</td>
<td>- 4.98%</td>
<td>(13,666)</td>
<td>4.33%</td>
<td></td>
</tr>
<tr>
<td>FY 2014</td>
<td>1,899,261</td>
<td>1,695,036</td>
<td>82,533</td>
<td>4.87%</td>
<td>1,496</td>
<td>84,029</td>
<td>- 4.96%</td>
<td>(17,000)</td>
<td>3.95%</td>
<td></td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$ 1,160,131</strong></td>
<td><strong>$ 1,202,480</strong></td>
<td><strong>$ 1,044,871</strong></td>
<td><strong>$ 1,044,871</strong></td>
<td><strong>$ 1,044,871</strong></td>
<td><strong>$ 1,044,871</strong></td>
<td><strong>$ 1,044,871</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*10/01/2022 - 12/31/2022

**Average loan balance is calculated as the average of the beginning and ending balance of the period.

***Interest paid to HWF 10/01/2022 - 12/31/2022

****Quarterly interest paid (annualized)/average loan balance

*Increase in yield for the 4th quarter is attributed to an early loan payoff.*
Headwaters Fund Quarterly Loan Portfolio Report
AEDC Managed Loans

Loan Portfolio Performance

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Cash ROI</th>
<th>Accrual ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>4.87%</td>
<td>4.96%</td>
</tr>
<tr>
<td>2015</td>
<td>4.70%</td>
<td>4.98%</td>
</tr>
<tr>
<td>2016</td>
<td>5.15%</td>
<td>5.26%</td>
</tr>
<tr>
<td>2017</td>
<td>4.72%</td>
<td>5.36%</td>
</tr>
<tr>
<td>2018</td>
<td>5.36%</td>
<td>5.50%</td>
</tr>
<tr>
<td>2019</td>
<td>5.52%</td>
<td>5.52%</td>
</tr>
<tr>
<td>2020</td>
<td>4.42%</td>
<td>4.50%</td>
</tr>
<tr>
<td>2021</td>
<td>4.50%</td>
<td>4.87%</td>
</tr>
<tr>
<td>2022</td>
<td>5.83%</td>
<td>5.83%</td>
</tr>
<tr>
<td>2023</td>
<td>6.82%</td>
<td>6.82%</td>
</tr>
</tbody>
</table>

2nd qtr FY 2023 interest 'annualized'
<table>
<thead>
<tr>
<th>Variation</th>
<th>Projected Principal</th>
<th>Actual Principal</th>
<th>Projected Interest</th>
<th>Actual Interest</th>
<th>Projected Total</th>
<th>Actual Total</th>
<th>Principal Balance</th>
<th>Maturity Date</th>
<th>Jobs</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4th Quarter 2022</td>
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## Headwaters Fund Quarterly Loan PROJECTIONS

### AEDC Managed Loans

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**Projected Totals:** $21,442.93  $28,555.00  $49,997.93  
**Actual Totals:** $21,442.93  $28,555.00  $49,997.93
### Headwaters Fund Quarterly Loan PROJECTIONS

**AEDC Managed Loans**

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**Projected Totals:**

- $213,980.67
- $27,695.72
- $241,676.39
- $1,563,586.16

**Actual Totals:**

- $0
- $0
- $0
- $0
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## AEDC - Headwaters Fund Loan Portfolio Performance - Cash and Accrual Basis

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<tr>
<th>Period</th>
<th>Period End Loan Balance</th>
<th>Average Loan Balance**</th>
<th>Interest Only Paid HWF***</th>
<th>Cash Basis Yield****</th>
<th>Change in HWF Accrued Interest</th>
<th>Total HWF Interest (Cash and Accrued)</th>
<th>Interest Capitalized This Period</th>
<th>Accrual Basis Yield</th>
<th>Loan Losses/Recovery this Period</th>
<th>Net Return Including Recoveries/Losses</th>
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<tr>
<td>FY 2023*</td>
<td>1,711,479</td>
<td>1,849,148</td>
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<tr>
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<td>2,311,952</td>
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</tr>
<tr>
<td>FY 2021</td>
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<td>2,801,853</td>
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<td>10,296</td>
<td>136,359</td>
<td>-</td>
<td>4.87%</td>
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<tr>
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<td>3,108,811</td>
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<td>2,521</td>
<td>139,875</td>
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<tr>
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<td>3,251,001</td>
<td>3,023,221</td>
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<td>-</td>
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<td>0</td>
<td>5.52%</td>
</tr>
<tr>
<td>FY 2018</td>
<td>2,795,441</td>
<td>2,841,802</td>
<td>152,295</td>
<td>5.36%</td>
<td>3,972</td>
<td>156,267</td>
<td>-</td>
<td>5.50%</td>
<td>(73,821)</td>
<td>2.90%</td>
</tr>
<tr>
<td>FY 2017</td>
<td>2,888,163</td>
<td>2,478,044</td>
<td>116,861</td>
<td>4.72%</td>
<td>15,901</td>
<td>132,762</td>
<td>-</td>
<td>5.36%</td>
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<tr>
<td>FY 2016</td>
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<td>2,324</td>
<td>114,714</td>
<td>-</td>
<td>5.26%</td>
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</tr>
<tr>
<td>FY 2015</td>
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<td>5,839</td>
<td>104,480</td>
<td>-</td>
<td>4.98%</td>
<td>(13,666)</td>
<td>4.33%</td>
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<td>FY 2014</td>
<td>1,899,261</td>
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<td>82,533</td>
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<td>1,496</td>
<td>84,029</td>
<td>-</td>
<td>4.96%</td>
<td>(17,000)</td>
<td>3.95%</td>
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</table>

Totals | $ 1,163,727 | $ 1,206,076 | - | $ (104,487)

*1/01/2023 - 3/31/2023

**Average loan balance is calculated as the average of the beginning and ending balance of the period.

***Interest paid to HWF 1/01/2023 - 3/31/2023

****Quarterly Interest paid (annualized)/average loan balance

---

**Increase in yield for the 1st quarter is attributed to an early loan payoff.**

**New loan for Bird Ally X - Funded in March 2023.**
### Headwaters Fund Quarterly Loan Portfolio Report
#### AEDC Managed Loans

#### Loan Portfolio Performance

<table>
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<tr>
<th>Fiscal Year</th>
<th>Cash ROI</th>
<th>Accrual ROI</th>
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<tr>
<td>2015</td>
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<tr>
<td>2016</td>
<td>5.15%</td>
<td>5.26%</td>
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<tr>
<td>2017</td>
<td>4.72%</td>
<td>5.36%</td>
</tr>
<tr>
<td>2018</td>
<td>5.36%</td>
<td>5.50%</td>
</tr>
<tr>
<td>2019</td>
<td>5.52%</td>
<td>5.52%</td>
</tr>
<tr>
<td>2020</td>
<td>4.42%</td>
<td>4.50%</td>
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<td>2021</td>
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<td>2022</td>
<td>5.83%</td>
<td>5.83%</td>
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<tr>
<td>2023</td>
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<td>7.80%</td>
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3rd qtr FY 2023 interest 'annualized'
## Headwaters Fund Quarterly Loan PROJECTIONS
### AEDC Managed Loans

<table>
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<th>Projected Principal</th>
<th>Projected Interest</th>
<th>Projected Total</th>
<th>Actual Principal</th>
<th>Actual Interest</th>
<th>Actual Total</th>
<th>Principal Balance</th>
<th>Maturity</th>
<th>Jobs</th>
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<td>01/01/2023 - 03/31/2023</td>
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<td>$225.00</td>
<td>-</td>
<td>$225.00</td>
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<td>$10,800.00</td>
<td>8/1/2034</td>
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*Attachment 4*
### Headwaters Fund Quarterly Loan PROJECTIONS

**AEDC Managed Loans**

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<th>Date</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
<th>Maturity Date</th>
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<th>Jobs</th>
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<tr>
<td>97-02-04</td>
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<td>923.76</td>
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<td>$2,216.97</td>
<td>$56,915.59</td>
<td>6/1/2025</td>
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<td>14</td>
<td>22</td>
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<tr>
<td>449-02-02</td>
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<td>$56,915.00</td>
<td>3/1/2034</td>
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<tr>
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<td>1</td>
<td>4</td>
</tr>
<tr>
<td>533-03-02</td>
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<td>$1,330.11</td>
<td>$91,859.78</td>
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<td>0</td>
<td>12</td>
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<tr>
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Attachment 4
# Headwaters Fund Quarterly Loan PROJECTIONS

## AEDC Managed Loans

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### 3rd Qtr 2023

- **Project Totals:**
  - Principal: $21,444.30
  - Interest: $27,119.94
  - Total: $48,579.24

- **Actual Totals:**
  - Principal: $-
  - Interest: $-
  - Total: $-

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- **Projected Totals:**
  - Principal: $21,444.30
  - Interest: $27,119.94
  - Total: $48,579.24

- **Actual Totals:**
  - Principal: $-
  - Interest: $-
  - Total: $-

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Attachment 4

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**Projected Totals:**
$22,107.53 | $26,456.71 | $48,579.24

**Actual Totals:**

$1,646,109.69 | 62 | 74.5 | 136.5
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**Projected Totals:**

- Principal Balance: $22,483.32
- Total: $48,579.24
- Jobs: 62, 74.5, 136.5

**Actual Totals:**

- Total: $26,080.92
- Jobs: 62, 74.5, 136.5
Humboldt County Workforce Development Board

BYLAWS
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ARTICLE I. NAME AND ESTABLISHMENT

1. Name: Under these Bylaws, the name for this organization is the Humboldt County Workforce Development Board, hereinafter HC-WDB or WDB. The HC-WDB was established under Section 107 of the Workforce Innovation & Opportunity Act of 2014, Public Law 803-32, hereinafter referred to as the WIOA.

2. Establishment: The HC-WDB is established and receives authority in accordance with the WIOA and is appointed by the Humboldt County Board of Supervisors, hereinafter BOS. The BOS have final authority.

ARTICLE II. PURPOSE AND RESPONSIBILITIES

By its composition, the HC-WDB represents organizations, agencies, and representatives of business. The HC-WDB shall, in accordance with Section 107 of the WIOA; competitively procure and oversee the local America’s Job Center of California (AJCC) as part of the one-stop career system. The HC-WDB shall also provide oversight of Humboldt County’s comprehensive workforce development system consisting of workforce, education and training, workforce preparation services, regional research, and economic development. The HC-WDB shall use its collective expertise to provide recommendations to the Board of Supervisors regarding matters within its jurisdiction, as set forth herein.

MISSION STATEMENT AND GOALS

The HC-WDB brings together workforce development, educational, economic development and other employment services in a seamless customer-focused delivery network that enhances access to program services and improves long-term employment outcomes. As AJCC partners, we are committed to administering our independently funded programs as a set of integrated streamlined services to job seekers and employers, by:

- Helping businesses find skilled workers and access other supports services, including education and training, for their current workforce.
- Providing an array of employment and business services and connecting customers to work-related training and education.
- Continuing to align investments in workforce, education and economic development to regional in-demand jobs.
- Reinforcing partnerships and strategies to provide job seekers and workers with high quality career services, education and training, and supportive services needed to get quality jobs and retain employment.
**ARTICLE III. THE DUTIES OF THE HC-WDB**

It shall be the duty of the HC-WDB to do all the following:

1. **Local Plan:** With approval from the BOS, develop and submit a local workforce development area plan to the Governor of California;

2. **Regional Plan:** Collaborate with the local and regional stakeholders and with approval from the BOS to develop and submit a regional plan;

3. **Workforce Research and Regional Labor Market Analysis:** Conduct research, specified regional market labor analysis, and periodic economic and workforce analyses as a part of the local planning process and to assist the Governor in developing the statewide workforce and labor market information system;

4. **Convening, Brokering, and Leveraging:** Convene the local workforce development system stakeholders to assist in the development of the local area plan, and identify non-federal expertise and resources to leverage support for workforce activities;

5. **Employer Engagement:** Lead efforts to engage with a diverse range of employers, entities in the region, and economic development entities, including coordination with BOS economic development strategies, in order to promote the participation of local area and regional private-sector employers, develop effective linkages with employers, support employer utilization of the Humboldt County workforce system, ensure the workforce investment activities meet the needs of employers, and support economic growth in the region;

6. **Career Pathways Development:** Collaborate with secondary and postsecondary education program representatives leading the efforts in the local workforce development area to develop and implement career pathways by aligning training, education and support services;

7. **Proven and Promising Practices:** Identify, promote, and disseminate proven and promising strategies, initiatives, and practices for meeting the needs of job seekers and employers;

8. **Technology:** Develop strategies for using technology to maximize the accessibility and effectiveness of the local workforce development system for employers, workers, job seekers, and those with barriers to employment; develop intake and case management information systems, remote access, and improve digital literacy skills while leveraging resources and capacity within the system;

9. **Program Oversight:** Conduct program oversight for: local WIOA youth, adult, and dislocated workforce development program activities; the local service delivery system; and the use, management, and investment of workforce activities.
development funds to maximize performance outcomes under WIOA through evidenced-based decision-making;

10. **Negotiation of Local Performance Accountability:** Establish, through negotiation with the BOS and the Governor, local performance and accountability measures;

11. **Selection of Operators and Providers:** Competitively designate and certify one-stop operators, identify eligible adult and youth training providers, and also ensure the provision of opportunities that lead to competitive employment for individuals with disabilities; in conjunction with the State, ensure there are sufficient numbers and types of career and training service providers in a manner that maximizes consumer choice;

12. **Coordination of Education Providers:** Coordinate activities with education and training providers;

13. **Budget and Administration:** Develop a budget for the activities of the HC-WDB consistent with the local workforce development plan and the duties of the HC-WDB under WIOA;

14. **Accessibility for Individuals with Disabilities:** Annually assess the physical and programmatic accessibility of all one-stop centers in the local area in accordance with the Americans with Disability Act of 1990; and

15. **Additional Duties:** The HC-WDB shall perform other functions and duties as required by the WIOA, or by State of California implementing legislation or Executive Orders and shall act in accordance with WIOA and under the direction of the Governing Board.

**ARTICLE IV. MEMBERSHIP**

1. **Composition**

The BOS shall ensure the membership of the HC-WDB conforms to all WIOA requirements. The BOS reserves discretionary authority on membership as local economic conditions indicate. Members of the Humboldt Board that represent organizations, agencies or other entities shall be individuals with optimum policymaking authority within those organizations, agencies or entities. As authorized under WIOA, Section 107, membership of the WDB is established to be composed of at least 19 members or more, in the percentages that follow:

   a. **Business representatives** shall constitute a majority, 51%, of WDB and must include two or more members that represent small business as defined by the U.S. Small Business Administration. Furthermore, business representative
seats may reflect the identified major industries and clusters identified in the Humboldt County Comprehensive Economic Development Strategy (CEDS). Their business must provide employment opportunities with high quality work-relevant training and development in local in-demand industry sectors or occupations.

b. Representatives of the workforce shall constitute at least 20% of WDB membership, including representatives of labor organizations, which must constitute at least 15% of WDB membership. Labor Union members must be selected from candidates nominated by local labor federations, including a representative of an apprenticeship program. If local labor federations fail to nominate enough members to reach 15% of WDB membership, then the requirement shall be 10% of WDB membership, as stated in California Unemployment Insurance Code Section 14202.

Representatives of the workforce, include labor members who may also include representatives of organizations, including community-based organizations (CBO) with experience and expertise in addressing barriers to employment, including organizations that serve veterans, individuals with disabilities, or eligible youth, including out of school youth.

The term community-based organization is defined as a private nonprofit organization that is representative of a community or a significant segment of a community which has demonstrated expertise and effectiveness in the field of workforce investment.

c. Further required Board membership shall include individuals, as follows:
   • Adult Education/Literacy Representative-Must be nominated by institution or organization;
   • Vocational Rehabilitation Representative;
   • Higher Education Representative- Must be nominated by institution or organization;
   • Wagner-Peyser Representative; and
   • Public Economic Development Agency Representative.

d. Members may also include additional local area representatives appointed by the BOS, representing:
   • Local K-12 education;
   • The Board of Supervisors, with an alternate; and
   • A State elected official (Assembly or Senate) representing Humboldt County, with an alternate.
e. Up to three representatives of community-based organizations or businesses that provide the following:
   • Native American employment development;
   • Childcare;
   • Employment of people with disabilities;
   • Serves youth employment, training or education; and/or
   • Trains people with barriers to employment.

2. HC-WDB Nominations

a. Nominees who are intended to serve as representatives of business in the local area may be nominated by one of the following: an open-membership business organization, business trade association, an agency board of directors, or by a sitting WDB business member.

b. The Nominations Committee shall be an ad-hoc committee appointed by the Executive Committee, including two general members of the full WDB. The Committee shall solicit nominations from the entire WDB membership, beginning in the first quarter of the calendar year.

c. Nominees who are intended to serve as representatives of labor must be nominated by local labor federations.

d. For other mandated and non-mandated categories, nominees must be nominated by a senior executive from the agency or institution of employment or affiliation.

e. Written or electronic applications must be submitted to the HC-WDB Executive Director.

f. The Executive Committee of the HC-WDB will review applications and determine a recommendation to the full HC-WDB. The HC-WDB will then vote on an action of a formal nomination to be submitted for final approval by the BOS.

g. Prior to the vote, the Chair will take nominations from the floor.

h. HC-WDB nominations can only be approved when there is a quorum at any regularly scheduled meeting.
i. Voting shall be public according to the open meeting laws of the State of California.

3. Executive Committee and Officer Nominations

a. The Executive Committee shall consist of - nine (9) members of the HC-WDB and include; Chair, Vice Chair, BOS seat, At-Large Business seat, At-Large Higher Education seat, At-Large Labor seat and three (3) At-Large General seats.

b. Of the three (3) At-Large General seats, the Chair shall appoint one member from the full WDB to serve on the Executive Committee.

c. The full HC-WDB shall also elect five (5) At-Large members of the Executive Committee, at least one of whom shall be a private business member seat, one being a representative of a higher education institution that provides workforce education and training and one being a representative of a labor agency. The representative of the labor agency will be selected by the four HC-WDB labor representatives.

d. All elected At-Large members shall serve for two (2) -year terms, commencing on July 1. Terms should be staggered in order to support continuity on the Executive Committee.

e. The Chair and Vice Chair seats shall be filled by business representatives.

f. Chair and Vice Chair terms will commence on July 1 and end on June 30 of the following calendar year.

g. A HC-WDB member may serve as Chair or Vice Chair for a period no longer than two years.

h. The Chair elect and Vice Chair elect shall automatically have their membership extended, if necessary, to coincide with their term in the Chair positions.

i. The Chair shall preside at all meetings of the full WDB and shall preform all duties incidental to the office of Chair.

j. A lead Executive Committee member will be appointed by the Executive Committee to create a nomination committee and shall include two at-large HC-WDB members.
k. The Nomination Committee will present the slate of candidates for Executive Committee positions, including the Chair and Vice Chair seats, at the final HC-WDB meeting of the fiscal year and be included on the agenda. The HC-WDB shall be notified of candidates 15 days prior to final WDB meeting of the fiscal year.

l. Prior to voting the Chair will take nominations from the floor, a quorum must be present to vote.

m. Officers are determined by a majority vote of eligible voting members of the HC-WDB.

4. Term and Reappointments

a. HC-WDB appointments and Executive Committee at-large positions will be for a two-year term generally. Terms will start from the date of appointment by the BOS and expire on June 30 the following year. During a member’s first two-year term, June 30 may arrive prior to the end of the two-year period or go beyond the two-year period, depending on appointment date. HC-WDB staff will put the term expiration date of June 30 as close as possible to match the two-year period. In some cases, members may be terminated or reappointed earlier than the full two years or beyond the full two years. Once a member is reappointed, the term will be on the appropriate two-year term schedule.

b. At the conclusion of a member's term, the member's position shall be treated as a vacancy, with the current member having the option to request consideration for appointment to an additional term. Reappointment requests will be considered along with any other nominations received for that vacancy.

5. Vacancies

a. General HC-WDB Vacancies

i. The HC-WDB or its Executive Committee will review membership vacancies as they occur and assess associated needs with appointing a replacement.

ii. HC-WDB staff will report vacancies to the Humboldt County Clerk of the Board on behalf of the BOS. The Clerk of the Board will publicly post the vacancy on the public notice bulletin board located outside the 5th Street entrance of the Humboldt County Courthouse. The vacancy will also be posted on the County of Humboldt, WDB website.
iii. Vacant seats must be filled within ninety (90) days.

b. Officer Vacancies

i. In the event of a vacancy in the position of the Chair, the Vice Chair shall assume the duties of the Chair. In the event of a vacancy in the position of Vice Chair, the Business At-large member of the Executive Committee shall assume the role of Vice Chair for the remainder of the term.

ii. The Vice-Chair shall preside in the absence or vacancy of the Chair, and perform such duties as delegated by the Chair.

iii. In the event of a vacancy of both the Chair and Vice Chair, the Business At-Large elected member shall assume the duties of the Chair.

iv. In the event of a vacancy in a position of an At-Large Executive Committee member, the Chair shall appoint a replacement to serve out the designated term of that position. The Chair has the option of appointing members for different term lengths in order to achieve or maintain staggering of terms.

6. Attendance

Members shall attend meetings of the Humboldt Board and committees to which they are appointed. The Executive Committee shall routinely review member attendance at board and committee meetings. An excused absence shall be recorded in the minutes when a member or designee notifies the Chair of the Board and/or the Executive Director of the intended absence by 5 p.m. of the day before the scheduled Board or Committee meeting indicating good and sufficient reason for the absence, except that if the absence is due to illness occurring during the 24 hour period, the absence shall be deemed excused if the Chair of the Board and/or the Executive Director is notified of the illness prior to the roll call for the meeting. Members of the Board must not miss more than three (3) consecutive committee and full meetings of the Humboldt Board unless the absences are excused or more than five (5) consecutive committee and full meetings even if some or all of those absences are excused, except that the board may grant the member a leave of absence upon prior request.

7. Terminations and Resignations
a. Terminations may be a result of:

i. A member is not reappointed after completion of term.

ii. A member’s violation of the Conflict of Interest Policy or laws or failure to complete or declare applicable financial disclosers per Form 700.

iii. When the member ceases to be representative of the constituency for which appointment was made.

iv. For the member’s failure to meet attendance requirements (See Attendance Section).

b. Resignation process:

i. Members must provide written notice of resignation to the HC-WDB Chair and Executive Director

ii. HC-WDB staff will notify the Humboldt County Board of Supervisors Clerk of the Board, and the HC-WDB


a. Membership is by person, not position, including the mandated partners. Each member must be vetted through the WDB application and approval process.

b. Each member shall have equal voting privileges, with each seat representing one vote.

c. Proxy votes by representatives or members are not allowed.

d. No member shall vote on any matter which:

   i. Poses the appearance of a conflict of interest to that member or his/her business or organization.

   ii. Would financially benefit such member or his/her business or organization.

e. A member of the BOS shall have one vote at any HC-WDB meeting using the designated BOS member or appointed BOS alternate. Annually, the BOS will specify the designated BOS HC-WDB member and alternate. The BOS
appointed alternate is authorized to vote in the absence of the appointed BOS HC-WDB member.

9. Procedures for Dealing with Conflicts of Interest

a. If a member believes (s)he is in a potential conflict situation, (s)he should so advise the Chair, refrain from any discussion on the matter involving the conflict and register an abstention on any subsequent vote.

b. Should the member participate in the discussion and/or vote on the matter, and it is later determined that a conflict situation existed; any agreements resulting from this involvement may be considered invalid. The HC-WDB Chair, whose decision shall then be presented to the HC-WDB for further action, shall initially make consideration of validity. Such action might include ratification of the agreement under such conditions as would make the agreement valid.

**ARTICLE V. STAFF**

The HC-WDB receives Executive Director and other staff support from the County of Humboldt County Administrative Office, Office of Economic Development.

**ARTICLE VI. MEETINGS**

1. Regular meetings (at least semi-annually) will be scheduled and announced at the beginning of each fiscal year. Special meetings may be called at the discretion of the Chair, as needed.

2. All meetings of the HC-WDB and its committees shall be called and held pursuant to the provisions of the Ralph M. Brown Act (Gov. Code Section 54950 et seq.).

3. Agendas and minutes of regular and special HC-WDB meetings shall be provided to members and, upon request, the public in a timely fashion.

4. Alternative technology such as telephone or video or digital conferencing, may be used at HC-WDB board and committee meetings as permitted by the Brown Act.

**ARTICLE VII. COUNCILS AND COMMITTEES**

1. The HC-WDB shall have an Executive Committee, the membership of which shall include the HC-WDB Chair and Vice-Chair; the Board of Supervisors member as selected by the BOS; and four (4) at large members, per Article IV.C.1. One at large
member is appointed by the HC-WDB Chair. The remaining three at large members are elected by the HC-WDB membership, at least one coming from the private sector and one from the higher-education sector.

2. The Executive Committee shall act on behalf of the full board on all matters of necessity between HC-WDB meetings. That authority shall include:

   a. Analyzing information from standing and ad hoc committees and coordinating their work.

   b. Setting agendas for HC-WDB meetings.

   c. Authorizing the HC-WDB Chair to sign time-sensitive documents when full HC-WDB approval is not feasible.

   d. Reversal of automatic termination of HC-WDB member terms for administrative purposes set forth in Article IV of these bylaws.

   e. Participation on ad hoc committees and workgroups as needed.

3. Work of the HC-WDB as identified in the strategic plan shall engage HC-WDB members through workgroups or ad-hoc committees, defined as follows:

   a. The HC-WDB or Executive Committee designates a workgroup by (1) defining a set of specific outcomes, (2) determining a specific timeframe for deliverables, and (3) designating an Executive Committee member to participate on the workgroup.

   b. Staff organizes and facilitates workgroups. HC-WDB members may serve as chair should the workgroup elect to have a chair to best accomplish the outcomes.

   c. HC-WDB members may Chair a workgroup, as best serves accomplishing the charge of the workgroup.

   d. Workgroups do not have formal membership requirements, though at least one Executive Committee member participates on each workgroup. HC-WDB members participate on a volunteer basis.

   e. A maximum of three (3) workgroups may operate at any one time.
f. Workgroups shall report their results and recommendations to the Executive Committee and/or the Full HC-WDB via members or staff.

g. Workgroups may meet at the call of the HC-WDB Chair or the committee Chair.

h. Work-group membership shall not constitute a majority of the membership of the HC-WDB.

ARTICLE VIII. ADOPTIONS AND AMENDMENTS

1. These bylaws are hereby adopted upon two-thirds (2/3) vote of the HC-WDB membership present at a meeting at which this item has been noticed and a quorum has been established.

2. These bylaws may be amended, in part or in whole, by two-thirds (2/3) vote of the members present and voting at a regularly scheduled HC-WDB meeting, at which a quorum has been established. Proposed additions and/or deletions to the bylaws must be provided to members at least fifteen (15) days before the meeting at which they are subject to vote.

3. Adoptions or amendments of these bylaws may be proposed by any voting HC-WDB member. Such adoptions or amendments must be presented in writing.

ARTICLE IV. GENERAL PROVISIONS

1. The HC-WDB shall utilize Robert's Rules of Order as a framework to conduct its business.

2. Nothing in these bylaws shall be construed to take precedence over federal, state or local laws or regulations.

3. All HC-WDB policies will be voted upon at a regularly scheduled HC-WDB meetings.

4. For purposes of these bylaws, “fiscal year” shall be defined as July 1 through June 30.

5. A simple majority of the members of the HC-WDB shall constitute a quorum.

6. These bylaws shall be reviewed and approved by the HC-WDB every two years in alignment with the start of the calendar year.
HUMBOLDT COUNTY WORKFORCE DEVELOPMENT BOARD

By: ________________________________ Date: _____________________

Dena McCullough, HC-WDB Chair

6/6/21
Local Plan, 2021 – 2024

Scott Adair
Economic Development Division Director
707-476-4800
sadair@co.humboldt.ca.us
EXECUTIVE SUMMARY

Humboldt County is a sparsely populated region located on the Northern California Coast. The region’s rural character and geographic isolation foster a culture of inter-reliance and cooperation, demonstrated by the strong relationships and coordination among the workforce development partners. These partners work diligently to ensure services are comprehensive and streamlined by identifying and addressing gaps and providing the community with a strong workforce development system.

Humboldt County’s isolation presents unique challenges, particularly with regard to accessing resources. Funding and services are often more limited than those in more populated areas, therefore it is crucial for workforce development partners to work diligently to coordinate funding and other resources. Additionally, the geographic isolation restricts the number of commuters in and out of the region, requiring many employers to rely on the local population to meet their workforce needs. The onus of training and developing that workforce falls on the partners identified in this report.

Changes in the economic landscape of the county present unique community and workforce challenges. For over 150 years, many residents depended on the timber and fishing industries for employment. Both industries offered good paying, reliable jobs without requiring formal education or specialized skills. This allowed many residents to earn a good wage, support families, buy homes, and achieve a high quality of life. However, as these industries have declined, employment opportunities have waned as well. Lower skilled and less educated workers are left with no choice other than to take jobs offering lower wages, which has compromised their ability to secure housing, support families, and achieve a comfortable standard of living.

Humboldt County’s economy and workforce, like the rest of the nation, were deeply impacted by the COVID-19 pandemic and subsequent public health safety measures. From March 2020 through the week of February 6, 2021, 48,6775 initial claims for unemployment insurance and 13,467 claims for Pandemic Unemployment Assistance (PUA) have been filed – representing a very substantial portion of Humboldt’s labor force. Opportunity Insights Economic Tracker, a tool that uses big data to provide real-time statistics related to the impact of COVID-19, found that small business revenue in Humboldt County dropped by 49.6% when comparing January to December 2020. Furthermore, for the same time period, 46.5% fewer small businesses were open.1 An examination of the Small Business Administration’s data of Paycheck Protection Plan loans made to Humboldt zip codes (95501 – 95589) finds 1,714 businesses received loans under $150,000 and 267 received loans above $150,000.2 Furthermore, 1,459 disaster loans had been made to local businesses through partner agencies as of June 23, 2020.

1 http://tracktherecovery.org
To address the aforementioned challenges, and to assist in the economic recovery post-pandemic, county workforce development partners are committed to staying strongly aligned and will continue to prioritize the Targets of Opportunity identified as the top growing, high wage-paying industries for the Redwood Coast region. Humboldt plans to update the Targets of Opportunity report with RPI 4.0 funds, in order to continue to prioritize industries that demonstrate the greatest career and entrepreneurship opportunity for local residents.

Building upon strong partnerships and fostering collaboration amongst partners will ensure that the Humboldt County Workforce Development Board (HC-WDB) will reach its goal of attaining a vital and thriving regional economy that includes trained workforce that meets the needs of local employers. The HC-WDB is proud to partner with the following organizations in offering AJCC services:

**Tier 1:**
- Title I Adult and Dislocated Workers – SMART Business Resource Center
- Title I Youth – Dream Quest, Mattole Restoration Council, McKinleyville Family Resource Center and SMART Business Resource Center
- Title II Adult Education and Literacy Services – College of the Redwoods (CR)
- Title III Wagner Peyser – Employment Development Department (EDD)
- Title IV Vocational Rehabilitation Program - Department of Rehabilitation (DOR)
- Title V of the Older Americans Act of 1965 – AARP Foundation

**Tier 2:**
- California Human Development
- Humboldt County Probation Department
- Humboldt Department of Health and Human Services (DHHS)
- NorCal Regional Department of Child Support Services (NCRDSS)
- Northern California Indian Development Council (NCIDC)
- Redwood Community Action Agency (RCAA)

**Tier 3:**
- Eureka Adult School
- Greater Eureka Chamber of Commerce
- Humboldt County Office of Education (HCOE)
- Humboldt County Office of Economic Development
- Humboldt State University (HSU)
- North Coast Employer’s Advisory Council (NCEAC)
- North Coast Small Business Development Center (NCSBDC)
- Redwood Coast Regional Center (RCRC)
WIOA Core and Required Partner Coordination

Describe how Local Boards and AJCC partners will coordinate the services and resources identified in their MOU, as outlined in WSD18-12 - WIOA Memorandums of Understanding.

The Humboldt County workforce development system coordinates across all required partners and programs available in the area, as described in the WIOA Memorandum of Understanding (MOU). Title I, II, and III of the core partners are co-located at the America’s Job Center of California (AJCC) and are integrated into the system. Title IV is not co-located but is an active partner. There is one comprehensive job center site located in Eureka, the largest populated city in Humboldt. The One Stop Operator is a consortium currently consisting of Smart Business Resource Center and the College of the Redwoods; Smart Business Resource Center is also the contracted Adult/Dislocated Worker service provider. Humboldt is a rural region and does not have local access to all programs, including Job Corps and Youth Build. When partners are located outside the region, AJCC staff makes referrals and transports clients out of the county to visit programs, when appropriate.

Humboldt excels at braiding resources and integrating services within the AJCC. Job center partners are well aligned and meet regularly to assess systems and processes with a focus on continuous improvement. The Humboldt AJCC has long been integrated across key partners jointly providing services and funding to support the job center. This includes, but is not limited to: Workforce Innovation and Opportunity Act adult and youth program operators, Employment Development Department workforce service staff, Department of Rehabilitation staff, Adult Education and California Conservation Corps, Community Education and Career Technical training, CalWORKs, Redwood Community Action Agency, American Association of Retired Persons’ services for older adults, and even integrates local, private sector personnel agencies into its efforts. Furthermore, the adult program operator, the Smart Business Resource Center, serves not only Workforce Innovation and Opportunity Act clients, but provides key workforce service and activities to assist with meeting the requirements of the CalWORKs, General Relief, and Transition Age Youth programs, as well as to the Probation Department. Smart Business Resource Center therefore is a pivotal partner bridging many of the key constituents mandated under the Workforce Innovation and Opportunity Act for priority service to the job center system.

A strong alignment exists between the job center partners and K-12, Humboldt County Office of Education, College of the Redwoods, and Humboldt State University. This alignment with education partners allows the AJCC system to respond to industry needs by working with education partners to develop curriculum and trainings for clients to attain skills necessary for living-wage jobs. It also allows job center staff to place clients in the appropriate career pathway to attain living wage employment. Partners meet monthly to assess, coordinate and fine tune strategies to continue to meet the needs of the local area.
Describe how the Local Board and AJCC partners will work towards co-enrollment and/or common case management as a service delivery strategy, as outlined in WSD19-09 - Strategic Co-Enrollment – Unified Plan Partners.

The integrated nature of the partners at the AJCC as well as frequent communication facilitate co-enrollment as appropriate. At present the current referral process is being updated and will be included in the new MOU that is scheduled to be finalized by the end of April 2021. The Humboldt AJCC uses CalJOBS for initial registration and enrollment into Wagner-Peyser and Workforce Innovation and Opportunity Act programs for case management of these programs. Other job center partners are given access to CalJOBS as needed. Tracking of co-enrollment is completed within the limits of CalJOBS, and through case management activities and records. Co-enrollment occurs between the Employment Development Department and the Department of Rehabilitation workforce services and Workforce Innovation and Opportunity Act core programs on a regular basis, as well as with Transition Age Youth, General Relief, CalWORKs, and Probation and Parole clients.

How the Local Board and AJCC partners will facilitate access to services provided through the one-stop delivery system, including in remote areas, through the use of technology and other means.

Job center services are delivered utilizing available technology such as Zoom and other appropriate means. The delivery of virtual job fair events is currently in development. Through their COVID-19 Supportive Services grant, Humboldt was able to assist individuals with wi-fi access and other support for remote work. Humboldt was also awarded an Innovation Impact Award for the CareerHub Humboldt Project. Partners include Humboldt County Probation and WIOA Youth Programs, which aim to provide virtual services to participants through texts. Humboldt State University’s California Center for Rural Policy will conduct an evaluation of this project.

Services to remote areas of Humboldt County are delivered via Redwood Community Action Agency in partnership with family resource centers and other community-based organizations. Youth funds are allocated to five regions within Humboldt to ensure that youth receive support and assistance in the outlying areas. Youth programs operate in the Eel River Valley, Eureka, Northern Humboldt, Eastern Humboldt, and Southern Humboldt regions, and youth funds are allocated to each of the regions. These approaches support the Humboldt County Workforce Development Board’s goal of providing resources and services to adults and youth in outlying areas, which may need more support than those living in more populated areas.

Additionally, the HC-WDB and the Public Library are collaborating on the Workforce Partnership Initiative (WPI), a pilot project that will provide resources, training, and support to adults in the areas of employment, unemployment benefit applications, job skilling, resumes, interviewing and career change. This initiative will bring together workforce staff and partner staff from the College of the Redwoods, Department of Rehabilitation,
Employment Development Department, Northern California Indian Development Council, and the Smart Business Resource Center to travel alongside the Humboldt County Bookmobile to provide workforce pop-ups in more rural areas. It will also allow library staff to better serve the needs of people in the Humboldt community. At present, the areas targeted for services include Bridgeville, Garberville, Honeydew, Orick, Orleans, Petrolia and Redway. With planning underway since December 2020, the WPI anticipates implementing services in March 2021 with a job fair already scheduled for May 2021. Delivery of workforce and library services will run from March through August, with partners looking for ways to allow the WPI to be sustainable long beyond that.

**How the Local Board and AJCC partners will coordinate workforce and education activities with the provision of appropriate supportive services.**

Supportive services are offered to all clients throughout enrollment and, in some cases, during the follow-up period, either with WIOA funding or partner resources. Supportive services include transportation, school supplies, work clothes, and other warranted and appropriate supports which facilitate the completion of training and successful employment. Supportive services are assessed during the intake process and continually revisited during enrollment to ensure the proper supports are offered to help clients overcome any barriers to their success. Furthermore, at their regularly scheduled meetings partners share information and updates regarding resources that they can provide to clients.

In addition, Humboldt WDB received funds for COVID-19 supportive services. Humboldt targeted these funds to underserved populations. The funds allowed Humboldt to provide up to $800 per person for basic needs including childcare, housing, utility assistance, and transportation costs, as well as assistance for costs associated with remote working.

**How the Local Board and AJCC partners will comply with WIOA Section 188 and applicable provisions of the Americans with Disabilities Act of 1990 regarding the physical and programmatic accessibility of facilities, programs and services, technology, and materials for individuals with disabilities, as outlined in WSD17-01 - Nondiscrimination and Equal Opportunity Procedures.**

HC-WDB staff conducts annual ADA monitoring of all sites providing Workforce Innovation and Opportunity Act services, including the AJCC in Eureka and youth program offices, to ensure compliance with Workforce Innovation and Opportunity Act Section 188. All programs are required to meet ADA requirements for accessibility to facilities, programs and services, technology, and materials for individuals with disabilities. Any findings need to be corrected and/or addressed with a corrective action plan. HC-WDB staff follows up to ensure findings are resolved within the required timeframe. The job center and youth program operators also provide numerous resources for individuals with disabilities through ADA compliant facilities, accessibility equipment, and staff trainings that ensure appropriate referrals for the specific service needs. The Department of Rehabilitation is a resource and referral partner.
State Strategic Partner Coordination

Describe how the Local Board will coordinate with County Health and Human Services Agencies and other local partners who serve individuals who access CalFresh E&T services.

The Humboldt County Department of Health and Human Services (DHHS) Social Services Branch administers the CalFresh program. DHHS is currently an AJCC MOU partner, and represents CalFresh, the Employment and Training Division (ETD), CalFresh Employment and Training (CFET), and California Work Opportunity and Responsibility to Kids (CalWORKs) programs. According to the State Department of Social Services’ CalFresh Data Dashboard\(^3\), in 2020 over 24,000 individuals were receiving CalFresh benefits in Humboldt County. In 2018, Humboldt’s Program Reach Index (a calculation of the participation rate of eligible individuals) was 61%.

Given the eligibility requirements for CalFresh, the program coordinates with the WIOA Adult, Dislocated Worker and Youth programs to assist with determining WIOA eligibility. Referrals are made multi-directionally. Those applying for WIOA at the AJCC are referred to the CalFresh Program, and those applying for CalFresh at the Social Services Office, if ineligible for CFET or ETD services, are referred to the AJCC using a referral form sent via email. Often those eligible for CFET are referred to the AJCC for subsidized employment. CalFresh and CFET are widely shared through the HC-WDB’s programs and the ETD programs. The HC-WDB works inclusively and cross trains partners on all partner programs. Sector pathway education programs are also shared among partners. The partners work collaboratively on a regular basis and participate in a robust referral process.

HC-WDB and DHHS have worked with community-based organizations for years to serve at risk populations with barriers to employment by aligning training, education, and supportive services. CBO partners include Eureka’s Westside Community Improvement Association, the Redwood Community Action Agency and Teen Challenge. Additional DHHS CBO partners include: the Arcata House Partnership; Arcata United Methodist Church; Betty Kwan Chinn Homeless Foundation; Changing Tides Family Services; Food for People; Fortuna Adventist Community Church; 2-1-1 Humboldt; the Humboldt Senior Resource Center; the Klamath Trinity Resource Conservation District; the North Coast Grower’s Association; Open Door Community Health Centers; Redwoods Rural Health Center; Southern Humboldt Community Park; and United Indian Health Services. These organizations support outreach efforts to help individuals access CalFresh and employment services.

To help CalFresh recipients obtain employment, career services are available and include training in soft skills, entry level vocational skills, job search, job retention, education, training, and mock interviews. The process includes an assessment to identify barriers to employment and the development of an employment plan outlining short/long term goals, workshops, one-

\(^3\) https://public.tableau.com/profile/california.department.of.social.services#!/vizhome/CFdashboard-PUBLIC/Home?publish=yes
on-one career counseling, and appropriate referrals. Barriers experienced by CalFresh recipients may include: poverty; lack of skills; limited educational attainment; long term unemployment; justice system involvement; homelessness; substance abuse disorders; lack of quality living wage jobs; high cost of living and housing compared to relative income; high gas prices and other rural transportation issues. Training may include on-the-job training or vocational training with an approved Eligible Training Provider List vendor. Additionally, supportive services are essential to many in need of employment, and may include, but are not limited to: linkages to community services; transportation assistance; child and/or dependent care assistance; housing assistance; educational testing assistance; reasonable accommodations for those with disabilities; legal aid services; healthcare referrals; uniforms, shoes, eye protection, and/or work-related tools; books, fees, and/or school supplies; and payments and fees for employment and training related applications, tests and/or certifications. Partners offering complimentary services will braid funding whenever possible. The HC-WDB brings partners together, so that partners know other programs well and can leverage other funding whenever possible.

**How the Local Board will coordinate with Local Child Support Agencies and other local partners who serve individuals who are non-custodial parents.**

The Northern California Regional Department of Child Support Services (NCRDSS) serves both Humboldt County and Trinity County and is based in Eureka. NCRDSS is an AJCC MOU partner, and they attend the AJCC Partner meetings. Collaborative system building efforts have included information sharing and cross training of staff.

NCRDSS reports that as of February 2021, they have 2,664 Parents Obligated to Pay Support (PPS) within Humboldt County. Of that, they estimate that 542 or 20% owe child support and are unemployed and are therefore likely to benefit from workforce services. These figures exclude individuals who are incarcerated or participating in a substance use treatment program.

Noncustodial parents (NCP) who are unemployed need assistance with job search, applications, interviewing, transportation, vocational assessment, vocational training, OJT and work experience, and motivation. Other barriers to consistent child support payments in the local area include: justice system involvement; homelessness; legalization of cannabis and a declining cannabis black market; substance abuse disorders; lack of living wage jobs; high cost of living and housing compared to relative income; high gas prices and other rural transportation issues; a highly competitive job market for entry level or part-time positions during the school year due to a large college student population; lack of available services in the far southern and northern county areas; significant numbers living on Native American reservations with high unemployment, and a history of a prolific underground cash-based economy. Because many of these barriers are often the underlying root cause of underemployment or unemployment, these issues must be taken into consideration as workforce issues. The HC-WDB partners with CBOs including Eureka’s Westside Community Improvement Association, RCAA and substance use
disorder treatment centers, including the Humboldt Recovery Center, North Coast Substance Abuse Council, Waterfront Recovery Center, and others may help to address these barriers.

The HC-WDB and NCRDSS work together to provide incentives to motivate NCPs to seek and retain employment. At agreed upon milestones, NCRDSS can rescind the suspension of the NCP’s driver’s license and/or other occupational licenses (Teaching licenses, Real Estate licenses, Insurance licenses, etc.). This helps motivate the NCP’s participation and removes a barrier to accepting and retaining employment. Additionally, NCRDSS can ask the State Department of Child Support Services for permission to reduce the individual’s State owed arrearages for child support during participation in the program. Arrearage reductions are tied to milestones such as workshop completion, acceptance of employment, and/or retention of employment after 90 days. Workforce development staff case manage NCPs through WIOA or DHHS funded career management services and assist individuals with their job search activities. The activities are on a one-on-one basis and include intensive services, assistance with identifying employers in need of their skills, and identification of cross-functional careers that utilize their transferable skills. Whenever vocational training is necessary, the NCPs are able to access WIOA funded training to assist them in attaining the skills necessary to re-enter the workforce. Additional education and/or training may also be provided as appropriate and deemed necessary by the career counselors, through College of the Redwoods and its Adult Education or Workforce and Community Education programs that promote sector pathways strategies and are focused on in-demand industries. Training may include OJT or vocational training with an approved Eligible Training Provider List vendor to assist the NCP in obtaining careers focused on providing a livable wage.

**How the Local Board will coordinate with Local Partnership Agreement partners, established in alignment with the Competitive Integrated Employment Blueprint, and other local partners who serve individuals with developmental and intellectual disabilities.**

The core partners in the Humboldt County CIE Local Planning Agreement (LPA) include DOR, Redwood Coast Regional Center (RCRC), and Humboldt County Office of Education (HCOE) as the Local Education Agency (LEA). The Humboldt LPA is a collaboration to promote competitive integrated employment for people with intellectual and developmental disabilities in Humboldt County. Through the LPA, the DOR, RCRC, and HCOE work together to inform and educate the Humboldt community and one another about the services and supports each agency offers to people with disabilities, their families, and employers. The Humboldt LPA strives to provide seamless and stable transitions for high school students with intellectual disabilities and/or developmental disabilities ages 16-21 as they exit the school system and work towards employment in adulthood. The HC-WDB is participating as a community partner in this effort.

In addition to the core partners identified above, several community partners and resources are also engaged to promote competitive integrated employment for people with intellectual disabilities and developmental disabilities, including but not limited to:
• Northern Humboldt Union High School District;
• Humboldt – Del Norte Special-Education Local Plan Area (SELPA); and
• Tri-County Center for Independent Living.

DOR’s Student Services Team works in collaboration with the Transition Partnership Program (TPP) at HCOE. The team also works to provide services to students that are not involved with the TPP contract. This team meets with community partners, including the HC-WDB, to collaborate and plan for CIE student success. Student services include activities that support all students with disabilities between the ages of 16-21 years old in exploring the world of work. Individuals with ID/DD are encouraged to participate in these services, which include job exploration counseling, work-based learning experiences, post-secondary counseling, workplace readiness and self-advocacy training.

DOR’s Business Specialist works with job-ready adult Vocational Rehabilitation participants to provide job readiness assistance including resume development and interviewing skills. Additionally, the Business Specialist provides outreach to business owners and partners directly through walk-in visits, in addition to attending and presenting at community meetings, chamber mixers and events to advocate for hiring individuals with disabilities and providing information on DOR supports including on-the-job training benefits.

DOR’s Business Specialist is trained in Disability Etiquette and “Windmills,” a high impact training that explores biases and human factors, legal requirements and language, and the requirements of the Americans with Disabilities Act. DOR provides AJCC partners and employers in the community with this training.

In addition to coordination through AJCC Partner meetings, the Redwood Coast Regional Center presented at a HC-WDB meeting to educate and engage members on CIE. AJCC staff and partners have also participated in the Employment Development Department’s (EDD’s) Traveling Disability Resource Coordinator training modules, as well as other trainings on serving individuals with disabilities. The HC-WDB is dedicated to continuously training AJCC staff and partners on the needs of jobseekers and employers to support CIE.

Whenever possible, participants who are eligible will be co-enrolled so that they are able to access all the support available to them for successful employment. Finally, the HC-WDB will work with RCRC and DOR to seek funding to hire a Disability Resource Coordinator (DRC). These partners and/or the DRC will work to support and increase participation of people with disabilities (PWDs) in the workforce system, and to improve business partner engagement with PWDs in both the public and private sectors.
How the Local Board will coordinate with community-based organizations and other local partners who serve individuals who are English language learners, foreign born, and/or refugees.

In 2019, 11.6% of the county’s population over five years of age spoke a language other than English at home. Of these individuals, 3.5% reported speaking English less than “very well.” 834 Humboldt households (or 1.5%) were limited English-speaking households; of those, 533 households are Spanish speaking. There is no large geographic concentration of any LEP group in the Humboldt region. According to Refugee Processing data from 2018, 1,432 refugees were placed in the state of California, none of which settled in Humboldt.

Although Humboldt County does not meet the 15 percent threshold of those who are English Language Learners, Foreign Born or Refugees, outreach efforts to this community are being made and services are offered in an accessible manner. The Limited English Proficiency (LEP) Plan was developed in April 2020 and will be updated as needed. The LEP Implementation is active in CalJOBS and the AJCC has translation services available upon request. To ensure meaningful access to LEP individuals, LEP trainings will be shared as they become available during the monthly AJCC Partner meetings.

College of the Redwoods’ Adult and Community Education program offers Conversational Spanish classes that are made available to the AJCC Partners to enhance their capacity to serve Spanish speaking clients. College of the Redwood’s Adult Education offers free ESL classes regionally, including three learning sites within Eureka and Fortuna. Morning and evening classes are offered at basic and intermediate levels. At some locations, free childcare is also provided. All learning materials are also free to the student, and transportation assistance is available. ESL flyers are provided in English and Spanish. Students enrolled in the ESL program can complete two certificate programs recognized through the California Community Colleges Chancellor Office: Community English as a Second Language and Community and Career English as a Second Language. Additionally, English Express, a non-profit English language school, has expanded its services for Spanish speakers to meet the needs of the Hmong community. English classes and videos, citizenship classes and connections to social services are available.

WIOA Title I Coordination

- Training and/or professional development that will be provided to frontline staff to gain and expand proficiency in digital fluency and distance learning.
- Training and/or professional development that will be provided to frontline staff to ensure cultural competencies and an understanding of the experiences of trauma-exposed populations

The Humboldt County WDB is committed to providing training and professional development
opportunities to staff, service providers, and partners, understanding that knowledgeable staff are better able to serve the community and assist job seekers and businesses. Although the COVID-19 pandemic has made it more challenging to offer and to find time for professional development, this nonetheless remains a priority. With regards to expanding digital fluency and distance teaching skills, staff and partners will be offered training by the UC San Diego Extension program, “Training Online Essentials.” This was a one-week intensive “train-the-trainer” that provided trainers with fundamental strategies and proven tools to support online delivery of sessions and workshops. “Training Online Essentials” is based on best practices in adult learning and online teaching and can be used with any learning platform in synchronous and asynchronous environments. Humboldt is also one of four WDBs selected for an Adaptive Workforce Development Pilot that will assist WDBs with adapting to new ways of doing business by using human centered design and design thinking mindsets. This training was facilitated by Virginia Hamilton and Rachel Dzombak in September – November 2020.

As detailed later in the regional plan, the Humboldt County WDB is committed to ensuring equity in workforce programs and has been working with a diversity consultant on a number of initiatives and trainings including with the Office of Economic Development team and throughout the community.

In addition to statewide and national conferences, a sampling of the training and professional development opportunities that have been offered over the last year include:

- WIOA 101 with Rick Record; 20 staff and partners
- WIOA Case Management with Rick Record; 12 staff and partners
- WIOA Youth Performance Measures with Rick Record; 15 staff and partners
- Power of Three Webinar from CA, NY and MI Workforce Associations; 2 staff
- WIOA Adult Performance Measures with Rick Record; 8 staff and partners
- Next Gen Sector Partnerships; 1 staff
- Workforce and Career Development Certification with TAD Grants; 7 staff and partners
- Diversity – A Starting Place with Jess Pettitt; 95 staff and partners
- Unconscious Bias with Jess Pettitt; 68 staff and partners
- Be a Better Ally with Jess Pettitt; 71 staff and partners
- Surviving Vicarious Trauma for a Workforce Development Professionals during COVID-19 with Scott McClure; 23 staff and partners
- Certified Business Services Consultant Training; 6 staff and partners

And trainings offered the last several years included:

- Humboldt Area Foundation: Cascadia Leadership Program
- Eric Fan and Squarage: Modern Interviewing & Job Retention Soft Skills – Pushing the Boundaries of Social Science
- Employment Development Department: Disability Training Modules 1 to 4
- Larry Robbin: From Jails to Jobs! Employment Success with Adults and Youth in Reentry
- Larry Robbin: Don’t Think My Program – Think Our System! Don’t Think Me – Think We! What You and Your Organization Can Do to be a Better Partner!
- Vinz Koller, Bob Lanter and Jennifer Ong: Rethink Education, Apprenticeship and Work-based Learning
- Dr. Richard Pimental and Milt Wright: One Day Windmills – Changing the Perception of Ability
- National Institute of Corrections: Employment Retention – Principles and Practices at Folsom State Prison
- Vinz Koller and Bob Lanter: Round 2 - Rethink Education, Apprenticeship and Work-based Learning
- Lee Mun Wah: The Practice of Honoring Diversity
- Alisa Oyler: Prison to Employment Stakeholder Action Clinics 1, 2 and 3
- Employment Development Department: CalJOBS Case Management
- Human Solutions: Customer Service and Emotional Intelligence
- Accord: Career and Job Development
- Accord: Effective Communication
- Department of Rehabilitation: Americans with Disabilities Act Basics for Managers
- Department of Rehabilitation: Americans with Disabilities Act Basics for Direct Service Providers
- Zero Waste USA: Zero Waste Path for Humboldt Businesses
- Scott McClure, PhD: A Motivational Interviewing Approach
- Eric Fan and Squarage: Don’t Get Romantic – Job Search Prep – Professional Development
- Employment Development Department: WIOA Process Flow

How the Local Board will coordinate workforce investment activities carried out in the Local Area with statewide rapid response activities, as outlined in WSD16-04 - Rapid Response and Layoff Aversion Activities.

The HC-WDB has contracted with the Smart Business Resource Center to lead the coordination of Rapid Response events when there is a plant closure and/or layoffs. The Smart Business Resource Center works with employers to determine the number of employees affected and the timeline for layoffs. Next, the Smart Business Resource Center convenes the appropriate Rapid Response team to attend the event to offer support, resources, and training opportunities for the affected employees. Individuals interested in retraining receive follow up and the full array of Workforce Innovation and Opportunity Act services. Local employers with workforce needs may attend an event to highlight job openings for rapid re-employment. The Smart Business Resource Center keeps the Workforce Development Board’s Executive Director apprised of Rapid Response activities and reports quarterly to the Workforce Development Board.
A description and assessment of the type and availability of adult and dislocated worker employment and training activities in the Local Area. This includes how the Local Board will ensure that priority for adult career and training services will be given to recipients of public assistance, other low-income individuals, and individuals who are basic skills deficient, as outlined in WSD15-14 - WIOA Adult Program Priority of Service.

The AJCC provides excellent assistance to adult and dislocated worker clients by providing a full range of core job readiness and search activities as well as general education development, basic educational assistance, skill upgrades, and re-training focused on certifications and credentials. Post-training, a job development team assists clients with work experience or on-the-job training placements and permanent employment. Adults and dislocated workers are offered, and have access to, all employment and training activities described throughout the local and regional plans.

The HC-WDB works routinely with all AJCC partners and youth providers to maximize access to employment, training and education, and support services for eligible individuals, including those with barriers to employment. As indicated previously, HC-WDB has long emphasized serving individuals with barriers to employment and economic success. This constitutes 70% or more of the individuals receiving training services through the local job center, largely due to the significant integration across agencies serving the homeless, low-income, justice-involved, Transitional Aged Youth, individuals with disabilities, and the long-term unemployed.

The HC-WDB has a documented policy regarding supportive services and understands that client supports are critical to program success. For example, Humboldt’s rural landscape makes transportation a necessary supportive service. In order for clients to access services or travel to education or employment opportunities, transportation support is one of the primary supportive services in the region. Transportation assistance is also required for many apprenticeship programs, as most opportunities are only available outside the county. Supportive services are integrated into all program models and are critical to supporting clients with education and employment by providing school supplies, childcare, work clothes, gas cards, bus passes, etc. Unfortunately, the passage of Senate Bill 734 limited supportive services funds, despite this resource being a key element in allowing clients to begin or remain in training. Many clients are low-income, frequently qualify for financial aid, and need supportive services more often than the additional tuition fees to complete their training. Senate Bill 734 has resulted in discouraging clients from participating in Workforce Innovation and Opportunity Act training in Humboldt County.

The HC-WDB prioritizes services for adult employment and training activities for individuals who are basic skills deficient, low income, receiving public assistance, and veterans and eligible spouses. The Board’s local policies reflect these priorities.

Currently, many partners are co-located in the AJCC and provide in-kind contributions. The current arrangement is as follows: Smart Business Resource Center is the contracted Adult and
Dislocated Worker service provider at the AJCC in Eureka. Employment Development Department provides workforce services staff, Youth Employment Opportunity Program staff, and the facility; College of the Redwoods provides a Learning Lab and adult education instructors to teach basic education and work readiness courses; the Smart Business Resource Center provides job center front desk staff, a job center program coordinator, all Core workshop instructors as well as vocational counseling. WIOA eligibility, WIOA training services, equipment and supplies; CalWORKs provides funds to support Welfare to Work clients served at the job center; the American Association of Retired Persons provides staff to support older adult employment efforts; Redwood Community Action Agency provides outreach to rural areas in Humboldt; the Department of Rehabilitation (not co-located), via referral, provides workforce services to individuals with disabilities; and the Northern California Indian Development Council (not co-located), via referral, provides workforce services to American Indians, Alaskan Natives and Native Hawaiians.

The types of career services offered to job seekers and the business services offered to employers as well as the service delivery roles of partners are described in the following charts. An acronym key is at the end of the charts.

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<tr>
<th>CAREER SERVICES</th>
<th>DESCRIPTION</th>
<th>PROVIDING OPERATOR OR PARTNER(S)</th>
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</table>
| Intake, Identification of Service Need and Referrals | • AJCC registration into CalJOBS and information and referrals to appropriate services based on indicated interest and service needs.  
• Client referral from partner agency sites as indicated from determining client interest, request or need.  
• NCIDC specifically via referral provides workforce services to American Indians, Alaskan Natives and Native Hawaiians | • AJCC intake: SBRC; EDD – W-PA; and/or YPO  
• Partner program intake and referrals offsite: AARP; CalWORKs; CR; DOR; GR; HCCCC; NCSBDC; RCAA; and/or YPO |
| Eligibility Determination       | • Collect data and verification documents to identify individuals who qualify for eligibility-based services – WIOA, TANF, General Relief, CalFresh, and/or Affordable Care Act programs. | • WIOA Programs: SBRC, NCIDC and/or YPO  
• Other Programs: DHHS/SSB; EDD – TAA and Veterans, and/or UI; NCIDC: and/or DOR |
| AJCC Orientation                                                                 | • An orientation that provides an introduction to AJCC services and basic information on how to conduct an effective job search.  
  • A required workshop for AJCC clients who want to use staff-supported services. | • Title I, II, III, IV and IV Core and Partners  
  • EDD – W-PA through mandated workshops – RESEA, PJSA, |
|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Initial Assessment of skills, aptitudes, abilities and support services needed. | • Provide WIOA clients with individual and/or group assessments.  
  o Conduct evaluation to determine training and supportive service needs one-on-one. | • DOR; SBRC; NCIDC YEOP; and/or YPO  
  • DOR; SBRC; NCIDC; YEOP; and/or YPO |
| Job Search and Placement Assistance                                           | • AJCC self-serve computer-aided job search and job postings in lobby.  
  • Staff-assisted job search; information regarding labor market and high-demand jobs; resume, cover letter and interview assistance; work-readiness workshops; career counseling; assistance with job placement. | • SBRC; and/or EDD – W-PA  
  • CR; SBRC; EDD – W-PA, TAA; Veterans; NCIDC; DOR; CalWORKs; AARP; RCAA, and/or YPO’s |
| Provision of Referrals and Coordination of Activities                         | Referrals are made to partner or other supportive service agencies to ensure for optimal assistance and success of job seeker clients. | • All AJCC operators, partners and associated local services |

**JOB SEEKER**

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<tr>
<th>TRAINING SERVICES</th>
<th>DESCRIPTION</th>
<th>PROVIDING OPERATOR OR PARTNER(S)</th>
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| Provision of Training Program Funds and Performance Information                 | • Inform WIOA clients about amount and purpose of training funds available to them, and program and education provider performance data.  
  • Similar information provided by Partner agencies regarding their programs. | • SBRC; NCIDC; and/or YPO’s  
  • CalWORKs; DOR; NCIDC; AJCC; and/or EDD – TAA |
| Provision of Information Regarding Supportive Services                          | • Inform WIOA clients about supportive services and funds that                                                                                  | • SBRC; and/or YPO’s |

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| Services (SS) and Funds | can be provided to assist with their training success.  
  - Similar information provided by Partner agencies regarding their programs. | • CalWORKs; DOR; NCIDC; AARP; and/or EDD-TAA |
| --- | --- | --- |
| Provision of Information Regarding other SS and Partner Programs | • Inform WIOA clients about other program resources that they may qualify for to help them meet basic needs and assist in completing their training goals.  
  - Similar information provided by AJCC partner agencies to their clients.  
  - Make referrals to other agencies as appropriate. | • SBRC; NCIDC; and/or YPO’s  
  • CalWORKs; DOR; NCIDC; AARP; and/or EDD-TAA  
  • SBRC; CalWORKs; DOR; NCIDC; AARP; YPO’s; and/or EDD - TAA |
| Comprehensive Assessments and In-Depth Interviewing and Career Counseling to Help Clients Determine Suitable Employment Goals and Career Pathway | • Deliver/proctor assessments tool and counsel WIOA clients to help them select a high-demand job and career pathway; identify and work to alleviate any barriers to employment.  
  • Assist clients of other training programs with the same. | • SBRC; and/or YPO  
  • CalWORKs; DOR; NCIDC; and/or AARP |
| Development of an Individual Employment Plan and Establish a Training Account | • Assist WIOA clients, via individual counseling, to develop an employment plan that identifies a career goal, provides achievement objectives, and secures ancillary services to help meet their goal.  
  • Assist clients of other training programs with the same. | • SBRC; EDD – TAA; NCIDC; and/or YPO  
  • CalWORKs; DOR; NCIDC; and/or AJCC |
| Short-Term Pre-Vocational Services | • Offer Basic skills training in literacy and numeracy as needed.  
  • Provide skills to assist in English language acquisition.  
  • Offer financial literacy workshops.  
  • Assist in attaining High School Diploma, GED or another HSD equivalency preparation and testing.  
  • Provide information on Applying for UI Benefits. | • CR; and/or SBRC  
  • CR  
  • CR; SBRC; DOR; and/or RCAA  
  • CR; and/or SBRC |
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<tr>
<th><strong>EMPLOYER, BUSINESS AND INDUSTRY</strong></th>
<th><strong>BUSINESS SERVICES</strong></th>
<th><strong>DESCRIPTION</strong></th>
<th><strong>PROVIDING OPERATOR OR PARTNER(S)</strong></th>
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<td><strong>Labor Exchange Services</strong></td>
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<td>• Provide basic and in-depth labor market and employment information.</td>
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<td>• Job posting assistance into CalJOBS and AJCC website.</td>
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<td></td>
<td></td>
<td>• Recruitment assistance including job fairs, resume searches, job announcements across AJCC partners.</td>
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<td>• BizNet; EDD – Lomid, TAA, W-PA, and Veterans; SBRC; and/or WDB</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>• EDD – W-PA and Veterans; and/or SBRC</td>
<td></td>
</tr>
<tr>
<td><strong>Business Assistance with Employment Related Questions</strong></td>
<td><strong>EDD – W-PA and Veterans; and/or SBRC</strong>&lt;br&gt;<strong>SBRC; DOR; YPO and/or CR</strong></td>
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<tr>
<td>• Candidate screening via aptitude, skills and readiness testing, and interviews.</td>
<td>• EDD – W-PA and Veterans; and/or SBRC&lt;br&gt;<strong>SBRC; DOR; YPO and/or CR</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Provide basic and in-depth labor market information regarding wages, job classifications, employment rates and in-demand industry sectors.</td>
<td>• BizNet; EDD – LMID; SBRC; SPS; and/or WDB</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Provide answers and materials to employers regarding managing employees and regulations.</td>
<td>• BizNet; EDD; NCSBDC; and/or SPS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Provide answers and materials related to small business and self-employment.</td>
<td>• BizNet; NCSBDC; and/or SBRC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Information regarding wage subsidy programs.</td>
<td>• SBRC; CalWORKs; and/or YPO’s</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Information regarding employment related tax credits.</td>
<td>• SBRC; EDD – W-PA and Veterans; and/or CalWORKs&lt;br&gt;<strong>DOR</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Hiring and making accommodations for employees with disabilities.</td>
<td><strong>SBRC</strong>; SPS; and/or NCSBDC</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Business Assistance with HR Related Needs</strong></td>
<td><strong>SBRC, SPS; and/or NCSBDC</strong>&lt;br&gt;**SBRC, EDD – W-PA and Veterans; and/or SPS&lt;br&gt;<strong>SBRC, SPS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Employer workshops in hiring, interviewing and employee retention.</td>
<td>• SBRC, EDD – W-PA and Veterans; and/or SPS&lt;br&gt;<strong>SBRC, SPS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Assistance with job descriptions. Onsite recruitment and job fairs, Workshops in recruitment, hiring and retention.</td>
<td><strong>SBRC; NCIDC; NCSBDC; SPS; and/or WDB</strong>&lt;br&gt;<strong>EDD; EDD – W-PA; DHHS/SSB; NCIDC; and/or WDB staff</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Business Assistance with Layoff Aversion or Events</strong></td>
<td><strong>SBRC; NCIDC; NCSBDC; SPS; and/or WDB</strong>&lt;br&gt;<strong>EDD; EDD – W-PA; DHHS/SSB; NCIDC; and/or WDB staff</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Business analyses and assistance to avoid employee layoffs or closures.</td>
<td><strong>SBRC; NCIDC; NCSBDC; SPS; and/or WDB</strong>&lt;br&gt;<strong>EDD; EDD – W-PA; DHHS/SSB; NCIDC; and/or WDB staff</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Assistance with layoff and provision of information to dislocated workers.</td>
<td><strong>SBRC; NCIDC; NCSBDC; SPS; and/or WDB</strong>&lt;br&gt;<strong>EDD; EDD – W-PA; DHHS/SSB; NCIDC; and/or WDB staff</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Training Services for Business Owners and/or Incumbent Workers</strong></td>
<td><strong>CR and/or SBRC</strong>&lt;br&gt;<strong>CR and/or SBRC</strong>&lt;br&gt;<strong>DOR</strong>&lt;br&gt;<strong>CR and/or SBRC</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Customer Service Training.</td>
<td><strong>CR and/or SBRC</strong>&lt;br&gt;<strong>CR and/or SBRC</strong>&lt;br&gt;<strong>DOR</strong>&lt;br&gt;<strong>CR and/or SBRC</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Customized Training for a specific company or industry sector.</td>
<td><strong>CR and/or SBRC</strong>&lt;br&gt;<strong>CR and/or SBRC</strong>&lt;br&gt;<strong>DOR</strong>&lt;br&gt;<strong>CR and/or SBRC</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Disability Etiquette and Awareness Training</td>
<td><strong>CR and/or SBRC</strong>&lt;br&gt;<strong>CR and/or SBRC</strong>&lt;br&gt;<strong>DOR</strong>&lt;br&gt;<strong>CR and/or SBRC</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
• Management/Supervisory and/or HR training.
• Bookkeeping, financial reporting and business computing training.
• Business plan development and business loan procurement assistance.
• Monthly luncheon training/presentations and periodic seminars on labor and employment law, business regulations and compliance, Human Resource (HR) and other business-related topics.

• CR and/or NCSBDC
• NCSBDC
• EDD – W-PA (via NEAC)

**Acronym Key**
- AJCC - America’s Job Center of California®
- AARP - Foundation
- BizNet - North Coast Small Business Development Center’s AJCC business help line
- CalWORKs - California’s Temporary Assistance to Needy Families Program
- CR - College of the Redwoods, a CA Community College
- DHHS/SSB - Department of Health and Human Services, Social Service Branch
- DOR - California Department of Rehabilitation
- EDD - California State Employment Development Department
- GR - DHHS General Relief Program
- HCCCC - Humboldt County Community Correctional Center, a multi-agency center for adjudicated clients
- LMID - Labor Market Information Division
- NEAC - North Coast Employer Advisory Council
- NCIDC – Northern California Indian Development Council
- NCSBDC - North Coast Small Business Development Center
- Veterans - EDD’s Job’s for Veterans State Grant (JVSG)
- RCAA - Redwood Community Action Agency
- SPS - Sequoia Personnel Services
- SBRC - Smart Business Resource Center
- TAA - Trade Adjustment Assistance Act
- TJM - The Job Market, local name for Humboldt’s AJCC
- UI - Unemployment Insurance Benefits
- Veterans - EDD’s Job’s for Veterans State Grant (JVSG)
- W-PA - Wagner-Peyser Act
- WDB - Workforce Development Board
- WIOA - Workforce Innovation and Opportunity Act
- YEOP - Youth Employment Opportunity Program
- YPO - Youth Program Operator (WIOA Youth Program)
A description and assessment of the type and availability of youth workforce investment activities in the Local Area, as outlined in WSD17-07- WIOA Youth Program Requirements. This includes any strategies the Local Board has on how to increase the digital literacy and fluency of youth participants, including youth with disabilities.

The Humboldt County Workforce Development Board contracts out youth funds to five regions in Humboldt County to provide services to youth throughout the county, including those in outlying areas that have limited resources and supports. A strength of this approach is that each contractor is embedded in the community it serves and programs are designed to respond to the needs of resident youth. Contractors provide the 14 WIOA youth program elements, either directly or through referral to partner services, including digital literacy. All youth contractors also provide supportive services as needed to assist youth with education and employment. The five regions served are Eastern Humboldt, Northern Humboldt, Eureka, Eel River Valley, and Southern Humboldt.

Dream Quest operates in Willow Creek, a remote mountain area in Eastern Humboldt and functions as a youth community center providing multiple services and activities, including a teen center with leadership opportunities, a permaculture garden, a youth-led farmers market, a thrift store for work readiness, and a partnership with the US Forest Service that provides opportunities for summer work experience. Dream Quest’s Youth program has worked with Access Humboldt to provide training in video editing. The program plans to invest in recording equipment to provide ongoing training in music/video editing classes.

McKinleyville Family Resource Center serves families in the Northern region of Humboldt and offers the WIOA Step Up Program. Young people are assisted with tutoring and study skills training; paid and unpaid work experience; occupational skills training; one on one resume assistance; financial literacy training; leadership development; supportive services; and referral to local resources.

Smart Business Resource Center (SBRC) serves the Eel River Valley and Eureka. Many Eel River Valley businesses are committed to providing work opportunities and mentoring for youth, creating a strong alignment between industry and education/youth programs. SBRC helps young people with paid internships and work experience, job search assistance, supportive services, and On-the-Job training opportunities. Young people are also assisted with high school or GED completion, post-secondary education and training, leadership development, career counseling, and financial literacy.

The Mattole Restoration Council serves Southern Humboldt and is located at the very rural south end of the county. This region is the most challenging to serve and services focus on assisting youth with education and job readiness. Mattole Restoration Council provides natural systems restoration work experience, education and outreach programs, projects designed to foster stewardship through education and job training for local youth. With close ties to nearly 15 local businesses and organizations, a broad variety of work experience placements and
employment options are available—including solar installation, web design, retail sales, butcher training, and radio production.

The Supplemental Youth Employment and Training Program (SYEP) is a component of the WIOA service provided by the NCIDC. This program is designed to provide meaningful work experience for American Indian youth between the ages of 16 and 21. Job sites in local Native organizations are developed to prepare participants for future work environments. A combination of educational and vocational skill development is used to benefit clients. There are three major strategies for linking work and learning: 1) Job links which combines learning with work experience or occupational training; 2) Functional Context Education, which integrates workplace materials and problems into the basic skills curriculum; and 3) Worksite Training, which teaches basic skills through the actual work performed on the job.

In addition to the WIOA youth programs, the Employment Development Department’s Youth Employment Opportunity Program is located at the Job Market. This program services drop-in youth clients with job search assistance and partners with youth service providers in the five regions outlined above to make referrals when additional vocational or educational assistance is needed. Transition Age Youth is another partner to the workforce system and provides a supportive program for youth to thrive at home, school, work, and in their community. Transition Age Youth have full access to the Job Market system for employment and education supports. The Redwood Community Action Agency, through their Youth Service Bureau, offers youth temporary residential housing, long-term transitional housing, and employment and training opportunities.

All youth programs are well-positioned to serve youth with disabilities. Through initial assessments, youth program operators determine appropriate accommodations and/or referrals and collaborate with partners as needed to support the client. Facilities are compliant with the Americans with Disability Act and meetings can be arranged at other locations to accommodate any special needs (cafes, libraries, private homes, etc.). Youth with disabilities are offered the same activities as others, with the necessary accommodations. Youth program operators are aware of additional community resources and work with those agencies to make effective referrals. The Department of Rehabilitation is an active partner and linked to all youth programs.

The entity responsible for the disbursal of grant funds as determined by the Chief Elected Official or the Governor, and the competitive process that will be used to award the sub-grants and contracts for WIOA Title I activities.

A description of how the Local Board fulfills the duties of the AJCC Operator and/or the Career Services Provider as outlined in WSD19-13 - Selection of AJCC Operators and Career Services Providers. This should include the name(s) and role(s) of any entities that the Local Board contracts with.
Workforce Innovation and Opportunity Act Title I funds are received at the Humboldt County Administrative Office and managed by the Humboldt County Economic Development Department. The Economic Development Coordinator is the Executive Director of the Humboldt County Workforce Development Board and Economic Development staff serves as staff to the Workforce Development Board. Grant administration and monitoring are handled by the department. The Humboldt County Board of Supervisors is the Chief Local Elected official.

Economic Development staff follow federal and state procurement guidelines and go out for bids on Workforce Innovation and Opportunity Act subgrants, contracts, and for one-stop operator(s). The process includes releasing a request for proposals; public notice and meeting; scoring; announcing the award; and developing terms and contracts.

As a result of the last Request for Proposal for the one-stop operator, a three-agency consortium was selected which consisted of Redwood Community Action Agency (RCAA), College of the Redwoods, and Smart Business Resource Center. RCAA recently withdrew from the consortium. A new RFP for One Stop Operator will be issued in 2021. The current Adult and Dislocated Worker Service Provider is Smart Business Resource Center.

Procurement for Youth services in five regions within Humboldt was completed in 2017. There was one award for each area:

- Northern Humboldt: McKinleyville Family Resource Center
- Eastern Humboldt: Dream Quest
- Eureka: Smart Business Resource Center
- Eel River Valley: Smart Business Resource Center
- Southern Humboldt: Mattole Restoration Council
The development of comprehensive Local and Regional Plans entails building broad and inclusive partnerships with regional and local entities in a variety of sectors. This includes engaging with employers, labor organizations, and community-based organizations, as well as WIOA core, required, and strategic program partners. This will ensure the inclusion of person-centered approaches to addressing multifaceted barriers to employment by utilizing input from the communities themselves.

Stakeholders participating in the planning processes should include, but are not limited to, employers, labor organizations, education partners, human services and housing partners, as well as community-based organizations that provide services to target populations such as: justice-involved, English language learners, refugees, immigrants, youth, older adults, veterans, people with disabilities, and any other entities supporting historically unserved or underserved communities.

Using the template below, Regional Planning Units and Local Workforce Development Boards should provide a detailed description of how meaningful stakeholder involvement and community engagement was achieved when developing the Regional and Local Plans. This summary should be included as an attachment to both the Regional and Local Plans.

<table>
<thead>
<tr>
<th>Mode of Outreach</th>
<th>Target of Outreach</th>
<th>Summary of Attendance</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email distribution lists; Public notice</td>
<td>All partners and interested parties</td>
<td>See minutes. 11/6/2020 AJCC Partner meeting.</td>
<td></td>
</tr>
<tr>
<td>Email distribution lists; Public notice</td>
<td>WDB members; partners; interested parties</td>
<td>See minutes. 11/13/2020 full WDB meeting.</td>
<td>Comment that small businesses have been very impacted by the pandemic and system needs to assist them.</td>
</tr>
<tr>
<td>Email distribution lists; Public notice</td>
<td>WDB members; partners; interested parties</td>
<td>See minutes. 2/26/2021 full WDB meeting.</td>
<td></td>
</tr>
<tr>
<td>Email distribution lists; Public notice</td>
<td>GOHumCo website; 3/26-4/26/2021</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Appendix A

**Stakeholder and Community Engagement Summary**

The development of comprehensive Local and Regional Plans entails building broad and inclusive partnerships with regional and local entities in a variety of sectors. This includes engaging with employers, labor organizations, and community-based organizations, as well as WIOA core, required, and strategic program partners. This will ensure the inclusion of person-centered approaches to addressing multifaceted barriers to employment by utilizing input from the communities themselves.

Stakeholders participating in the planning processes should include, but are not limited to, employers, labor organizations, education partners, human services and housing partners, as well as community-based organizations that provide services to target populations such as: justice-involved, English language learners, refugees, immigrants, youth, older adults, veterans, people with disabilities, and any other entities supporting historically unserved or underserved communities.

Using the template below, Regional Planning Units and Local Workforce Development Boards should provide a detailed description of how meaningful stakeholder involvement and community engagement was achieved when developing the Regional and Local Plans. This summary should be included as an attachment to both the Regional and Local Plans.
<table>
<thead>
<tr>
<th>Comment(s)</th>
<th>Response(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Page 5: Change “Coast” to “California”</td>
<td>Thank you. Please see page 5.</td>
</tr>
<tr>
<td>Page 14: Include “NCIDC (not co-located), via referral provides workforce services to American Indians, Alaskan Natives and Native Hawaiians”</td>
<td>Thank you. Please see page 14.</td>
</tr>
<tr>
<td>Page 14: Include NCIDC on the matrix of “Providing Operator or Partners”: Career Services 1. Eligibility Determination- WIOA programs...both bullet points 2. Initial Assessment...both bullet points 3. Job search and Placement Assistance... second bullet point</td>
<td>Thank you. Please see page 14.</td>
</tr>
<tr>
<td>Page 15: Include NCIDC on the matrix of “Providing Operator or Partners” Training services 1. Provision of training...both bullet points 2. Provision of Information regarding.... second bullet point</td>
<td>Thank you. Please see page 15.</td>
</tr>
<tr>
<td>Page 16: Include NCIDC on the matrix of “Providing Operator or Partners” Training Services 1. Provision of Information regarding other SS... all bullet points 2. Comprehensive Assessments...second bullet point 3. Development of an individual... both bullet points</td>
<td>Thank you. Please see page 16.</td>
</tr>
<tr>
<td>Page 16: Include NCIDC on the matrix of “Providing Operator or Partners” Training Services 1. Internships and work experience...both bullet points 2. On-the-job...first bullet point 3. Follow-up Services...first bullet point</td>
<td>Thank you. Please see page 16.</td>
</tr>
<tr>
<td>Page 18: Include NCIDC on the matrix of Business Services on “Providing Operator or Partners” Training Services 1. Business Assistance...both bullet points</td>
<td>Thank you. Please see page 18.</td>
</tr>
<tr>
<td>Page 19: Acronym Key</td>
<td>Include Northern California Indian Development Council (NCIDC) to the list</td>
</tr>
<tr>
<td>---------------------</td>
<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Page 21: Include NCIDC’s Supplemental Youth Employment and Training Program (SYEP)</td>
<td>Paragraph to be included: “The Supplemental Youth Employment and Training Program (SYEP) is component of the WIOA service provided by NCIDC. This program is designed to provide a meaningful work experience for American Indian youth between the ages of 16 and 21. Job sites in local Native organizations are developed to prepare participants for future work environments. A combination of educational and vocational skill development is used to benefit clients. There are three major strategies for linking work and learning: Job links which combines learning with work experience or occupational training; Functional Context Education, which integrates workplace materials and problems into the basic skills curriculum; and Worksite Training, which teaches basic skills through the actual work performed on the job.</td>
</tr>
</tbody>
</table>
Appendix C

Program Administration and Plan Signatures

This local four-year plan represents the Humboldt County Workforce Development Board’s efforts to maximize and coordinate resources available under Title I of the Workforce Innovation and Opportunity Act.

This local four year-plan is submitted for the period of July 1, 2021 through June 30, 2025 in accordance with the provisions of the Workforce Innovation and Opportunity Act.

Humboldt County Workforce Development Board Chair

Dena McCullough
Name
4/28/21
Date

Chief Elected Official

Michelle Bushnell
Name
4/28/21
Date
North Coast Regional Planning Unit, 2021 – 2024
Humboldt County Workforce Development Board

Scott Adair
Economic Development Division Director
707-476-4800
sadair@co.humboldt.ca.us
ANALYTICAL OVERVIEW OF THE REGION

- Provide an analysis of current employment and unemployment data.
- Provide an analysis of the current educational and skill levels of the workforce, the current needs of employers in the region, and any relevant skill gaps between the two.

Demographic Profile
Humboldt County has approximately 135,500 residents, with 3,203 employer establishments in 2018.¹ According to EDD, the labor force in December 2020 was 60,700, a 2.9% decrease compared to a year ago.² Relatively low population density, low traffic congestion and quick commute times contribute to a high-quality rural lifestyle. Eureka, the county seat and population hub, houses approximately 27,000 residents. Arcata, the second most populated city in the county, is home to more than 18,000 residents as well as Humboldt State University, one of the largest employers in the county. It is followed by Fortuna, the third largest incorporated city with nearly 12,000 residents. Rio Dell is home to approximately 3,400, and Ferndale has nearly 1,400. Trinidad, the smallest incorporated city, has about 300 permanent residents and Blue Lake has 900. The population of unincorporated Humboldt County is approximately 72,000. McKinleyville is the largest unincorporated community with just over 17,000 residents; Garberville has a population of approximately 900. Willow Creek, in eastern Humboldt County, has about 1,500 residents and Scotia, at the southern end of the Eel River Valley, has approximately 550 inhabitants.³ (It is also worth noting that different governmental and analytic documents sometimes refer to the Humboldt region as the Redwood or North Coast.). Most of Humboldt’s population is clustered along the 101 Corridor, as shown in the map below.⁴

American Indian Demographic Profile
For context while viewing the following data, it is important to note that underrepresentation in demographic data has been problematic for years in American Indian and Alaska Native communities. Limitations in the U.S. Census data methodology, as well as in the race and ethnic categorization, provides a limited demographic view of the total tribal membership in Humboldt County. Some of the methodological limitations include the fact that Census tribal data is geographically based, only capturing those tribal members residing on tribally owned lands and thus is not a comprehensive count of the members of any tribe in Humboldt County. A pertinent example is the Yurok Tribe of the Yurok Reservation, straddling Del Norte and Humboldt Counties. The tribe has an enrollment of approximately 5,600 individuals, making it one of the numerically largest tribes in the state. However, the 2019 Census estimates only captures the 836 members residing directly on the Yurok Reservation, as the remaining Yurok tribal members live in surrounding communities, as well as across the state and nation. It is

¹ QuickFacts, https://www.census.gov/quickfacts/humboldtcountycalifornia
³ Source for population figures: US Census Bureau
⁴ Humboldt County Economic and Demographic Profile 2018, Center for Economic Development, CSU Chico. https://tinyurl.com/y263om65. Support provided by Rural County Representatives of California.
important to remember that these off-reservation enrolled members typically retain significant social, cultural, and economic connections to tribal lands, activities, and economic resources.

Another issue influencing the Census data occurs when respondents are asked to self-identify their race on Census surveys. Tribal members may choose to self-identify their race in diverse ways, which can result in a reduced number of respondents being categorized strictly as American Indian and Alaska Native. In 2019, a total of 7,073 Humboldt County residents self-identified as American Indian and Alaska Native, making up 5.2 percent of the county’s total population. However, in the category of people of two or more races, an additional 5,385 respondents self-identified as White / American Indian and Alaska Native. The two categories combined represent 12,458 Humboldt County residents, which equals 9.2 percent of the county’s total population. As there is no inherent link between self-identification with either of these categories and tribal affiliation, respondents in either category may be enrolled tribal members of a tribe located within the county, affiliated with tribal groups outside the area, or not formally affiliated with any tribe but still retaining important connections to local tribal community. However, at this time the Census data provides the best available data for measuring tribal demographics. Using this limited data set, it is possible to assess some general trends which may affect other tribal members not captured by the surveys.

<table>
<thead>
<tr>
<th>2019 Labor Force and Employment Status</th>
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<tbody>
<tr>
<td>Category</td>
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<tr>
<td>Population 16 years and over</td>
</tr>
<tr>
<td>In labor force</td>
</tr>
<tr>
<td>Civilian labor force</td>
</tr>
<tr>
<td>Employed</td>
</tr>
<tr>
<td>Unemployed</td>
</tr>
<tr>
<td>Armed Forces</td>
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<tr>
<td>Not in labor force</td>
</tr>
<tr>
<td>Civilian labor force</td>
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<tr>
<td>2019 Unemployment Rate</td>
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Employment by Industry
<table>
<thead>
<tr>
<th>Category</th>
<th>Resighini</th>
<th>Table Bluff</th>
<th>Trinidad</th>
<th>Yukon</th>
<th>Big Lagoon</th>
<th>Blue Lake</th>
<th>Hoopa</th>
<th>Rohnerville</th>
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<tbody>
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<td>Management, business, science, and arts occupations</td>
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<td>14</td>
<td>14</td>
<td>80</td>
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<td>43</td>
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<td>Service occupations</td>
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<td>Natural resources, construction, and maintenance occupations</td>
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<td>1</td>
<td>6</td>
<td>33</td>
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<td>11</td>
<td>127</td>
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<td>Production, transportation, and material moving occupations</td>
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<td>3</td>
<td>9</td>
<td>21</td>
<td>0</td>
<td>1</td>
<td>79</td>
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<tr>
<td>Civilian employed population 16 years and over</td>
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<td>261</td>
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<td>Agriculture, forestry, fishing and hunting, and mining</td>
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<td>0</td>
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<td>0</td>
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<td>Wholesale trade</td>
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<td>Retail trade</td>
<td>0</td>
<td>2</td>
<td>5</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>157</td>
<td>0</td>
</tr>
<tr>
<td>Transportation and warehousing, and utilities</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>11</td>
<td>0</td>
<td>1</td>
<td>25</td>
<td>0</td>
</tr>
<tr>
<td>Information</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Finance and insurance, and real estate and rental and leasing</td>
<td>0</td>
<td>3</td>
<td>4</td>
<td>14</td>
<td>0</td>
<td>0</td>
<td>66</td>
<td>0</td>
</tr>
<tr>
<td>Professional, scientific, and management, and administrative and waste management services</td>
<td>3</td>
<td>4</td>
<td>0</td>
<td>15</td>
<td>0</td>
<td>0</td>
<td>72</td>
<td>0</td>
</tr>
<tr>
<td>Educational services, and health care and social assistance</td>
<td>1</td>
<td>1</td>
<td>19</td>
<td>61</td>
<td>0</td>
<td>3</td>
<td>252</td>
<td>0</td>
</tr>
<tr>
<td>Arts, entertainment, and recreation, and accommodation and food services</td>
<td>0</td>
<td>9</td>
<td>18</td>
<td>54</td>
<td>0</td>
<td>11</td>
<td>132</td>
<td>3</td>
</tr>
<tr>
<td>Other services, except public administration</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>11</td>
<td>0</td>
<td>16</td>
<td>12</td>
<td>2</td>
</tr>
<tr>
<td>Public administration</td>
<td>2</td>
<td>15</td>
<td>6</td>
<td>46</td>
<td>0</td>
<td>1</td>
<td>162</td>
<td>0</td>
</tr>
<tr>
<td>Civilian employed population 16 years and over</td>
<td>9</td>
<td>37</td>
<td>59</td>
<td>261</td>
<td>0</td>
<td>5</td>
<td>1054</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>16</td>
<td>41</td>
<td>108</td>
<td>0</td>
<td>43</td>
<td>485</td>
<td>5</td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>----</td>
<td>----</td>
<td>----</td>
<td>-----</td>
<td>----</td>
<td>----</td>
<td>-----</td>
<td>----</td>
</tr>
<tr>
<td>Private wage and salary workers</td>
<td>6</td>
<td>16</td>
<td>17</td>
<td>121</td>
<td>0</td>
<td>25</td>
<td>470</td>
<td>0</td>
</tr>
<tr>
<td>Self-employed in own not incorporated</td>
<td>2</td>
<td>5</td>
<td>1</td>
<td>32</td>
<td>0</td>
<td>17</td>
<td>66</td>
<td>3</td>
</tr>
<tr>
<td>Government workers</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>33</td>
<td>0</td>
</tr>
<tr>
<td>Unpaid family workers</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>33</td>
<td>0</td>
</tr>
</tbody>
</table>

The most current available data shows the median household income is $48,041, with 19.1% of residents in poverty. Total personal income statistics are compiled by the US Department of Commerce’s Bureau of Economic Analysis, using data from individual and corporate tax returns. Growing personal income generally indicates a growing economy, as long as the growth is greater than the annual average inflation rate. The primary components of personal income in Humboldt County are work earnings, dividends, interest, rent, and medical benefits.

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A significantly larger portion of Humboldt County’s personal income derived from retirement and disability benefits when compared to the statewide average. The following table shows the per capita personal income in Humboldt County for the last three available years. The impact of the 2020 pandemic is yet to be seen.

<table>
<thead>
<tr>
<th></th>
<th>Dollars 2017</th>
<th>Dollars 2018</th>
<th>Dollars 2019</th>
<th>Rank in State</th>
<th>Percent change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Humboldt</td>
<td>$45,815</td>
<td>$47,400</td>
<td>$49,654</td>
<td>33rd</td>
<td>+3.5</td>
</tr>
</tbody>
</table>

The unemployment rate in December 2020 was 7.5%, compared to 3.1% a year ago in December 2019. Unemployment hit a year high of 13.8% in April 2020, demonstrating the economic impact of the COVID-19 pandemic as well as some mild job recovery in the following months, as shown by the recently lower rate.

Humboldt County 2020 Unemployment Rate

Data Source: EDD, Historical Civilian Labor Force, Humboldt County

Commute Patterns

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6 Humboldt County Economic and Demographic Profile 2018, Center for Economic Development, CSU Chico. https://tinyurl.com/y263om65. Support provided by Rural County Representatives of California.
Housing and transportation infrastructure play an important role in workforce dynamics. Affordable rental housing and opportunities for homeownership offer long-term social and financial benefits, making housing an important economic influencer. The county’s median home price of $370,000 is rising but is still significantly less than the statewide median price of $717,930 (Dec 2020 figures). Rental costs in the region are also rising but remain much lower than in more urban areas of California, especially along coastal communities near the major cities. Municipalities and organizations continue to identify and address barriers to construction, incentivizing the building of new market rate, low-cost and HUD supported affordable housing.

Humboldt’s variable topography can make for geographic isolation and resulting transportation challenges for some workers, though the region’s rural nature also bolsters the job market by offering highly productive agricultural land with a long growing season and many micro-climates, and facilitating the production of commodities like grass-fed beef, wine grapes, flowers and many other niche products.

The vast majority – 97.4% - of Humboldt workers work in their county of residence. 92.3% of workers in the county commute to work. The 2019 American Community Survey found that 39.3% of workers over the age of 16 who commute traveled 20 minutes or more to work. Only 3.8% traveled 60 minutes or more, with an overall mean commute of 19 minutes.

Educational and Skill Level of the Workforce
Humboldt County residents have reached higher levels of educational attainment than surrounding counties: 90.8% of the population above 25 has a high school degree or higher (compared to 82% for the state), while 30.4% have a bachelor’s degree or higher (compared to 35% statewide). The table below is for those ages 25 and older.

Education Level Percentages of Individuals 25 and older, Humboldt County

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Percent</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than HS degree</td>
<td>9.1%</td>
<td>8,531</td>
</tr>
<tr>
<td>HS graduate</td>
<td>20.7%</td>
<td>19,235</td>
</tr>
<tr>
<td>Some college, no degree</td>
<td>28%</td>
<td>26,048</td>
</tr>
<tr>
<td>AA degree</td>
<td>11.8%</td>
<td>10,992</td>
</tr>
<tr>
<td>BA degree or higher</td>
<td>30.4%</td>
<td>28,292</td>
</tr>
</tbody>
</table>

SOURCE: 2019 American Community Survey

In 2020, there were an estimated 4,532 individuals over the age of 5 who do not speak English “very well.” Of those individuals, 59.6% (2,701 individuals) speak Spanish and 23.5% (1,065 individuals) speak Asian and Pacific Island languages. The overwhelming majority of the

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population in Humboldt, 89%, speaks only English. Although the Census data does not provide a further breakdown of Asian sub populations, on-the-ground intelligence from workforce system partners finds that the Hmong population often seeks services. As such, providers have acted accordingly to provide information and services in that language.

<table>
<thead>
<tr>
<th>Race and Hispanic Origin</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population</td>
<td>135,490</td>
</tr>
<tr>
<td>Hispanic or Latino of any race</td>
<td>11.1%</td>
</tr>
<tr>
<td>Hispanic Exclusive Race:</td>
<td></td>
</tr>
<tr>
<td>White Alone</td>
<td>74.9%</td>
</tr>
<tr>
<td>Black or African American Alone</td>
<td>1.0%</td>
</tr>
<tr>
<td>American Indian or Alaskan Native Alone</td>
<td>4.6%</td>
</tr>
<tr>
<td>Asian Alone</td>
<td>2.9%</td>
</tr>
<tr>
<td>Native Hawaiian/Other PI Alone</td>
<td>0.3%</td>
</tr>
<tr>
<td>Some other Race Alone</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

SOURCE: Census 2020 California Hard-to-County Fact Sheet, Humboldt County

High School Equivalency preparation is offered by the following adult schools in the RPU: College of the Redwoods, Eureka Adult School, Fortuna Adult Education, Southern Humboldt Adult Education, and Northern Humboldt Adult School. The vast geographical spread of the region presents a challenge to the provision of adult basic education - while most schools offer online and independent study programs, students must be able to provide their own transportation to the school site for registration and testing services.

**Knowledge and Skills Gap Analysis**

An examination of JobsEQ data provides some insight to the skills gap within the Humboldt labor force. A skill gap is defined as the difference between the supply and demand for a skill. In the following table, positive gaps are surpluses of a skill and negative gaps represent a shortage of a skill. Skill supply (candidates) is collected from resume data; demand (openings) is collected from job postings. Humboldt employers experience some difficulty finding individuals with skills and experience in the following areas: medication administration, typing/word processing, teaching, home health care, report writing, payroll, and inventory control. On the other hand, job seekers appear to have an over-abundance of the following types of skills: cash handling, Point of Sale systems, sales, food service, merchandising, serving, and barista. Microsoft Word/Microsoft Office and Spanish/bilingual appear on opposite sides of the skills gap, perhaps indicating a mismatch between the way those skills are described in job postings and in resumes. The below graph reflects data from Quarter 3 of 2020.

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11 Source: CA Dept of Ed School Directory
The 2018 Humboldt County Workforce Development Survey Report details the results of employer surveys and interviews completed in 2017 and 2018, including those working in targeted industries. At the time, employers were struggling with the challenges of a low unemployment labor market, clearly a different situation than employers find themselves facing in early 2021. Nonetheless, the data gathered from employers helps to illustrate some of the existing skills gaps within Humboldt’s workforce.

Employers reported major difficulty with filling positions that require an advanced degree (51% of respondents), with the reverse being true for positions requiring a high school degree or less. Many employers reported that they were using their own resources to develop or provide training in industry specific skills, customer service, supervision, software and computer knowledge, and business communication. Employers expressed a desire for education providers to offer more job readiness and professional certification courses.

Employers were also asked to rank personal traits and success criteria that they sought but that were lacking in job candidates. 71% of survey respondents ranked “Dependability and Reliability” as needed but lacking; 57% identified “Initiative and Motivation,” 50% identified “Interpersonal Ability” and 45% “Ability to Perform in a Team.” Employers reported that they

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are not able to train employees to be dependable or to be motivated, although they can possibly promote those traits through the use of incentives.

The following graph from the report illustrates specific skills that employers were seeking but appeared to be lacking in their job candidates (based on 42 responses):

![Graph showing skills sought by employers](image)

Source: Humboldt County 2018 Workforce Development Survey Report

**Labor Market Analysis and Forecast**

- Provide an analysis of industries and occupations with an emerging demand. (Sec. A)
- Identify the in-demand industry sectors or occupations for the region. (Section B)

The COVID-19 pandemic has deeply affected the workforce and job availability: From March 2020 through the week of February 6, 2021, 48,6775 initial claims for unemployment insurance and 13,467 claims for Pandemic Unemployment Assistance (PUA) have been filed – representing a very substantial portion of Humboldt’s labor force. Opportunity Insights Economic Tracker, a tool that uses big data to provide real-time statistics related to the impact of COVID-19, found that small business revenue in Humboldt County dropped by 49.6% when comparing January to December 2020. Furthermore, for the same time period, 46.5% fewer
small businesses were open.\textsuperscript{13} An examination of the Small Business Administration’s data of Paycheck Protection Plan loans made to Humboldt zip codes finds 1,714 businesses received loans under $150,000 and 267 received loans above $150,000.\textsuperscript{14} Furthermore, 1,459 disaster loans had been made to local businesses through partner agencies as of June 23, 2020.

Humboldt businesses continue to struggle with the uncertainty and challenges of the pandemic, including constantly changing state requirements. Given the uncertainty of the long-term economic impacts of the COVID-19 pandemic, the following overview of Humboldt County’s regional economic conditions (including existing and emerging sectors and occupations, labor market forecasts, and employment needs of employers in the region) may change as the long-term impacts of the COVID-19 pandemic become clear. The following section provides some historical context for Humboldt County’s important sectors, projections, and current data on employment and business numbers.

**Employment Forecasts for the Humboldt County Region**

In 2018, the region was home to 3,203 employer establishments and 11,275 non-employer establishments, indicating that small entrepreneurs play a large part in the economy. The *Targets of Opportunity Report 2004-2014* provides an analysis based on the 5 counties of Humboldt, Del Norte, Siskiyou, Trinity, and Mendocino. The report identified the top eight fast-growing, high wage-paying industries for the Redwood Coast region for that time period based on: (1) job growth; (2) wage growth; (3) firm growth; and (4) career potential:

- Tourism
- Diversified Health Care
- Specialty Food, Flowers, and Beverage
- Building and Systems Construction
- Investment Support Services
- Forest Products
- Niche Manufacturing
- Management and Innovation Services

A key component of the Humboldt RPI 4.0 application is a request for resources to update the Targets of Opportunity report. The following is a brief recap of the results of the 2014 report, followed by more current data on the top industries.

In 2014, the Targets of Opportunity industry clusters accounted for 66.9 percent of the region’s total employment and 72.3 percent of the region’s total wages.\textsuperscript{15} A key element of the regional economy was identified as new firm creation - many of the region’s largest private sector employers began as non-employer firms (self-employed firms with no employees). The county

\textsuperscript{13} http://tracktherecovery.org
\textsuperscript{14} https://home.treasury.gov/policy-issues/cares-act/assistance-for-small-businesses/sba-paycheck-protection-program-loan-level-data
\textsuperscript{15} https://humboldtgov.org/DocumentCenter/View/62405/Targets-of-Opportunity-Final-Report
continued to experience substantial and continued growth of non-employer firms, with a net increase of 1,884 new non-employer firms from 2004-2014, representing a growth rate of 20 percent.

In an analysis of the Redwood Coast region, four of the eight targets of opportunity increased the number of jobs available in their industries, and all of them outperformed the region’s total job decline of 0.4 percent, based on the compound annual growth rate from 2004 to 2014. Diversified Health Care, Management and Innovation Services, Niche Manufacturing, and Specialty Food, Flowers, and Beverage experienced growth rates ranging from 0.1 to 1.6 percent over the 2004-2014 period.

When adjusted for inflation using the Employment Cost Index, six of the eight clusters experienced growth in real wages over the 2004-2014 study period. With the exception of Tourism, all the Target clusters paid an average annual wage higher than the regional average in 2014. Not only did these clusters increase in average annual wages, but the wages expanded faster than the regional economy. Specifically:

- The cluster with the strongest wage growth was Specialty Food, Flowers, and Beverage, which reported an average annual wage increase of 19.3 percent.
- The next largest increase was in Diversified Health Care, which increased average annual wages by 13.6 percent.
- The industry with the highest rate of job growth was Management and Innovation Services, which is projected to grow from 770 jobs to 1,240, expanding by a remarkable 61%.
- The ongoing shrinkage of the historically dominant Forest Products industry means job growth in that field will continue to slow.

An update of the 2004-2014 report for 2012-2022 (“Part II”) found the ongoing importance of some of Humboldt’s the targeted industries. The Tourism industry was projected to grow by the most jobs, with 1,900 new openings by 2022, the largest proportion being in the Food Preparation and Serving sector, especially for fast food worker, restaurant cook, and waiter jobs. The Diversified Healthcare industry was projected to grow 1,000 jobs by 2022, with the most growth in home health aide and personal care aide positions, as well as medical assistant and secretary positions. The Specialty Food, Flowers, and Beverage industry was projected to grow by 1,570 jobs by 2022, with the most growth in farmworker, retail, and agricultural managing jobs (e.g., farmers or ranchers). The Building and Systems Construction industry was projected to grow by 880 jobs, with the most growth in landscaping/groundskeeping worker and carpenter positions.

Other industries were also projecting growth, although in smaller numbers. The Investment Support Services industry was projected to grow by 210 jobs, with the most growth in counter and rental clerk, teller, and services sales agent positions. The Niche Manufacturing industry was projected to grow by 140 jobs, with the most growth in installation, maintenance and repair worker as well as heavy and tractor-trailer truck driver positions. Finally, the Management and
Innovation Services industry was projected to grow by 470 jobs, with the most openings in office clerk and installation, maintenance and repair worker positions.

### Top 8 Industries in Redwood Coast with Projected Growth by 2022

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>Jobs in 2012</th>
<th>Jobs in 2022</th>
<th>Job Growth</th>
<th>Job Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism</td>
<td>9,250</td>
<td>11,150</td>
<td>1,900</td>
<td>20.5%</td>
</tr>
<tr>
<td>Diversified Healthcare</td>
<td>12,200</td>
<td>13,200</td>
<td>1,000</td>
<td>8.2%</td>
</tr>
<tr>
<td>Specialty Food, Flowers, and Beverage</td>
<td>5,790</td>
<td>7,360</td>
<td>1,570</td>
<td>27.1%</td>
</tr>
<tr>
<td>Building and Systems Construction</td>
<td>3,980</td>
<td>4,860</td>
<td>880</td>
<td>22.1%</td>
</tr>
<tr>
<td>Investment Support Services</td>
<td>2,830</td>
<td>3,040</td>
<td>210</td>
<td>7.4%</td>
</tr>
<tr>
<td>Forest Products</td>
<td>2,050</td>
<td>2,000</td>
<td>-50</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Niche Manufacturing</td>
<td>1,080</td>
<td>1,220</td>
<td>140</td>
<td>13%</td>
</tr>
<tr>
<td>Management and Innovation Services</td>
<td>770</td>
<td>1,240</td>
<td>470</td>
<td>61%</td>
</tr>
</tbody>
</table>

SOURCE: tabulation based on Targets of Opportunity, Redwood Coast, 2004-14; Part II

EDD’s Labor Market Information Division made projections for the occupations with the fastest growth from 2016 to 2026 for the North Coast region (including Del Norte, Humboldt, Mendocino and Lake Counties). Similar to the Targets of Opportunity analysis, tourism and retail/food trade occupations are projected to remain prominent areas of growth. Government and Construction industry occupations, especially education, social and other health occupations, also represent significant sectors of growth. See the table below:

### Industry Employment Projections, 2016-26, North Coast Region

<table>
<thead>
<tr>
<th>Industry</th>
<th>2016 Job Estimates</th>
<th>2026 Job Projections</th>
<th>Projected Numeric Growth</th>
<th>Projected Percent Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational Services (Private), Health Care, and Social Assistance</td>
<td>19,870</td>
<td>24,150</td>
<td>4,280</td>
<td>21.5%</td>
</tr>
<tr>
<td>Leisure and Hospitality</td>
<td>12,180</td>
<td>13,800</td>
<td>1,620</td>
<td>13.3%</td>
</tr>
<tr>
<td>Local Government</td>
<td>22,390</td>
<td>23,550</td>
<td>1,160</td>
<td>5.2%</td>
</tr>
<tr>
<td>Trade, Transportation, and Utilities</td>
<td>19,620</td>
<td>20,680</td>
<td>1,060</td>
<td>5.4%</td>
</tr>
<tr>
<td>Self-Employment</td>
<td>7,330</td>
<td>8,080</td>
<td>750</td>
<td>10.2%</td>
</tr>
</tbody>
</table>
### Mean Annual Wage by Industry, North Coast Region (1st quarter 2020)

<table>
<thead>
<tr>
<th>Industry Title</th>
<th>May 2019 Employment Estimate</th>
<th>Mean Hourly Wage</th>
<th>Mean Annual Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Occupations</td>
<td>5,610</td>
<td>$42.48</td>
<td>$88,353</td>
</tr>
<tr>
<td>Business and Financial Operations</td>
<td>3,620</td>
<td>$29.53</td>
<td>$61,424</td>
</tr>
<tr>
<td>Life, Physical, and Social Science Occupations</td>
<td>1,570</td>
<td>$34.35</td>
<td>$71,440</td>
</tr>
<tr>
<td>Arts, Design, Entertainment, Sports, and Media</td>
<td>680</td>
<td>$25.70</td>
<td>$53,463</td>
</tr>
<tr>
<td>Healthcare Practitioners and Technical Occupations</td>
<td>5,540</td>
<td>$43.89</td>
<td>$91,297</td>
</tr>
<tr>
<td>Healthcare Support Occupations</td>
<td>7,230</td>
<td>$15.69</td>
<td>$32,622</td>
</tr>
<tr>
<td>Food Preparation and Serving Related Occupations</td>
<td>10,650</td>
<td>$14.32</td>
<td>$29,769</td>
</tr>
<tr>
<td>Sales and Related Occupations</td>
<td>11,910</td>
<td>$17.55</td>
<td>$36,498</td>
</tr>
<tr>
<td>Farming, Fishing, and Forestry Occupinations</td>
<td>2,390</td>
<td>$18.83</td>
<td>$39,166</td>
</tr>
<tr>
<td>Construction and Extraction Occupations</td>
<td>4,030</td>
<td>$27.20</td>
<td>$56,576</td>
</tr>
</tbody>
</table>

**Source:** Ten-year projections, Humboldt [https://www.labormarketinfo.edd.ca.gov/data/employment-projections.html](https://www.labormarketinfo.edd.ca.gov/data/employment-projections.html)
EDD calculated North Coast County RPU occupational data based on middle skill analysis, offering insight on openings in desirable middle skill occupations. Approximately 40% of these occupations fall under the Diversified Healthcare cluster, and 15% fall under the Building and Systems Construction cluster. See table below.

### Top 20 Middle Skill Occupations by Total Job Openings in the North Coast RPU (2016-2026)

<table>
<thead>
<tr>
<th>Occupational Title</th>
<th>Total Openings</th>
<th>Median Hourly Wage</th>
<th>Median Annual Wage</th>
<th>Industry Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heavy and Tractor-Trailer Truck Drivers</td>
<td>883</td>
<td>$25.24</td>
<td>$52,493</td>
<td>Building and Systems Construction</td>
</tr>
<tr>
<td>Bookkeeping, Accounting, and Auditing Clerks</td>
<td>868</td>
<td>$20.22</td>
<td>$42,055</td>
<td>Investment Support Services</td>
</tr>
<tr>
<td>Teacher Assistants</td>
<td>545</td>
<td></td>
<td>$30,189</td>
<td>Education</td>
</tr>
<tr>
<td>Automotive Service Technicians and Mechanics</td>
<td>384</td>
<td>$21.57</td>
<td>$44,869</td>
<td>Automotive Repair and Maintenance</td>
</tr>
<tr>
<td>Medical Assistants</td>
<td>366</td>
<td>$18.26</td>
<td>$37,995</td>
<td>Diversified Healthcare</td>
</tr>
<tr>
<td>Forest and Conservation Technicians</td>
<td>274</td>
<td>$18.90</td>
<td>$39,305</td>
<td>Forest Products</td>
</tr>
<tr>
<td>Nursing Assistants</td>
<td>252</td>
<td>$17.20</td>
<td>$35,775</td>
<td>Diversified Healthcare</td>
</tr>
<tr>
<td>Dental Assistants</td>
<td>233</td>
<td>$21.47</td>
<td>$44,641</td>
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**SOURCE:** North Coast RPU, https://www.labormarketinfo.edd.ca.gov/geography/regional-planning-units.html

Moving away from projections to an examination of Duns and Bradstreet data for a five-year lookback at actual employment numbers by industry, some interesting trends emerge, some of which can be at least partially explained by the COVID-19 pandemic, some of which have developed over a longer period of time. The greatest gains in employment numbers from 2016 to present have been in the sectors of healthcare, professional services, eating and drinking establishments, retail stores, and hotels and accommodations. On the flip side, the sectors with the greatest decreases in employment numbers for the same time period are administrative and support services, manufacturing, public administration and educational services, wholesale, and information-based industries. While the number of manufacturing businesses dropped slightly over the last five years from 249 to 235, a 5.6% decrease, the employment numbers dropped significantly more at -19.8%, and in a continuously downward trend. An analysis by the Center for Economic Development at CSU Chico also found a downward trend in the number of manufacturing jobs for the period of 2007-2016.16

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16 Humboldt County Economic and Demographic Profile 2018, Center for Economic Development, CSU Chico. [https://tinyurl.com/y263om65](https://tinyurl.com/y263om65). Support provided by Rural County Representatives of California.
Developing a more detailed picture of this trend, understanding the context within regional projections, and updating projections are among the topics that merit further study, and that the RPU intends to pursue with its RPI 4.0 resources.

The following tables of Duns and Bradstreet data for 2016-2021 include employment numbers and business numbers by industry.

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### Information-Based Industries

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Data Source: Duns & Bradstreet (www.dnb.com) and Bureau of Labor Statistics Quarterly Census of Employment and Wages (http://www.bls.gov/cew/data.htm)

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The following two graphs illustrate the sectors in Humboldt with the greatest employment gains and losses over 2016-2021.

**Industry Sectors in Humboldt County LWIA, CA, Employment Gain, 2016 - 2021**

![Graph showing employment gain over 2016-2021]
B. Fostering Demand-Driven Skills Attainment

*Describe how the RPU and regional partners will expand or develop, and then implement sector initiatives for those in-demand industry sectors or occupations.*

The Humboldt WDB and its partners have supported a number of sector initiatives in the region’s priority areas, particularly healthcare and construction. The RPU developed healthcare sector partnerships with Slingshot funds, including a Healthcare Exploration Summer Institute for high school students, which allowed students to job shadow within local hospitals and gain hands on and eye-opening experience.

Humboldt built on the success of this sector strategy with RPI 2.0 funds to develop a Dental and Oral Health Project, to help address the dental provider shortage in the region. These projects have been guided by local committees comprised of workers in the field; employers; education partners, and the Chamber of Commerce. RPI 2.0 funded a Regional Healthcare Liaison to lead the effort and to create an Oral Health Career Exploration Summer Institute, develop a Dental and Oral Health Training Model in 4 high schools and 1 charter school, promote Dental and Oral Health careers at high schools and community colleges, identify work-based learning and apprenticeship opportunities, and promote dual enrollment opportunities for high school students at College of the Redwoods Dental Health Program.
Unfortunately, the COVID-19 pandemic caused the postponement of the Oral Health Career Exploration Summer Institute portion of the initiative, which was converted to an online format offered in July 2020. Topics covered included soft skills, medical and dental career exploration, information on healthcare, social work, and COVID-19, HIPAA and Blood Borne Pathogen Certificate trainings, and guest speakers. Each youth participant received a stipend for completing the training.

The RPU also worked to develop the Humboldt Regional Trades sector initiative in the high schools in partnership with the Humboldt County Office of Education, College of Redwoods, industry partners and the Building Trades Council. The initiative hired a Regional Trades Program Liaison, created a marketing campaign for the Trades program, and further developed the Traveling Trades Academy. The Trades Academy and its Mobile lab worked to enhance student knowledge through high quality hands-on learning, industry field trips, access to industry professionals and opportunities to earn certifications.

Participants can earn a variety of certifications which make them more likely to find employment: MC3, OSHA 10, Traffic Control, First Aid and CPR, Confined Space, Blueprint Reading, Labor History, Hazardous Waste Initial and Fundamentals of Construction. Industry partners have been at the center of these efforts, providing participants with on-the-job experience as well as visiting classrooms. Employers have given feedback that they favorably view candidates who come out of CTE programs. The initiative has been instrumental in progress toward developing a regional building trades training program. Although the COVID-19 pandemic has added a layer of uncertainty to the timeline and specifics of the future of the RPU’s sector initiative, the Humboldt WDB remains committed to supporting the industries important to the region’s economy and will work with industry partners to chart future efforts.

C. ENABLING UPWARD MOBILITY FOR ALL CALIFORNIANS

Describe how the RPU will prioritize working with employers who provide quality jobs that provide economic security through family-sustaining wages and comprehensive benefits. This should include whether the RPU has, or plans to develop, a formal policy related to job quality.

Humboldt has prioritized working with employers who provide quality jobs primarily through its sector strategies. Through the vigorous use of data to bring to light the sectors with the most employment potential, Humboldt has been able to focus its resources on sectors and occupations that pay family-sustaining wages and have career growth potential. Humboldt’s workforce system, including staff, board members, and partner organizations, have been holding discussions regarding a jobs quality statement or policy. Conversations are ongoing at HC-WDB meetings. After updating the Targets of Opportunity, the Humboldt WDB will work
with stakeholders to determine if a jobs quality policy would help to advance the work of the
system.

Describe how the RPU and regional partners will work together to identify shared target
populations and develop targeted service strategies.

In addition to the core partners, the North Coast region is reliant on a robust and critical system
of community-based organizations (CBOs) to reach and work with groups that have some of the
most significant barriers to employment. CBOs participate in program development, outreach,
and specialized supportive services, in coordination with one-stop partner groups across the
region. By working with these community-embedded organizations and ensuring appropriate
referral and co-enrollment, the workforce system is better able to assist individuals with
accessing regional sector pathways and connecting them with needed supportive services and
resources to ensure that they will remain in relevant programs as they work their way through
career pathways. Recent efforts around a shared target population have been focused on justice
involved individuals, using the resources from the state’s Prison2Employment initiative.
Partners include College of the Redwoods Adult Education, College of the Redwoods
Workforce and Community Education, DHHS-Employment Training Division and the Westside
Community Improvement Association, which houses the Jefferson Center. Through these
partnerships, participants have received EPA Lead Abatement Certification; holistic counseling;
financial literacy training; and mindfulness training for staff and participants.

The most common partnerships with CBO’s focus on additional wrap-around supports for
vulnerable populations in order to enhance their accessibility to the workforce system and
ensure their inclusion in the workforce. CBO partners are an integral part of the pipeline to
direct clients into regional sector pathways, either by directly providing training for in-demand
occupations themselves, exposing youth clients to careers in demand sectors, or providing
wrap-around services to reduce barriers to employment. Please see Humboldt’s local plan for
further detail on the roles of partner organizations.

Describe how the RPU and regional partners will work with employers and training providers
to ensure that historically unserved and underserved communities have equal access to the
regional sector pathways, earn and learn opportunities, supportive services, and other
approaches identified by the RPU. This should include whether the RPU has, or plans to
develop, a formal policy related to equity.

The HC-WDB is actively promoting equity and equal access to workforce system services. As
detailed in the local plan, diversity and inclusion trainings as well as strategies for serving
specific communities has been an ongoing topic for professional development. HC-WDB has
been working with a consultant who has provided county-wide diversity trainings which have
generated positive feedback. The consultant is also working with the County’s Office
of Economic Development (within which the WDB is housed) staff to conduct team building.
Furthermore, the consultant is working on an effort to research best practices among Humboldt
employers in the area of workforce equity – results of this research will be shared out community-wide. The HC-WDB is in the process of developing an equity statement to capture the WDB’s commitment to ensuring equal opportunity for historically underserved communities.

One example of Humboldt’s commitment to underserved communities is its Opioid National Dislocated Worker Grant (NWDG), which won a gold category award in the category of “Economic Equity and Inclusion” of the International Economic Development Council (IEDC). According to the California Department of Public Health, there were 28 opioid overdose deaths in Humboldt County in 2017, which placed Humboldt as the county with the second-highest opioid overdose death rate in the state. The HC-WDB applied for a grant with the Employment Development Department in 2018, the National Health Emergency Phase Two: Disaster Recovery National Dislocated Worker Grant for Opioids (Humboldt Opioid NDWG). The grant provides two projects: Temporary Jobs, and Workforce Development Training and Temporary Jobs. All participants complete a 9-hour Ethics training. Upon completion, 10 participants gained employment in temporary jobs related to substance abuse treatment and prevention. An additional 25 participants enrolled in a Certified Alcohol Drug Counselor I (CADC-I) training program that runs 8-10 weeks for 30-40 hours each week and obtained temporary jobs. This project provides five worksites with subsidized staff. By connecting people in recovery and the unemployed with professions that target substance abuse, this project helps address the economic effects of the opioid crisis and improves the overall quality of lives.

D. Aligning, Coordinating, and Integrating Programs and Services

- Describe any regional service strategies, including use of cooperative service delivery agreements or MOU.
- Describe any regional administrative cost arrangements, including the pooling of funds for administrative costs for the region.

As Humboldt is a one-county RPU, service delivery strategies are described in the local plan. Regional administrative cost sharing arrangements are not applicable in this situation.
Appendix A

Stakeholder and Community Engagement Summary

The development of comprehensive Local and Regional Plans entails building broad and inclusive partnerships with regional and local entities in a variety of sectors. This includes engaging with employers, labor organizations, and community-based organizations, as well as WIOA core, required, and strategic program partners. This will ensure the inclusion of person-centered approaches to addressing multifaceted barriers to employment by utilizing input from the communities themselves.

Stakeholders participating in the planning processes should include, but are not limited to, employers, labor organizations, education partners, human services and housing partners, as well as community-based organizations that provide services to target populations such as justice-involved, English language learners, refugees, immigrants, youth, older adults, veterans, people with disabilities, and any other entities supporting historically unserved or underserved communities.

Using the template below, Regional Planning Units and Local Workforce Development Boards should provide a detailed description of how meaningful stakeholder involvement and community engagement was achieved when developing the Regional and Local Plans. This summary should be included as an attachment to both the Regional and Local Plans.

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<th>Target of Outreach</th>
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<td>See minutes. 11/6/2020 AJCC Partner meeting.</td>
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<tr>
<td>Email distribution lists; Public notice</td>
<td>WDB members; partners; interested parties</td>
<td>See minutes. 11/13/2020 full WDB meeting.</td>
<td>Comment that small businesses have been very impacted by the pandemic and system needs to assist them.</td>
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<tr>
<td>Email distribution lists; Public notice</td>
<td>WDB members; partners; interested parties</td>
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<td>Email distribution lists; Public notice</td>
<td>GOHumCo website; 3/26-4/26/2021</td>
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<td>Comment(s)</td>
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<td>Please include American Indian Demographic Data.</td>
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Appendix C

Program Administration and Plan Signatures

This regional four-year plan represents the North Coast Regional Planning Unit efforts to maximize and coordinate resources available under Title I of the Workforce Innovation and Opportunity Act.

This regional four-year plan is submitted for the period of July 1, 2021 through June 30, 2025 in accordance with the provisions of the Workforce Innovation and Opportunity Act.

Humboldt County Workforce Development Board Chair

Dena McCullough

Name

4/28/21

Date

Chief Elected Official

Michelle Bushnell

Name

1/28/21

Date
1. Name and Purpose
   a) Name: The Headwaters Fund (HWF)
   b) Purpose
      i) To use the values, principles and strategies of the County’s Comprehensive Economic Development Strategy, currently known as Prosperity! The North Coast Strategy to:
         a) Support the growth of base industry clusters and increase the number of sustainable jobs that pay near or above the median income;
         b) Enhance the quality of life through social and environmental projects that promote healthy communities and protect and enhance the natural environment.
      ii) To manage the HWF to:
         a) Attract and leverage additional capital and grants in the local economy;
         b) Keep the funds working in the community in perpetuity;
         c) Reflect community priorities and create maximum public benefit over the long-term;
         d) Make the decision process objective, non-political and easy for the public to participate in and understand;
         e) Manage the funds efficiently and cost effectively;
         f) Track and publicize the economic, social and environmental gains.
   c) The management objective is to maximize the amount of money working within the community providing desired benefits while preserving the Headwaters Fund principal.

2. Fund Structure and Activities
   a) Investments in the community will be made in three categories:
      i) Revolving Loan Fund
         a) Investments in businesses and non-profit organizations will be made through the Revolving Loan Fund administered by qualified financial institutions working under Board of Supervisor approved contracts.
         b) Potential financing investments include debt, near-equity, and equity financing to businesses and non-profit organizations.
         c) Financing will provide capital to a wide range of businesses to fill gaps in the market for available financing, while still maintaining good banking practices.
      ii) Community Investment Fund
         a) The Community Investment Fund is a grant and loan program intended for community endowments, revolving loan programs and infrastructure projects that will result in permanent, tangible benefits to the community. Eligible
endowments and revolving loan fund projects must demonstrate the ability to operate sustainable programs with the funds provided from the Community Investment Fund.

b) The Fund is administered by the Headwaters Fund Board, with the Board of Supervisors having final authority.

c) Government jurisdictions and non-profit organizations are eligible for funds.

d) Endowments and revolving loan fund projects must obtain a minimum of 50% of the funding required from other sources. Infrastructure projects must obtain a minimum of 75% of outside funding and demonstrate the value of the project to the growth of base industry clusters. Exceptions to match requirements are possible as detailed in the Community Investment Fund Manual.

iii) Grant Fund

a) The Grant Fund provides grants for community projects. Non-profit organizations and government jurisdictions are eligible to apply for funding.

b) The Grant Fund is administered by the Headwaters Fund Board, with the Board of Supervisors having final authority.

c) Government jurisdictions and non-profit organizations are eligible to apply for funds.

b) Headwaters Liquidity Fund

i) The Humboldt County Treasurer’s Investment Pool acts as bank for the funds that are not committed to financing investments or grants in the Revolving Loan Fund, Community Investment Fund, and Grant Fund. Funds in this “Headwaters Liquidity Fund” are invested by the Treasurer/Tax Collector for safety, liquidity, and yield.

c) Distinction between Headwaters Funds and County Funds

i) Timber Yield Tax Payments: As stipulated by the Board of Supervisors, a one-time lump sum of $4,013,243 will be deducted from the Headwaters Fund and deposited in a separate Treasurer/Tax Collector administered interest bearing trust account entitled “Headwaters Sale Timber Yield Tax Loss.” This lump sum is based on an estimate of the reduction of Timber Yield Tax Payments to the County General Fund resulting from the sale and preservation of the Headwaters Forest. The lump sum equates to an annual series of payments in the amount of $308,711 per year for a 13 year period. These funds are unrestricted and may be used for general purpose County expenditures at the discretion of the Board of Supervisors.

ii) County Economic Development Division Payments: As stipulated by the Board of Supervisors, a one-time lump sum of $1,800,000
will be deducted from the Headwaters Fund and deposited in a separate Treasurer/Tax Collector administered interest bearing trust account entitled “Headwaters Sale Economic Division Administrative Fund.” This lump sum is equivalent to an estimate of the annual administrative costs required by the County’s economic development program. The lump sum equates to an annual series of payments in the amount of $90,000 per year for a 20 year period. These funds are restricted to the County’s economic development program. The Board of Supervisors approves expenditures from this fund through standard County budgeting procedures.

iii) Other than the two preceding exceptions, Headwaters Funds are segregated from the General Fund and budget of the County. The funds are irrevocably committed to the Headwaters Fund and cannot be used for financing on-going government operations. The funds are considered "un-available" to the County for general purpose spending or working capital, even during times of fiscal emergencies.

d) Variances to guidelines for the Revolving Loan Fund, Community Investment Fund, and Grant Fund can be granted for specific projects under select circumstances where it can be shown that the variance will further the ultimate goals of the Fund. To qualify for a funding criteria variance, a project must provide extraordinary benefits in line with the appropriate ranking criteria. Funding variance applications must fit under the “Exceptional Project Criteria” in the Community Investment Fund manual and shall be approved by the Board of Supervisors by a four-fifths super-majority vote. However, variances cannot include any use of Headwaters Fund monies for general County purposes.

3. Control and Oversight

a) Within the scope of powers outlined in this document, the Board of Supervisors has final authority on use of Headwaters Funds. A Headwaters Fund Board, County Economic Development Division staff and the Treasurer/Tax Collector implement the program. Applications for funding from local businesses, community groups and governmental organizations are brought to the Headwaters Fund Board or qualified financial institutions.

b) The Board of Supervisors has the final authority and accountability for the use of the funds, within the scope of powers outlined in this document. They appoint members to the Headwaters Fund Board and oversee County staff support. They review and approve Headwaters Fund Board funding recommendations. The Board also provides oversight of the process focusing on the following issues:

i) Adherence to the Headwaters Fund Charter;
ii) Review and approval of policies and annual budgets;
iii) Public involvement and reporting;
iv) Objective implementation of the grant approval process;
v) Approval of Grant and Community Investment Fund projects recommended by Headwaters Fund Board and staff;
vi) Proper financial management of the Liquidity Fund, Revolving Loan Funds, Community Investment Funds, and Grant Funds;
vii) Periodic updates and revisions to the Charter.

c) **The Headwaters Fund Board (HFB)** consists of seven members of the community appointed by the Board of Supervisors. The role of the HFB is the following:
i) Reviews and recommends to the Board of Supervisors the Grant and Community Investment Fund projects for funding according to Headwaters Fund guidelines;
ii) Recommends to the Board of Supervisors the annual budgets for loans, investments, grants and administration;
iii) Recommends to the Board of Supervisors the Headwaters Fund policies and funding criteria;
iv) Reviews portfolio management strategy in accordance with Charter goals;
v) Recommends to the Board of Supervisors updates, revisions and variances to the Headwaters Fund Charter;
vi) Issues annual Community Benefits Report on the overall Headwaters Fund portfolio. The Community Benefits Report will summarize chosen projects of the Headwaters Fund and their benefits to the community. The report will include a financial summary of fund balances, expenditures, and revenues and a profile of significant community outreach, public participation and application processing activities.
vii) The HFB will be provided with staff support and an annual budget for technical or financial consulting to assist in application analysis and review.

d) **Treasurer/Tax Collector** manages the Headwaters Endowment Fund and the Headwaters Liquidity Fund. These funds contain the primary principal. Disbursements are made from the Endowment Fund to an investment fund of $7,000,000 which supplies interest earnings to the Liquidity Fund. The Liquidity Fund acts as the holding pot for unallocated funds and the source of transfer to the Revolving Loan Fund, Loan Loss Reserve Fund, Community Investment Fund and Grant Fund as funding applications are approved. The Treasurer/Tax Collector must abide by public investment and Headwaters Fund guidelines and periodically report financial activity.

d,e) **Auditor Controller**

e) **Headwaters Fund Staff** consists of the Director of Community Development Services and staff of the Economic Development Division. The role of the staff is the following:
i) Implementation of the Headwaters Fund program from development and administration of systems, to program evaluation
and reporting;
ii) Assists the public in preparing Grant and Community Investment Fund applications;
iii) Screens Grant and Community Investment Fund project applications;
iv) Monitors loan portfolio and financial institution performance;
v) Collects and compiles data on investment impacts and prepares annual draft of Community Benefits Report;
vi) Works jointly with Treasurer/Tax Collector on financial management and reporting;
vi) Screens Grant and Community Investment Fund project applications;
vi) Monitors loan portfolio and financial institution performance;
vii) Collects and compiles data on investment impacts and prepares annual draft of Community Benefits Report;
vi) Works jointly with Treasurer/Tax Collector on financial management and reporting;
vii) Maintains budgets, accounting and bookkeeping systems with the County Auditor and Controller;
viii) Provides public information, maintains program manuals and records, and provides legal support to HFB;
ix) Provides administrative support to HFB and Board of Supervisors.
x) Legal support is provided by the County Counsel assigned to Community Development Services. Staff will be ultimately responsible to the Board of Supervisors for meeting Headwaters Fund expectations.

Qualified Financial Institutions package, underwrite, and service financing made through the Headwaters Revolving Loan Fund. A financial institution applies to the Headwaters Fund staff and HFB to become a qualified financial institution; the Board of Supervisors approves financial institution contracts for access to Headwaters Revolving Loan Funds. Loan products, terms, audit provision and reporting are specified by contract. Contract terms must be consistent with the Board of Supervisors adopted Revolving Loan Fund Administration Manual.
i) Revolving Loan Fund applicants apply directly to these financial institutions for funding. The financial institutions evaluate and approve the financing according to their criteria, the Headwaters Fund criteria, and the specific covenants of their contracts with the County.

Local Businesses, Community Groups and Governments prepare loan and grant applications consistent with Headwaters Fund criteria and implement Headwaters Fund projects under contract with qualified financial institutions or the County.

4. Program Rules
a) The operations of the Headwaters Fund shall be governed by this Charter and the following Program Manuals:
i) Headwaters Fund Board Manual;
ii) Headwaters Revolving Loan Fund Manual;
iii) Headwaters Grant Fund Manual;
iv) Headwaters Community Investment Fund Manual;
v) Other manuals as needed.
b) The Board of Supervisors shall adopt the Charter by ordinance. The Program Manuals shall be adopted by resolution.

5. Revisions and Amendments
   a) Sections 1 and 2 of this document (Name & Purpose, Fund Structure and Activities), can only be changed by Humboldt County voter approval in a simple majority referendum.
   b) Changes in any other section of this document must be approved by the Board of Supervisors with a four-fifths vote. Under no circumstances, except those specifically outlined in section 2C of this document, will Headwaters Fund monies be accessible for general purpose County spending. The Charter shall be subject to a comprehensive review after the first full year of operation and once every three years thereafter.
   c) Major modifications of the Program Manuals must also be approved by the Board of Supervisors by a majority vote. Minor modifications of the Program Manuals involving technical updates, correction of errors and editorial content or format can be completed by staff and approved by the Headwaters Fund Board. The Program Manuals shall be subject to a comprehensive review after the first full year of operation and once every three years thereafter.
   d) The comprehensive reviews of the Charter and Program Manuals will include an evaluation of the Fund’s effectiveness and recommendations for revisions or amendments. The public and participants in Fund activities will be given an opportunity to provide comment and participate in the drafting of the review. The review will be prepared by staff and incorporated in the annual Community Benefits Report. The report will be reviewed and approved by the Headwaters Fund Board and forwarded, with recommendations, to the Board of Supervisors.
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1. **Introduction and Summary**
   a) As part of the Headwaters Fund, this Manual outlines the Headwaters Fund Board formation, duties, board structure, tenure, termination, behavior, and procedures. The Headwaters Fund Board is an advisory board recommending Headwaters Fund project funding, policies and budgets to the Board of Supervisors for approval. This Manual accompanies the Community Investment Fund, Grant Fund, and Revolving Loan Fund Manuals that outline policies and procedures of the various Headwaters Fund program areas.

2. **Definitions**
   a) “HFB” means the Headwaters Fund Board.
   b) “HWF” means the Headwaters Fund program.
   c) “BOS” means the County of Humboldt Board of Supervisors.
   d) “Member” means a member of the Headwaters Fund Board.
   e) “Staff” means staff of the County of Humboldt’s Economic Development Division administering the Headwaters Fund.
   f) “RLF” means the Revolving Loan Fund program of the Headwaters Fund.
   g) “CIF” means the Community Investment Fund program of the Headwaters Fund.
   h) “GF” means the Grant Fund program of the Headwaters Fund.

3. **Duties**
   a) The Headwaters Fund Board duties are the following:
      i) Recommend funding of Grant Fund and Community Investment Fund applications to Board of Supervisors for approval: HWF Staff will provide the initial screening for applications for project grant funding. HFB will pass a slate of recommended applications to BOS for review and approval. The Community Investment Fund and Grant Fund Manuals outline details on project selection criteria and processes.
      ii) Annual spending plan creation
         a) The spending plan will be made annually in between January and March. This plan will make use the previous calendar year’s revenues to plan for future spending activities during the next fiscal year.
         b) Recommend annual budgets to Board of Supervisors for approval: Utilizing HWFB the spending plan, HWF Staff support and recommendations, HWF Staff will recommend annual budgets for CIF, GF, RLF, and HWF administration to the Board of Supervisors for approval.
      iii) Recommend Headwaters Fund policy and procedures to Board of Supervisors for approval:
         a) Utilizing HWF Staff support and recommendations, the HFB will recommend to the Board of Supervisors policies and procedures for the management of the Headwaters Fund including the Board Manual, Charter, and CIF, RLF, and GF Policy Manuals.
         b) Utilizing HWF Staff support and recommendations, HFB will recommend to the Board of Supervisors revisions and variances to policies and procedures for the management of the Headwaters Fund including the Board Manual, Charter, and CIF, RLF, and GF Policy Manuals.
      iv) Solicit community input: HFB will solicit and receive community input
v) Issue annual reports: HFB will present an Annual Report to the Board of Supervisors. The report will summarize projects of the Headwaters Fund and their benefits to the community. The report will include a summary of fund balances, expenditures, revenues, and information on funded projects.

vi) Stay informed and active in the Fund’s mission and activities: HFB Members have significant responsibility in HWF’s management and success. Thus, they should attend all meetings, read the materials provided, actively fulfill their duties with diligence and integrity, and remain informed of HWF operations.

b) County staff will provide the HFB with staff support; in addition, HWF funds will be available for technical or financial consulting to assist the Board in application analysis and review.

4. Board Structure
   a) HFB consists of 7 members of the community, recommended by the Board of Supervisors Headwaters Fund Subcommittee, and appointed by the Board of Supervisors.

5. Selection of HFB Members
   a) The selection process will consist of three stages: recruitment, Headwaters Fund Subcommittee screening, and Board of Supervisors approval. This process will be performed with the assistance of the Clerk of the Board of Supervisors in conformance with the Maddy Act (Gov. Code Section 5490 et. seq.).

b) During the recruitment stage, the staff will Headwaters Fund Subcommittee (i.e. County Treasurer/Tax Collector, the County Administrative Officer or their designee) and two Supervisors) will publish criteria and desired qualifications for HFB Members and solicit applications with guidance by the Headwaters Fund Subcommittee (i.e. County Treasurer/Tax Collector, the County Administrative Officer or their designee) and two Supervisors). In order to be considered for the HFB, all candidates must first submit a timely application and resume.

c) Once the deadline for submitting applications has expired, the Headwaters Fund Subcommittee will conduct interviews and evaluations of candidates. County staff will provide the Subcommittee with recommended interview questions and evaluation criteria based on best practices. The Committee subcommittee will also identify any potential conflicts of interest the candidate may have. Top candidates will meet with the Committee subcommittee, hear an overview of the organization, receive relevant organizational materials describing the organization's products or services, and ask/answer questions about their fitness for HFB service. Using selection criteria, including the criteria in Section 6, below, the Headwaters Fund Screening Subcommittee will recommend (with reasons) to the Board of Supervisors a pool of up to 14 candidates for appointment. All applications for appointment will be submitted to the full Board of Supervisors for consideration. The Board of Supervisors may conduct interviews with candidates in a process open to the public. The Board of Supervisors will deliberate on and appoint the Headwaters Fund Board, considering how to achieve the best balance of skills and competencies on this standing committee.

d) If a seat is vacated by an HFB Member or a HFB Member is removed by the Board of Supervisors, Headwaters Fund Staff will notify the Clerk of the Board...
of Supervisors within 20 days. The Clerk of the Board of Supervisors will publish notice of the unscheduled vacancy for at least 10 working days. After said noticing period, the vacancy shall be filled using the selection process as described above.

6. **Selection Criteria**
   a) Individuals selected for HFB should exhibit the following characteristics:
   i) **Integrity:** Members should strive for the highest level of non-partisanship, resist all efforts by groups or individuals to influence HFB decisions, and keep commitments outside of the HWF from influencing positions taken on HWF decisions. Members should support, without prejudice, investments in the community interest that meet the HWF priorities. Political, racial, religious, and other differences must never be criteria for declining funding, or providing funding. Members must preserve the independence of HWF decision-making from outside pressures of special interest groups, friends, business associates or others.
   ii) **Breadth of Interest:** Members are selected to bring diverse community experience and knowledge to HWF decision-making. Each Member’s background becomes an asset to HWF relations, investment decisions, and service. During HFB decision-making, each Member must scrupulously set aside past interests and commitments in order to serve the community as a whole. Only those individuals, no matter how selfless and committed, able to employ past experiences for the general community good should become Members.
      a) **Background:** Members should be selected from a reasonable cross-section of the community but should not be expected to represent the special interest of a group or sector.
      iii) **Team Considerations:** HFB should be considered as a team. Each Member will bring his/her own assets, and the group overall must have the necessary breadth and depth of expertise. Members should also be willing and able to work as team players at all times.
      iv) **Time Requirements:** Because of the importance of HWF to the County, Members selected to HFB must make HWF their highest service and community commitment. Board service requires substantial time, thought and energy. Thus, only individuals able to make the needed commitment will be chosen.

7. **Orientation**
   a) New Members will receive an orientation, a copy of the Charter, Board Manual, Community Investment Fund Manual, Grant Manual, and Revolving Loan Fund Manual, and sign all appropriate documents including but not limited to IRS Form 700.

8. **Board Tenure**
   a) HFB members will serve staggered terms to avoid 100% turnover of the HFB at the expiration of the term.
   b) HFB Members will serve an initial 2 year appointment followed by two possible 3-year renewal terms (re-appointments come as recommendations from the Headwaters Fund Board and are approved by a majority vote of the Board of Supervisors) for a total possible service time of 8 years. The HFB shall make recommendations for re-appointments to the Board of Supervisors who may then
accept or reject the re-appointment by a majority vote. In the event a recommendation for re-appointment is rejected by the Board of Supervisors, the seat shall be deemed vacated at the expiration of the term and the selection process as described in Section 5 shall commence.

9. Termination
   a) A Board Member may be terminated from HFB due to excess absences as defined by the Board of Supervisors, unexcused absences, behavior detrimental to HWF, or any other reason. The HWB shall first make a recommendation to review to the Board of Supervisors, who may then terminate membership on a majority vote.
   b) Excess absences shall be defined as missing more than 50% of the scheduled meetings in a calendar year or three consecutive meetings.
   a) A Board Member’s service can also be terminated after failing an annual performance review by the HFB and the Board of Supervisors.

10. Operating Procedures
   a) Meetings and notice
      i) Regular Meetings: HFB shall meet at least once per quarter or more as required to review applications and appeals, at an agreed upon time and place. Upon a vote of the HFB any regular meeting may be cancelled or moved to a date specified in said vote.
      ii) Special Meetings: HWF Staff shall, upon the written request of 2 members of the HFB, or by the authority of the chair, call a special meeting of the HFB for the purpose of transacting the business designated in the call.
      iii) The Agenda for the meeting will be posted as required by the Ralph M. Brown Act (the “Brown Act,” Gov. Code, § 54950 et seq.). HFB Staff or his or her authorized representative shall post an agenda for each regular HFB meeting or a notice for each special HFB meeting containing a brief description of each item of business to be transacted or discussed at the meeting, together with the time and location of the meeting. Agendas and notices shall be posted at 520 E Street, Eureka, California (a location readily accessible to the public) at least seventy-two (72) hours in advance of each regular meeting and at least twenty-four (24) hours in advance of each special meeting. HFB Staff shall maintain a record of such posting.
   b) Right of Public to Appear and Speak
      i) At every regular meeting, members of the public shall have an opportunity to address the HFB on matters within the HFB’s subject matter jurisdiction. Public input and comments on any item not on the agenda shall occur during the time set aside for general public comment. Public input and comments on matters on the agenda shall be made during the time set aside for public comment on that item.
      ii) The Chairperson or presiding officer may limit the total amount of time allocated for public discussion and/or the time allocated for each individual speaker.
   c) Non-Agenda Items
      i) Matters brought before the HFB at a regular meeting that were not placed on the agenda of the meeting shall not be acted upon by the HFB at that meeting unless action on such matters is permissible pursuant to the
Brown Act. Those non-agenda items brought before the HFB that the HFB determines will require HFB consideration and action and where the HFB action at that meeting is not so authorized shall either be placed on the agenda for the next regular meeting or referred to HWF staff as directed by the Chairperson or the presiding officer.

d) Manner of acting and decision-making
i) In discussions and decision-making, Board Members will act in an open-minded, respectful, and independent manner with integrity. The Board will strive for unanimity in decision-making; if unable to make a unanimous decision, the Board will rely on majority opinion in decision-making.

e) Quorum
i) Required Number to Constitute Act: At least 4 Members of the HFB shall constitute a quorum for the purpose of conducting HFB business, exercising HFB powers and for all other purposes, but a smaller number may adjourn from time to time until the quorum is obtained. Every official act of the HFB shall be adopted by a majority vote. A “majority vote” shall mean a majority of the quorum of the HFB.

f) Officers and duties
i) HFB Officers, as described in this section, will be selected annually by majority vote of HFB.
ii) Chairperson: The Chairperson will ensure the effective action of the board in governing and supporting the HWF. Among other tasks, the Chairperson will be responsible for meeting agendas, communications within the Board, and setting decision-making processes.
iii) Vice-Chairperson: The Vice-Chairperson will act as Chairperson in absence of the Chairperson and will assist the Chairperson on other duties or special projects. In case of the resignation, removal or death of the Chairperson, the Vice-Chairperson shall perform such duties as are imposed on the Chairperson until such time as a new Chairperson is selected.
iv) Secretary: HWF Staff will provide a Secretary to keep the records of the HFB, act as secretary at meetings of the HFB, record all votes and keep a record of the proceedings of the HFB in a journal of proceedings to be kept for such purpose.

g) Vacancies
i) Vacancies will be handled according to the process outlined in Section 5.

h) Resignation
i) Resignation from the board must be in writing and received by the Board of Supervisors.

i) Minutes and official recommendations
i) HWF Staff will record and distribute minutes of the meeting.
ii) All official recommendations to BOS shall be in writing and an approved copy of each recommendation filed in the official book of recommendations of the HFB.

j) Conduct During HFB Meetings
i) Parliamentary Procedure. Unless a different procedure is established by resolution of the HFB or set forth in this Manual, the rules of parliamentary procedure as set forth in Robert’s Rules of Order Revised shall govern all meetings of the HFB.
ii) The Chairperson, or in the Chairperson's absence, the Vice-Chairperson.
shall call the meeting of the Members to order and shall act as the chairperson of the meeting. In the eventuality both Chairperson and Vice-Chairperson are absent, the previous Chairperson may run the meeting on their behalf. The Chairperson, or the Chairperson's designee, shall establish rules of the meeting that will freely facilitate debate and decision-making. The Chairperson will indicate who may speak when and where a vote will be taken.

k) Brown Act Requirements
i) The provisions contained in this Section 10 are consistent with the provisions set forth in the Brown Act. In the event any provision contained herein is inconsistent with the Brown Act, as it currently exists or as it may be subsequently amended, the provisions contained in the Brown Act shall prevail.

11. Conflict of Interest Policy
a) This Policy covers economic conflicts of interest (as defined in California Government Code 8100 et. seq.; and Humboldt County Ordinance) and other conflicts of interest. Any HFB Member or HWF Staff who has an interest in a contract or other transaction presented to HFB or a committee thereof for authorization, approval, or ratification shall make a prompt and full disclosure of his/her interest to HFB or committee prior to its acting on such contract or transaction. Such disclosure shall include any relevant and material facts known to such person about the contract or transaction and the nature of the potential conflict. Said person will recuse himself/herself from decision-making, voting, and using personal influence in the discussions with respect to such contract or transaction. Such person may be counted in determining whether a quorum is present for the Board meeting but may not be counted when the Board or a committee of the Board takes action on the transaction. The minutes of the meeting shall reflect the disclosure made, the vote thereon, the abstention from voting and participation, and whether a quorum was present.
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1. **Introduction and Summary**
   a) This Manual governs the administration of the Headwaters Grant Fund.
   b) The Grant Fund is for non-profits and governments in Humboldt County to conduct projects to improve the economy of Humboldt. Funding for the Grant Fund is generally provided by interest earnings from the corpus of the Headwaters Fund and the net return from the Headwaters Revolving Loan Fund (if available). The Grant Fund can will generally make up to $300,000 in grants annually over one to three grant cycles based upon earnings and the annual spending plan.

2. **Definitions**
   a) “HWF” means the Headwaters Fund program.
   b) “HFB” means the Headwaters Fund Board.
   c) “BOS” means the Humboldt County Board of Supervisors.
   d) “GF” means the Headwaters Fund Grant Fund program.
   e) “Staff” means the County of Humboldt’s Economic Development Division staff administering the Headwaters Fund.
   f) “IT” means information technology systems.

3. **Mission and Goals**
   a) The Mission of the Headwaters Grant Fund is to improve the economy of Humboldt County.
   b) The initial, primary funding focus will be supporting projects benefiting base industries in Humboldt County, encouraging, though not exclusively, projects identified in industry cluster workplans or developed cooperatively within or between industry clusters. The Grant Fund will fund only projects in the above focus. However, exceptions may be considered for projects that provide extraordinary benefit to base industries, including those not explicitly named in the Prosperity! Humboldt County Comprehensive Economic Development Strategy.
   i) Base industries are defined as industries that bring dollars into Humboldt County through sales to customers outside of the County.
   ii) The Prosperity! Strategy is the County’s Comprehensive Economic Development Strategy.
   c) The Grant Fund will strive to increase inflows of external funding into the County by requiring outside funding sources to match GF funding where possible.

4. **Financial Management**
   a) Management of funds will be conducted by the County Treasurer-Tax Collector and County Auditor.
   b) Staff will monitor cash flows and prepare financial reports for HFB and BOS review. The formula below reflects the budget methodology to use to insure the principal is not spent in order to manage the fund in the most consistent manner possible. The calculation takes the fund balances, with the exception of the Community Investment Fund, and reduces it by the projected operation costs, loan losses and new grant allocations. If the result is greater than $13.4 million, then the proposed budget is within the manual guidance.

   \[ \text{Fund Balances}^* \text{ Less Proposed budget}^{**} \text{ must be greater than the principal limit ($13.4 mil)} \]

   *Endowment, Liquidity, Revolving Loan, Loan Reserve, Grant, Initiative Funds
   **Operations, Loan losses from prior year, grant making allocation

   \[ \text{*Commented [HR1]: Programmatic Changes} \]
   \[ \text{Commented [HR2]: Based on reduced granting capacity} \]
   \[ \text{Commented [HR3]: They are changing this.} \]
   \[ \text{Commented [HR4]: Do we want to define sources of funding from outside the county? Leveraging local dollars does not seem to be the legislative intent.} \]
   \[ \text{Commented [HR5]: Should be addressed in the charter first, but defining these roles and responsibilities is key.} \]
   \[ \text{Commented [HR6]: Do we want to revisit this calculation? Increase the principal limit} \]
c) The funds to administer and disburse under the Headwaters Grant Fund will be recommended by HFB and determined by the BOS. Any amount allocated to GF disbursements but not disbursed during a particular grant cycle will return to the Headwaters Liquidity Fund.

5. Award Amounts and Types
   a) Interest income from the “Liquidity Fund”, “Endowment Fund” and net return from the “Revolving Loan Fund” fund GF grants. The annual amount available for grants will vary depending on rates of return and reflected in the annual spending plan.
      i) Approximately $200,000 – 500,000 will may be available annually for grants.
      ii) There is no requirement to disburse the entire amount available during a particular grant cycle or year.
      iii) Any undisbursed funds for a particular grant cycle or year will be placed in a Grant Fund carry-over pool for future years of Grant Fund disbursements.

b) Mini-Grant Awards
   i) Up to $20,000 may will be allocated annually and reflected in the annual spending plan, to make awards at the discretion of the HFB and staff. For awards of $2,500 or less, HFB will determine an approval process that may include approval by staff in consultation with an assigned HFB Member. Awards over $2,500 will be approved by the full HFB. No formal application will be required, but staff will require a formal letter of interest and budget. BOS will receive a report on all individual allocations, but will not approve individual Mini-Grant Awards.
   ii) Awards will be made on an ongoing, as needed basis until allocated funds are exhausted.
   iii) The availability of Mini-Grant Awards and application processes will be marketed to the general public. The awards will be promoted through press releases, the Headwaters Fund website, staff, board members, and community partners. A brief description of the funds and how to apply will be available for distribution. Mini-Grant Awards will be granted for:
        a) Community economic development events;
        b) Projects furthering the County Economic Development strategy; and
        c) Local representation at regional, national or state events important to economic development strategy implementation, early project development, or regional economic and community development planning.

c) Competitive Awards
   i) Unsolicited proposals will be awarded through the Competitive Awards program. A formal application process is required (see Section 10: Applications Processing Detail – Competitive Awards). All awards will be approved by the HFB and approved by the BOS.
   ii) The maximum project size will be $100,000, although exceptions may be made for unique projects with exceptional impacts in the Funding Focus area.
   iii) Awards may be made up to three times a year.

5) Grant Initiative Fund
   i) In 2008, $638,405 was initially set aside as a pro-active grant initiative fund. The HFB will select a priority economic development area within
the Prosperity! Strategy and the HWF Charter goals and develop a strategy, an initiative steering committee (comprised of the HFB in whole or part), commit staff resources and launch and staff each identified initiative. The Board of Supervisors will approve each initiative before it starts and will approve all grant awards.

ii) The initiative fund will continue to be funded from two three sources: Revolving Loan Fund (RLF) interest, and unspent grant funds (interest) from the Liquidity Fund and Endowment Fund interest. Annual and all previously accrued interest from the RLF program will be the primary source of funding for the initiative grant program. Any un-granted monies from the Grant Fund are available for Grant Fund Initiative projects.

6. Organizational Eligibility for Funding
   a) Non-profit organizations, including, without limitation, 501c organizations as well as California registered unincorporated nonprofit associations, non-profit public benefit corporation and mutual benefit corporations. The Project Selection Criteria document (created by HFB) outlines specific eligibility criteria.
   b) Government jurisdictions located in Humboldt County are eligible for Grant Fund grants.
   c) The following are ineligible to apply for funding: political lobbying groups (including all 527 organizations), individuals, and businesses.

7. Costs Eligible for Funding and Funding Match
   a) Eligible costs: Projects must benefit Humboldt County. All costs are eligible, except the following:
      i) Debt or recovery of expenses already incurred;
      ii) Supplanting of government funds (costs formerly covered by government may be included only if the government funding is no longer available); and
      iii) Purchases of capital equipment or property that will be or become privately owned; however, small incentives, promotional items, and equipment purchases under $1,000 for businesses and individuals are eligible.
      iv) Lobbying activities including, without limitations, carrying on political propaganda or otherwise attempting to influence legislation; influencing the outcome of any specific public election; carrying on, directly or indirectly, any voter registration drive.
      v) Causing any private inurement or improper benefit to occur.
      vi) Terrorist activity.
   b) Matching Funds
      i) Competitive Awards require matching funds from non-HWF sources. Implementation grants will be for 50% or less of total project costs. Planning grants will be for 75% or less of total project costs.  
      ii) Mini-Grants awarded may require matching funds at the discretion of the HFB.
      iii) Documentation of other outside project funding is required and may take the form of:
a) A copy of grant award letter/contract from other funder(s) showing award amount, costs covered, budget, project description, and other information;
b) A copy of organization’s approved budget documenting dedicated project funds; or
c) If matching funds are not in-hand, and HWF support will be used to garner outside funding, then applicant must provide a detailed fundraising/grantwriting plan, including a listing of potential funding sources, progress to date for each source, competitive position for each source, timeline, and commitments made. A letter committing HWF funds, contingent upon receiving other funding, will be provided by the HFB. However funds will not be distributed prior to submission of proof of receipt of matching funds.

c) Grantees shall maintain records of all project costs that are claimed by the grantee as being covered by HWF and other funder(s). Such records are subject to audit (Section 21: Grant Closing Section).
d) If, following receipt of an award, a grantee determines that funding from other source(s) can no longer be used, HWF funding may be reduced, suspended or terminated; the grantee must contact HWF staff immediately. Any HWF-approved adjustments to cash match commitments are made based on the grantee’s rationale behind the requested adjustment and on a case-by-case basis.

8. Providing Information and Marketing to the Public

a) Marketing
   i) HWF staff will work to publicize availability of funds to the community along with selection criteria and fund performance. Marketing may include advertising, website, marketing collateral, application and material distribution, and potential applicant training.
   ii) Staff and HFB will recommend a marketing budget to BOS.

b) Information materials
   i) HWF Staff will make the following information readily available (in print and/or online formats) to the public: Grant Fund mission, contact information, funding priorities and limitations, number and average size of grants, percentage of unsolicited proposal funded, application information, grantmaking criteria, and decision-making process.
   ii) [Annual Community Benefits Annual Report] This public report will highlight Grant Fund operations, finances, and performance. The Report will also include a list of the previous year’s grantees and the award amount.

c) Requests for funding
   i) Competitive Award funding requests must take the form of the official GF application.
   ii) Letters and emails will be accepted for Discretionary Awards.

9. Applications Processing Overview – Competitive Awards

a) Applicants will submit an electronic application to the Headwaters Fund Coordinator Staff who will conduct an initial screening with support of the Program Coordinator. The Coordinator will deny applications that are outside stated funding priorities, conduct due diligence on the remaining applications (time permitting), and forward these remaining applications to HFB for review. HFB will review and assemble a slate of applications recommended for BOS approval. BOS will vote to approve the entire slate or deny individual projects within the slate.
10. **Applications Processing Detail – Competitive Awards**
   a) Applicants will submit a written application to the Headwaters Fund Coordinator.
   b) Applications deadlines will be set by HWF staff and/or the Headwaters Fund Board.
   c) Applicants must complete the application package. Incomplete applications will not be moved forwards. Submission of an incomplete application will not negatively impact future submissions.
   d) Initial screening: HWF staff will conduct an initial screening of an application and categorize it as "outside of stated funding priorities", "meriting further review", "incomplete", "ineligible expenses", or "organization ineligible".
      i) Applications categorized as "organization ineligible", "ineligible expenses", or "outside of stated funding priorities": These applications will be declined promptly in a letter.
      ii) Applications meriting review: These applications will be reviewed by HWF staff and passed along to HFB for evaluation.
      iii) Incomplete applications will not be accepted.
   e) Pre-grant review by staff
      i) Staff will review Competitive Award applications meriting further review. (Discretionary Awards will have much lighter reviews.) Staff will present HFB with applications that have a reasonable chance of approval according to Selection Criteria. The review may include the following:
         a) Assessment of managerial competence and fiscal accountability;
         b) Review of proposal and budget for internal consistency and compliance with HWF policies (e.g. cash match);
         c) Review of previous grants performance of applicant organization;
         d) Cross-grant comparison/analysis of proposal and organization;
         e) Evaluation of outside reviews of proposed project (if available).
      ii) Docket preparation for HFB review
         a) A docket will summarize key information about an application for HFB review.

11. **Selection of Grants – Competitive Awards**
   a) Selection criteria (see “Project Selection Criteria” document created by HFB).
   b) HFB selection process: Competitive Awards
      i) HWF staff will present dockets of applications that merit further review to HFB. Each HFB member will use the selection criteria to rank each application and list reasons for rankings;
      ii) The HFB will use the decision making process outlined in the Grant Fund Decision-Making document (to be created by HFB) also known as the Scoring Rubric: and
      iii) HFB will recommend a slate of grants to be funded for Board of Supervisor approval. HFB decisions on grants cannot be appealed by applicants.
   c) Board of Supervisor approval
      i) The BOS will use a majority vote to approve the entire slate presented by the HFB. BOS may not add projects to the slate being approved, but may recommend additional review of individual projects. Upon majority vote, Supervisors may pull one or more projects from the slate and approve the remaining slate of projects. Supervisors would refer pulled projects back to the HFB and Staff with questions and comments. Staff and HFB would respond to BOS comments on any pulled projects. After BOS receives this response, BOS...
would approve or deny individually pulled projects according to a majority vote.
BOS decisions on grants cannot be appealed by applicants.

12. **Applications Processing – Discretionary Mini Grant Awards**
a) Applicants will submit a written request to the Headwaters Fund Coordinator.
b) **Deadlines: Applications will be accepted year-round.**
c) **Request contents**
   i) Letters and emails which include the following information will be accepted:
      Overview of project, including purpose and expected outcomes; project budget and amount requested from HWF; project schedule; and organization’s/staff’s qualifications. A one-page hand-out describing Discretionary Awards and the request process will be available for applicants.
d) **Initial screening:** HWF staff will conduct an initial screening of an application and categorize it as “outside of stated funding priorities,” “meriting further review,” or “incomplete.” “outside of stated funding priorities,” “meriting further review,” “incomplete,” “ineligible expenses,” or “organization ineligible.”
   i) Applications categorized as “organization ineligible,” “ineligible expenses,” or “outside of stated funding priorities”: These applications will be declined promptly in a letter. Applications outside of stated funding priorities: These applications will be declined promptly in a letter.
   ii) Applications meriting review: These applications will be reviewed by HWF staff and passed along to HFB for evaluation.
   iii) Incomplete applications will not be accepted.
e) **Pre-grant due diligence review**
   i) Discretionary Mini Grant Awards will have little or no review by Staff. Staff will present HFB (or its representative as stated in the next section) with applications that have a reasonable chance of approval according to Selection Criteria to be developed by HFB.

13. **Selection of Grants – Discretionary Mini Grant Awards**
a) **Selection criteria (see Project Selection Criteria document to be created by HFB).**
b) **Selection process**
   i) HFB will recommend a process for selection and distribution of Discretionary Mini Grant Awards to be approved by BOS.

14. **Rejection of Grant Applications**
a) Staff will send a notification letter to applicants rejected by Staff or HFB. The letter will list general reasons for rejection when it will help the applicant in a future application to HWF.

15. **Appeal of Grant Applications Denied by Staff**
a) **Competitive Awards: Appeals**
   i) Applications deemed “outside of stated funding priorities,” “organization ineligible,” or “ineligible expenses” and rejected by the Headwaters Coordinator, without HFB review, may be appealed. The appeal will be for inclusion in the next grant review cycle by HFB. The appeals process is as follows:
      a) Within 30 days of the decline notice date, the applicant must submit a Request for Appeal and a check for $250 to cover appeal processing and Staff report costs.
b) Within 30 days of receiving the Request for Appeal, Staff will respond with reasons the application was rejected and information required, or other necessary conditions, for the application to be reviewed by HFB.

c) Within 30 days of receiving the Staff’s response, the applicant will submit an Appeal Summary to address all issues listed by Staff. The original application and the Appeal Summary will then be submitted to HFB at the next regularly scheduled grant review meeting.

ii) HFB decisions on grants cannot be appealed by applicants. Applicants will be advised of application deficiencies and advised to re-submit an improved application in the next round, if appropriate.

iii) BOS decisions on grants cannot be appealed by applicants.

b) Discretionary Mini Grant Awards: There is no right of appeal for Discretionary Mini Grant Awards.

16. Conflict of Interest Policies

a) This Policy covers economic conflicts of interest (as defined in California Government Code 8100 et. seq.; and Humboldt County Ordinance) and other conflicts of interest. Any HFB Member or HWF Staff who has an interest in a contract or other transaction presented to HFB or a committee thereof for authorization, approval, or ratification shall make a prompt and full disclosure of his/her interest to HFB or committee prior to its acting on such contract or transaction. Such disclosure shall include any relevant and material facts known to such person about the contract or transaction and the nature of the potential conflict. Said person will recuse himself/herself from decision-making, voting, and using personal influence in the discussions with respect to such contract or transaction. Such person may be counted in determining whether a quorum is present for the Board meeting but may not be counted when the Board or a committee of the Board takes action on the transaction. The minutes of the meeting shall reflect the disclosure made, the vote thereon, the abstention from voting and participation, and whether a quorum was present.

17. Grant Notification and Contract

a) A letter will be sent to grantees selected for funding to notify them of approval. Among other things, the letter will specify reporting requirements and funds disbursement terms.

b) A contract between the grantee and the County will need to be signed. An appropriate signatory on behalf of the grantee would be the Board Chair, President, authorized executive officer, or other comparable person. The contract will detail terms of the agreement, the purpose of the grant, the scope of work, amount of award, duration, payment schedule, and reporting requirements.

c) The contract must be executed within 6 months of the grant award. The grantee may request an execution extension in writing for extenuating circumstances. If the execution extension request is for more than a year from the award date, the extension requires HFB approval. Requests must be submitted to staff at least 30 days prior to the deadline.

18. Grant Payment

a) For each award, HWF staff will determine a payment schedule with advice from the HFB. The default approach is payment on a reimbursement basis. Payment in lump sum, or by installments must be approved by the HFB board. Payment options are outlined below.

i) Payment in lump sum upon signing of contract;

ii) Payment in installments (by schedule or milestone reached) and contingent on receipt of grantee reports; or
iv) Payment on a reimbursement basis, with full report and accounting by grantee.

b) 10% of grantee award will be held by HWF, pending receipt of appropriate final deliverable documents from the grantee.

19. Grant Reporting, Monitoring, and Evaluation

a) Monitoring refers to compliance with contract commitments and fund uses, while evaluation refers to measuring the extent to which the grantee met the objectives outlined in the grant application. The goal of grant monitoring is to ensure grantee work complies with HWF requirements.

b) Grantee reporting requirements – Competitive Awards

i) Grantee is required to submit quarterly monitoring reports that include:
   a) Documentation of activities contracted and completed with grant funds;
   b) Financial accounting of grant funds. Grant funds should be tracked separately. Receipts documenting purchases may be requested;
   c) Sub-contracts signed and/or completed;
   d) Narrative of accomplishments to date and schedule of activities and expected completion date;
   e) Progress on meeting match requirements, fundraising activity report; and
   f) Requests for revisions of timeline, budget, etc.

ii) Failure to supply regular reports may result in grant fund being frozen. Staff will notify grantee of late reports. Failure to rectify reporting within 90 days of staff notice may result in the claw back of grant awards.

c) Grantee reporting requirements – Discretionary Mini Grant Awards

i) Reporting requirements for Discretionary Mini Grant Awards will be lighter than for Competitive Awards. Specific requirements will be outlined in the Grant Contract, but typical requirements may include the following at the completion of the project:
   a) Documentation of activities contracted and completed with grant funds;
   b) Financial accounting of grant funds. Grant funds should be tracked separately from matching funds. Receipts documenting purchases may be requested;
   c) Narrative of accomplishments to date and schedule of activities and expected completion date;

   ii) Failure to supply reports as required by contract may result in the termination of the agreement

   d) Grant evaluation

   i) HFB may choose to evaluate individual or groups of projects.
   ii) Grantees may be required to include an evaluation and an evaluation budget in their project plans and budget.
   iii) HWF staff and HFB, or its authorized representatives, has the right to make site visits to review project accomplishments, grantee management control systems and administration and management of the grant. The HWF staff or its representatives will make at least one site visit during the grant period (for Competitive Awards). When any site visit is made by HWF staff on the premises of the grantee under a grant, the grantee shall provide and shall require its subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the HWF representatives.

Commented [HR39]: The current process does not include this option. We should include this in the award recommendation for future grants. Dianna: right place to state that this gets put back into liquidity. Ryan: this is a discussion for the treasurer tax collector Carl: Agrees. Would help for clarification

Commented [ET40R39]: Starts at 1:07

Carl wants language that gives them discretion to revisit spending plan and decide where unspent money should be allocated.

Chair Specify here, need to be actively reporting where this money is going and considering and the Boards decision making

RETREAT ITEM

Commented [HR41R39]: See 5 a ii, unawarded fund remain in the GF for future granting and any interest is transferred to the liquidity fund. Id further define the rules for revisiting the spending plan if needed.

The HWF board can make requests to amend the budget and spending plan at any time (for Mid year budget adjustments is best @ Oct) which needs to be approved by the BOS.

Commented [HR42]: Programmatic

Commented [HR43]: Typographic

Commented [HR44]: Procedural

Commented [HR45]: Programmatic
20. Grant Modifications
   a) All grant contract changes must be requested and approved in writing as outlined in this section.
   b) Staff may adjust changes in grant timelines, activities, and partners that are consistent with original project goals, target populations, and geographical focus. Changes in project goals, target population, and geographic focus must be approved by the HFB.
   c) Budget revisionsreallocations
      i) Staff may approve budget changes under $10,000.
      ii) Budget changes of $10,000 or more require HFB approval.
      iii) Budget adjustments include matching funds in the calculation of total adjustmenttotal project funds (i.e. Hheadwaters grantaward plus matching funds)
   d) Extensions: If additional time beyond the timeline provided by the grantee is required and exceptional circumstances warrant, a formal request must be submitted to HFW Staff. The request must be submitted at least 45 days prior to the expiration date of the grant. The request must explain the need for the extension and include an estimate of the unobligated funds remaining and a plan for their use. As indicated above, unobligated funds remaining at the expiration of the grant is not sufficient justification for an extension. The plan must adhere to the previously approved objectives of the project.
   e) Organization/personnel changes: If key project personnel do or plan to: (a) devote substantially less time to the project than anticipated in the approved proposal; (b) sever their connection with the grantee organization; or (c) otherwise relinquish active direction of the project, the grantee shall immediately notify HFW Staff of the situation. HFW Staff will take appropriate action including transferring the grant, amending the project, or terminating the grant.
   f) Additional funding due to increased expenditures: Generally, grantees are not eligible for additional funds above the agreed upon grant award.
   g) Refunds: Unused grant funds will be returned to the HFW with no negative consequences for future applications as long as all reasonable efforts were made to execute the project within the proposed budget in a timely manner.

21. Grant Closing
   a) The following grant closing requirements apply to Competitive Awards and may be relaxed for Discretionary Mini Grant Awards.
   b) Grant closing occurs after all grant payments and reporting requirements have been fulfilled. Closing will occur within 90 days after the final payment.
   c) Notification of reporting obligation fulfillment
      i) A Grant Closeout Letter notice will be sent to the Grantee at the end of the project. When the Grantee returns the letter, the Grant is considered closed.
      a) This notice will include the project title, grant # or designation, period the grant was for and summarize any approved adjustments to the award.
      b) The close out notice is not an indication of performance quality, only confirmation of adherence to binding agreement.
   d) Evaluation of grant (see Section: 19: Grant Reporting, Monitoring, and Evaluation)
   e) Grantee record keeping requirements
      i) Financial records, supporting documents, statistical records and other records pertinent to a grant will be retained by the grantee for at least 4 years from submission of the Final Project Report/Grant Closeout letter, with the following exceptions: Records related to audits, appeals, litigation or the settlement of claims arising out of the performance of the project will be retained until such audits, appeals, litigation or claims have been disposed of; and
ii) Grantee shall retain and HWF Staff shall have access to any pertinent books, documents, papers and records of the grantee organization (and of the performing organization, if different) to make audits, examinations, excerpts and transcripts for up to 4 years after grant termination date.

22. Suspension and Termination of Grants
   a) A grant may be suspended or terminated (i.e. before agreed upon end date) in whole or in part by HWF Staff when the grantee has failed to comply with the terms and conditions of the grant and/or contract. A grantee may appeal the HWF Staff decision to suspend or terminate a grant to HFB. The grantee must pay a $250 fee to cover administration costs for the appeal.

23. Grant and Applications File Tracking
   a) Pre-grant activity
      i) Individual applications: each application will receive a unique tracking number and have its basic information input into the IT system.
      ii) Aggregate applications: Staff will track data on applications for internal and external reporting purposes including number of applications received (by time period, geography or other needed categories), number of declined applications and rationale, and time elapsed between application acknowledgment and funding decision.
   b) Grant award tracking system: the Grant Award Tracking system will monitor the timing and requirements for grant payments and reports (e.g. generate/review list of upcoming payments).
   c) Grantee report monitoring: Staff will monitor due dates for upcoming grant reports and review grantee reports.
   d) Record-keeping
      i) Depending on the size and complexity of the grant, the grant file should contain: application package, final approved budget, docket, grant notification letter and contract, tax status determination letters, amendments/cancellations, grantee reports, closing letter, project evaluation, record of payments/returns, correspondences with grantee, site visit reports, audited financial statements of the grantee, and grantee acknowledgement of payment receipts.
      ii) Grant award files will be kept by HWF Staff for at least 7 years after completion of the grant.
      iii) Declined grant applications will be kept by HWF Staff for at least 2 years after the decline date.

24. Use of Consultants
   a) A consultant may be needed to provide assistance in the operations of GF. The annual budget for consultant expenses will be approved by the BOS.

25. Grant Fund Evaluation
   a) The Annual Community Benefits Report, issued to the public, will detail grants made and the overall performance of the GF. Staff will prepare the Report to be reviewed by HFB and the BOS.

26. Changes to Grant Program Policies and Procedures
   a) BOS reserves the right to make policy changes as needed.
   b) Staff will make procedural and typographical changes as needed.
27. Extraordinary Project Criteria

a) Although ineligible according to Headwaters CIF, Grant Fund, and Revolving Loan Fund criteria, an extraordinary project providing extraordinary economic benefit to Humboldt County may still be eligible for Headwaters Funding. This Extraordinary Project must pass the following levels of approval:

i) Staff and HFB recommendation; and

ii) BOS super-majority vote approval (i.e. approval by at least four out of the five Board of Supervisors).

b) Selection criteria:

i) The project must demonstrate a total economic benefit that significantly exceeds the economic benefit from using twice the amount of funds for the Revolving Loan Fund, CIF, or Grant Fund; whichever of the three Funds that would be appropriate and/or most impacted would be the standard against which to judge the Extraordinary Project. In other words, if the Extraordinary Project requests $1 million, its total economic benefit must exceed using $2 million for Revolving Loan Fund, CIF, or Grant Fund investments;

ii) The calculation of total economic benefit should include measures such as County-wide direct and indirect job creation/retention, wealth generation, workforce development, and business development; and

iii) No alternative sources of funding should be readily available.

c) Government jurisdictions and non-profit organizations are eligible to apply.

d) Businesses, individuals, and political lobbying groups are ineligible to apply for funding.

e) Under no circumstances can the Extraordinary Project include using Headwaters Fund money for general County government funding.
1. **Introduction and Summary**
   a) This Manual governs the administration of the Headwaters Fund Community Investment Fund.
   b) Section 1 of this Manual outlines the Grant Program of this Fund, while Section 2 outlines the Loan Program of this Fund. Non-profits and governments may apply for funding. $5 million has been allotted in total for the Grant and Loan Programs, and there is no annual minimum or maximum outlay. The Headwaters Fund Board will review relevant applications and recommend a slate of projects for Board of Supervisor approval.
   c) Section 3 of this Manual outlines the criteria for an “Extraordinary Project.” An Extraordinary Project would be an extraordinary, unique potential project that could draw funds from the entire Headwaters Fund.

2. **Definitions**
   a) “CIF” means the Community Investment Fund program.
   b) “HWF” means the Headwaters Fund program.
   c) “BOS” means the County of Humboldt Board of Supervisors.
   d) “HFB” means the Headwaters Fund Board.
   e) “Staff” means the staff of the County of Humboldt’s Economic Development Division administering the Headwaters Fund.
   f) “IT” means information technology systems.

3. **Mission and Goals**
   a) The mission of the CIF is to improve the economy of Humboldt County.
   b) Goals
      i) Implement the principles and strategies outlined in the County’s current Comprehensive Economic Development Strategy – currently called “Prosperity! The North Coast Strategy” – that will guide development of the community and economy of Humboldt County; and
      ii) Increase inflows of external funding into the County by requiring outside funding sources to match CIF funding where possible.
   c) In support of its mission and goals, the CIF strives to seed programs/projects that revolve financially and/or provide ongoing services in the community.

4. **Operating Budget**
   a) The total amount allocated for CIF grants and loans was expected to be $5 million; however, this amount can be revised by HFB and BOS according to community needs and assessments of the overall Headwaters Fund. If and when CIF has exhausted its $5 million in funds, the CIF will cease operations unless extended by the BOS. There will be no annual minimum or maximum outlay; CIF will seek to fund projects best fitting the CIF selection criteria, and may fund no projects during a particular year if attractive projects are unavailable.
   b) Staff and HFB will recommend a marketing and operating budget to BOS.
   c) Interest income on CIF loans will be placed in the Headwaters Liquidity Fund. Loan fees on CIF loans will cover loan administration costs.

5. **Use of Consultants**
   a) A consultant may be needed to review certain loan applications or otherwise assist in the operations of CIF. The budget for consultant expenses will be approved by the BOS.
6. CIF Evaluation  
   a) The Annual Community Benefits Report, issued to the public, will detail grants, loans, and the overall performance of the CIF. Staff will prepare the Report to be reviewed by HFB and the BOS.  
   b) CIF will undergo an audit annually.  

7. Revisions  
   a) BOS reserves the right to make policy changes as needed.  
   b) Staff will make procedural and typographical changes as needed.  

SECTION 1: GRANT PROGRAM  

8. Funding Priorities  
   a) CIF will make grants for three types of projects as follows (specific selection criteria is outlined in “CIF Project Selection Criteria” which will be developed by HFB):  
      i) Sustainable revolving loan funds  
         a) Grants for loan funds will be evaluated primarily on their potential to have a significant, positive economic, social and/or environmental impact while being sustainable as a loan fund.  
      ii) Sustainable endowments (requires a minimum 50% match)  
         a) Grants to provide endowment funding for non-profit organizations will be evaluated on the financial/strategic need for an endowment, the effectiveness of the organization, and the economic, social and/or environmental value of the potential fund to Humboldt County. Funding will be prioritized for organizations that benefit Industry Clusters.  
      iii) Infrastructure benefiting Industry Clusters (requires a minimum 75% match)  
         a) Grants to create or improve infrastructure benefiting the County will be evaluated on the benefits to Industry Clusters.  

9. Grant Maximums and Minimums  
   a) There is no annual minimum or maximum for total grantmaking. If no projects are deemed appropriate during a particular grant cycle, no grants will be made.  
   b) There is no minimum or maximum grant size per project.  

10. Organizational Eligibility for Funding  
    a) Non-profit organizations, including, without limitation, 501c organizations as well as California registered unincorporated nonprofit associations, non-profit public benefit corporation and mutual benefit corporations. Organization may be located outside of the County if the Extraordinary Project criteria in section 37 are met.  
    b) Government jurisdictions located in Humboldt county are eligible for CIF grants.  
    c) Political lobbying groups (including all 527 organizations), individuals, and businesses are ineligible to apply for any CIF funding.  

11. Costs Eligible for Funding and Funding Match  
    a) Eligible costs: Projects must benefit Humboldt County. All costs are eligible, except the following:  
       i) Debt or recovery of expenses already incurred;  
       ii) Supplanting of government funds (costs formerly covered by government may be included only if the government funding is no longer available); and
iii) Purchases of capital equipment or property that will be or become privately owned; however, small incentives, promotional items, and equipment purchases under $1,000 for businesses and individuals are eligible.

iv) Lobbying activities including, without limitations, carrying on political propaganda or otherwise attempting to influence legislation; influencing the outcome of any specific public election; carrying on, directly or indirectly, any voter registration drive.

v) Causing any private inurement or improper benefit to occur.

vi) Terrorist activity.

b) Matching Funds

i) For revolving loan funds, matching funds are encouraged, but not required.

ii) For endowments, a minimum of 50% of the project costs must be provided by sources other than the Headwaters grant.

iii) For infrastructure projects, a minimum of 75% of the project costs must be provided by sources other than the Headwaters grant.

iv) Required documentation of funding match:

   a) A copy of grant award letter/contract from other funder showing award amount, costs covered, budget, project description, and other information;

   b) A copy of organization’s approved budget documenting dedicated project funds;

   c) If matching funds are not in-hand and HWF support will be used to garner outside funding, then applicant must provide a detailed fundraising/grantwriting plan, including a listing of potential funding sources, progress to date for each source, competitive position for each source, timeline, and commitments made. A letter committing HWF funds, contingent upon receiving other funding, will be provided by HFB. However funds will not be distributed prior to submission of proof of receipt of matching funds.

c) Grantees shall maintain records of all project costs that are claimed by the grantee as being covered by HWF and other funders. Such records are subject to audit and should be kept at least four years (see Section 23: Grant Closing).

d) If, following receipt of an award, a grantee determines that funding from other source(s) can no longer be used, HWF funding may be reduced, suspended or terminated. The grantee must contact HWF Staff immediately. Any HWF-approved adjustments to cash match commitments are made based on the grantee’s rationale behind the requested adjustment and on a case-by-case basis.

12. Providing Information and Marketing to the Public

a) Marketing

i) HWF Staff will work to publicize availability of funds to the community along with selection criteria and fund performance. Marketing should include advertising, website, marketing collateral, application and materials distribution, and potential applicant training.

b) Information materials

i) HWF Staff will make the following information readily available (in print and/or online formats) to the public: CIF mission, contact information, funding priorities and limitations, number and average size of grants, percentage of proposals funded, application information, grantmaking criteria, and decision-making process.
ii) HWF Staff and HFB will produce the Community Benefits Annual Report: This public report will highlight CIF operations, finances, and performance. The Report will also include a list of the previous year’s grantees and award amounts.

13. **Conflict of Interest Policy**
   a) This Policy covers economic conflicts of interest (as defined in California Government Code 8100 et. seq.; and Humboldt County Ordinance) and other conflicts of interest. Any HFB Member or HWF Staff who has an interest in a contract or other transaction presented to HFB or a committee thereof for authorization, approval, or ratification shall make a prompt and full disclosure of his/her interest to HFB or committee prior to its acting on such contract or transaction. Such disclosure shall include any relevant and material facts known to such person about the contract or transaction and the nature of the potential conflict. Said person will recuse himself/herself from decision-making, voting, and using personal influence in the discussions with respect to such contract or transaction. Such person may be counted in determining whether a quorum is present for the Board meeting but may not be counted when the Board or a committee of the Board takes action on the transaction. The minutes of the meeting shall reflect the disclosure made, the vote thereon, the abstention from voting and participation, and whether a quorum was present.

14. **Applications Processing – Overview**
   a) Overview of application processing and selection: Applicants will submit a written application to the Headwaters Fund Coordinator who will conduct an initial screening. The Coordinator will deny applications that are outside stated funding priorities, conduct reviews on the remaining applications, and pass along these remaining applications to HFB for evaluation. HFB will review and assemble a slate of applications recommended for BOS approval. BOS will vote to approve the entire slate or deny individual projects within the slate.

15. **Applications Processing – Details**
   a) Applicants will submit a written application to the Headwaters Fund Coordinator.
   b) Applications deadlines will be semiannual according to the schedule recommended by HFB.
   c) Under exceptional circumstances, an interim application will be accepted by Staff if applicant provides evidence that waiting until the next grant cycle will result in an irretrievably lost opportunity. If sufficient evidence is presented, Staff will pass along such interim applications to HFB. HFB will review these applications if it determines that an irretrievably lost opportunity exists.
   d) Initial screening: HWF Staff will conduct an initial screening of an application and categorize it as “outside of stated funding priorities,” “meriting further review,” or “incomplete”.
      i) Applications outside of stated funding priorities: These applications will be declined promptly in a letter.
      ii) Applications meriting further review: HWF Staff will send an acknowledgment notification to the applicant stating that the application is under review and providing a general time frame for the process.
      iii) Incomplete applications will not be accepted. A letter from Staff will be sent returning the incomplete application and specifying the missing items.
   c) Pre-grant review by Staff
i) Staff will review applications meriting further review. Staff will present HFB with applications that have a reasonable chance of approval according to Selection Criteria. The review may include the following:
   a) Assessment of managerial competence and fiscal accountability;
   b) Need and impact analysis (especially for infrastructure projects);
   c) Review of proposal and budget for internal consistency and compliance with HWF policies (e.g. cash match);
   d) Review of previous grants performance of applicant organization;
   e) Cross-grant comparison/analysis of proposal and organization;
   f) Evaluation of outside reviews of proposed project (if available).

ii) Docket preparation for HFB review
   a) A docket will summarize key information about an application for HFB review.

16. Selection of Grants
   a) Selection criteria
      i) As outlined in the “Project Selection Criteria” document to be created by HFB, selection criteria will be recommended by HFB to BOS. Selection Criteria will be a numerical ranking of projects, with reasons for ranking where possible.
      
        HFB selection process
        1. HWF Staff will present dockets of applications meriting further review to HFB. Each HFB Member will use the selection criteria to rank each application and list reasons for rankings.
        2. HFB will employ a structured decision making process (see “Headwaters Fund Board Decision Making” to be created by Staff and HFB).
        3. HFB will recommend a slate of grants to be funded for Board of Supervisor approval. HFB decisions on grants cannot be appealed by applicants.

   b) Board of Supervisor approval of slate
      i) The BOS will use a majority vote to approve the entire slate presented by the HFB. BOS may not add projects to the slate being approved, but may recommend additional review of individual projects. Upon majority vote, Supervisors may pull one or more projects from the slate and approve the remaining slate of projects. Supervisors would refer pulled projects back to the HFB and Staff with questions and comments. Staff and HFB would respond to BOS comments on any pulled projects. After BOS receives this response, BOS would approve or deny individually pulled projects according to a majority vote. BOS decisions on grants cannot be appealed by applicants.

17. Rejection of Grant Applications
   a) Staff will send a notification letter to applicants rejected by Staff or HFB. The letter will list general reasons for rejection when it will help the applicant in a future application to HWF.

18. Appeals of Grant Applications Denied by Staff
   i) Only applications deemed ‘outside of stated funding priorities’ and rejected by the Headwaters Coordinator, without HFB review, may be appealed. The appeal will be for inclusion in the next grant review cycle by HFB.
   ii) The appeals process is as follows:
a) Within 30 days of the decline notice date, the applicant must submit a Request for Appeal and a check for $250 to cover appeal processing and administrative costs;
b) Within 30 days of receiving the Request for Appeal, Staff will respond with reasons the application was rejected and information required, or other necessary conditions, for the application to be reviewed by HFB;
c) Within 30 days of receiving the Staff’s response, the applicant will submit an Appeal Summary to address all issues listed by Staff. The original application and the Appeal Summary will then be submitted to HFB at the next regularly scheduled grant review meeting.

19. **Grant Notification and Contract**

a) A letter will be sent to grantees selected for funding to notify them of approval. Among other things, the letter will specify reporting requirements and funds disbursement terms.
b) A contract between the grantee and the County will need to be signed. An appropriate signatory on behalf of the grantee would be the Board Chair, President, authorized executive officer, or other comparable person. The contract will detail terms of the agreement, the purpose of the grant, the scope of work, amount of award, duration, payment schedule, and reporting requirements.
c) The contract must be executed within 6 months of the grant award. The grantee may request an extension in writing for extenuating circumstances. If the extension requested is for more than a year from the award date, the extension requires HFB approval.

20. **Grant Payment**

a) For each award, HWF Staff will determine a payment schedule with advice from the HFB. Payment options are outlined below:
   i) Payment in lump-sum upon signing of contract;
   ii) Payment in installments (by schedule or milestone reached) and contingent on receipt of grantee reports; or
   iii) Payment on a re-imbursement basis, with full reporting and accounting by grantee.
b) 10% of grantee award will be held by HWF, pending receipt of appropriate final deliverable documents from the grantee.

21. **Grant Reporting, Monitoring, and Evaluation**

a) Monitoring refers to compliance with contract commitments and fund uses, while evaluation refers to measuring the extent to which the grantee met the objectives outlined in the grant application. The goal of grant monitoring is to ensure grantee work complies with HWF requirements.
b) Grantee reporting requirements
   i) Grantee is required to submit quarterly monitoring reports that include:
      a) Documentation of activities contracted and completed with grant funds;
      b) Financial accounting of use of grant funds. Grant funds should be tracked separately from matching funds. Receipts documenting purchases may be requested;
      c) Sub-contracts signed and/or completed;
      d) Narrative of accomplishments to date and schedule of activities and expected completion date;
      e) Progress on meeting match requirements (e.g. fundraising activity report), if appropriate; and
      f) Requests for revisions of timeline, budget, etc.
c) Grant evaluation
   i) HFB may choose to evaluate individual or groups of projects.
   ii) Grantees may be required to include an evaluation and an evaluation budget in their project plans and budget.
   iii) HWF staff and HFB, or its authorized representatives, has the right to make site visits to review project accomplishments, grantee management control systems and administration and management of the grant. HWF Staff or its representatives will make at least one site visit during the grant period. When any site visit is made by HWF staff on the premises of the grantee under a grant, the grantee and its sub-contractors shall provide all reasonable facilities and assistance for the safety and convenience of the HWF representatives.

22. Grant Modifications
   a) All changes must be requested and approved in writing as outlined in this section.
   b) Staff may adjust changes in grant timelines, activities, and partners that are consistent with original project goals, target populations, and geographical focus. Changes in project goals, target population, and geographic focus must be approved by the HFB.
   c) Budget revisions/reallocations
      i) Staff may approve budget changes under $10,000.
      ii) Budget changes of $10,000 or more require HFB approval.
      iii) Budget adjustments include total project matching funds (i.e. Headwaters award plus matching funds)
   d) Extensions: If additional time beyond the timeline provided by the grantee is required and exceptional circumstances warrant, a formal request for extension must be submitted to HWF Staff. The request must be submitted at least 45 days prior to the expiration date of the grant. The request must explain the need for the extension and include an estimate of the un-obligated funds remaining and a plan for their use. As indicated above, un-obligated funds remaining at the expiration of the grant is not sufficient justification for an extension. The plan must adhere to the previously approved objectives of the project.
   e) Organization/personnel changes: If key project personnel do or plan to: (a) devote substantially less time to the project than anticipated in the approved proposal; (b) sever their connection with the grantee organization; or (c) otherwise relinquish active direction of the project, the grantee shall immediately notify HWF Staff of the situation. HWF Staff will take appropriate action including transferring the grant, amending the project, or terminating the grant.
   f) Additional funding due to increased expenditures: Grantees are not eligible for additional funds above the agreed upon grant award.
   g) Refunds: Unused grant funds will be returned to HWF with no negative consequences for future applications as long as all reasonable efforts were made to execute the project within the proposed budget in a timely manner.

23. Grant Closing
   a) Grant closing occurs after all grant payments and reporting requirements have been fulfilled. Closing will occur within 90 days after the final payment.
   b) Notification of reporting obligation fulfillment
      i) A Grant Closeout letter will be sent to the Grantee at the end of the project. When the Grantee returns the letter, the Grant is considered closed.
   c) Grantee record keeping requirements
      i) Financial records, supporting documents, statistical records and other records pertinent to a grant will be retained by the grantee for at least 4 years from
submission of the Final Project Report, with the following exceptions: records related to audits, appeals, litigation or the settlement of claims arising out of the performance of the project will be retained until such audits, appeals, litigation or claims have been disposed of; and

ii) Grantee shall retain and HWF Staff shall have access to any pertinent books, documents, papers and records of the grantee organization (and of the performing organization, if different) to make audits, examinations, excerpts and transcripts for up to 4 years after grant termination date.

24. **Suspension and Termination of Grants**
   a) A grant may be suspended or terminated (i.e. before agreed upon end date) in whole or in part by HWF Staff when the grantee has failed to comply with the terms and conditions of the grant and/or the contract. A grantee may appeal the HWF Staff decision to suspend or terminate a grant to HFB. The grantee must pay a $250 fee to cover administration costs for the appeal.

25. **Grant and Applications File Tracking**
   a) Pre-grant activity
      i) Individual applications: each application will receive a unique tracking number and have its basic information input into the IT system.
      ii) Aggregate applications: Staff will track data on applications for internal and external reporting purposes including number of applications received (by time period, geography or other needed categories), number of declined applications and rationale, and time elapsed between application acknowledgment and funding decision.
   b) Grant award tracking system: the Grant Award Tracking system will be created to monitor the timing and requirements for grant payments and reports (e.g. generate/review list of upcoming payments).
   c) Grantee report monitoring: Staff will monitor due dates for upcoming grant reports and review grantee reports.
   d) Record-keeping
      i) Depending on the size and complexity of the grant, the grant file should contain: application package, final approved budget, docket, grant notification letter and contract, tax status determination letters, amendments/cancellations, grantee reports, closing letter, project evaluation, record of payments/returns, correspondences with grantee, site visit reports, audited financial statements of the grantee, and grantee acknowledgement of payment receipts.
      ii) Grant award files will be kept by HWF Staff for at least 7 years after completion of the grant.
      iii) Declined grant applications will be kept by HWF Staff for at least 2 years after the decline date.

26. **Financial Management**
   a) Management of funds will be conducted by both the Treasurer-Tax Collector and the County Auditor.
   b) HWF Staff will monitor cash flows and prepare financial reports for HFB and BOS review.
The CIF Loan program lends to governments and non-profits for the purpose of economic development in Humboldt County. Loans should be low risk and will be evaluated in the same pool as CIF grants.

27. **Loan Guidelines**
   a) **Eligible Organizations**
      i) Government jurisdictions and non-profit organizations in Humboldt County are eligible to apply. Organization may be located outside of the County if the Extraordinary Project criteria in section 37 are met.
   b) **Eligible Uses of Loan Proceeds**
      i) Any project leading to job creation/retention. Projects must meet or exceed the job-to-loan ratio of 1 full-time job created/retained per every $35,000 loaned. Exceptions to this requirement are possible if the project will generate a sufficiently high total economic value to the County (see “Total Economic Value” document to be created by Staff).
      ii) Fit with the broad vision outlined in the County’s Comprehensive Economic Development Strategy (currently previously named Prosperity!), namely: creation/retention of jobs, contribution to the economic vitality of the region, and enhancement of industry clusters or supporting industries.
   c) **Ineligible Uses of Loan Proceeds**
      i) Loans with significant risk of non-repayment;
      ii) Payments for debt or to investors;
      iii) Tax payments.
   d) **Loan Terms and Conditions:** Refer to Figure 1 below for loan guidelines:

   Figure 1: Terms & Conditions for Loan Products

<table>
<thead>
<tr>
<th>Term/Condition</th>
<th>Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required Investment from Borrower</td>
<td>• Not required</td>
</tr>
<tr>
<td>Payment Schedule</td>
<td>• Varies</td>
</tr>
<tr>
<td>Loan Size</td>
<td>• Loans up to $800,000 with exceptions as allowed by the Extraordinary Project criteria in section 37</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>• Determined on a case-by-case basis</td>
</tr>
<tr>
<td>Term Length</td>
<td>• Determined on a case-by-case basis</td>
</tr>
<tr>
<td>Closing Costs</td>
<td>• Paid by borrower as needed</td>
</tr>
<tr>
<td>Prepayment Penalty</td>
<td>• None</td>
</tr>
<tr>
<td>Collateral Requirement</td>
<td>• Fully secured, with exceptions</td>
</tr>
</tbody>
</table>

c) Exceptions (where indicated in Loan Terms and Conditions above) are made on a case-by-case basis only. To receive an exception, applicant must demonstrate that the loan is sufficiently low risk to merit an exception. If the loan is of sufficiently low risk and the project meets the goals of CIF, exceptions to the above guidelines may be considered.

28. **Selection Criteria**
   a) HFB will recommend to BOS a slate of CIF loans and/or grants for funding (see “CIF Project Selection Criteria” to be developed by HFB).
29. **Application Process**

   a) Applications will be accepted on an ongoing basis by Staff
      
      i) Applications for funding will include:
         
         a) Application form;
         b) Project plan: this should include information on the proposed project such as financial projections, justification of the project, project impacts/outcomes (e.g. jobs created/retained), and feasibility analysis;
         c) Repayment statement: a statement that repayment of loan principal and interest will be guaranteed (e.g. “Full Faith and Credit” statement) by the government if possible. If a “Full Faith and Credit” statement is not possible, applicant should submit a detailed plan and certification to provide repayment under various scenarios; and
         d) Bond rating and repayment history of borrower (if available).
      
      ii) Staff will conduct any necessary interviews to gather additional information, if needed.

   b) Applications will be reviewed by Staff, with consultant assistance if needed, using the following underwriting guidelines where possible:
      
      i) Determination of financial health of the borrower. The borrower must remain fiscally solvent for the term of the loan in order to make debt payments:
         
         a) Historical and projected revenues and expenses will be analyzed. Future revenue projections will include analysis of the tax base – businesses and labor force (age, education, skills, wealth, and income).
         b) Credit ratings will be obtained, if available.
         c) The proposed loan will also be compared to the total government’s budget to assess risk.
      
      ii) Examination of financial indicators: Staff will examine accounting and reporting methods, annual operating and budgetary performance, financial leverage and equity positions, and contingency financial obligations (e.g. pension liability funding). A balance sheet analysis will focus on liquidity, fund balance position, and the composition of assets and liabilities.
      
      iii) Analysis of Debt: An evaluation of debt factors will include key debt indicators like total outstanding debt, debt trends, debt repayment schedules, debt as a percentage of full property tax valuation, net per capita debt, and debt as a percentage of personal income. Staff will exercise caution for governments with total annual debt payment (typically for tax-exempt bonds) exceeding 5-7% of General Fund revenues.
      
      iv) Ensuring a repayment obligation. The borrower must be contractually obligated to repay the loan.
         
         a) If a loan is to an agency or government jurisdiction with a segregated, limited budget that may be potentially be insufficient to cover debt payments, the parent government should be liable for debt repayments.
         b) If a “Full Faith and Credit” type guarantee statement is not possible, applicant should submit a detailed plan and certification to provide repayment under various scenarios. Staff should consider other contractual requirements such as a Rate Covenant (borrower sets tax rates at the level needed for net revenues to cover debt service, plus other costs) and an Additional Debt Test (requires projected revenue from any new debt to exceed a certain debt coverage test).
      
      v) Review of project. Staff will review the project’s historical and future financial indicators (cash flows, operating costs, balance sheet, income statement) to...
determine if they are reasonable for project success and repayment. Projected cash flows should at least cover proposed debt service under different scenarios. The requested loan amount should be appropriate for the project. A determination of "essentiality" should be made; the greater the importance of the project to the government, the greater the chance for repayment.

vi) If there is a significant chance the borrowing government agency will not repay the loan (due to future revenue shortfalls, borrower resistance to adequate contract language, etc.), a loan should not be made.

vii) Collateral policy.
   a) In general, loans must be secured with collateral. Exceptions to full securing can be made if the financial health and repayment obligation of the borrower are deemed sufficiently strong.
   b) In general, the following guidelines will be used to discount collateral for first liens:
      (1) Commercial real estate: 80% of value;
      (2) Residential real estate: 90% of value;
      (3) Machinery and equipment: 70% of value;
      (4) Inventory and receivables: 40-60% of value.

   c) Staff will present the Loan Report for HFB review and approval. HFB will review CIF loans and grants in the same pool. The Loan Report will include:
      i) Borrower’s name and contact information;
      ii) Borrower’s application package;
      iii) Summary of the project (e.g. use of funds, budget);
      iv) Summary of organization (if applicable) and annual and historical budgets;
      v) Analysis of the borrower history and financial health (credit rating, repayment history, current and future financial health, etc.);
      vi) Eligibility for HWF funds (e.g. legal structure, job creation/retention/economic impact);
      vii) Loan terms (amount, interest, term length, equity investment, conditions, etc.);
      viii) Cash flow analysis and coverage (adjusted existing cash flow, projected cash flow) if applicable; and
      ix) Guarantors (if other government agency) including name and budget.

d) HFB will pass a slate of recommended loans and grants to BOS for approval.
   i) Applicant has no right to appeal the denial of a loan by HFB.
   ii) Applicant has no right to appeal the denial of a loan by BOS.

c) All applicants will be notified of final HWF decisions.

30. Loan Closing

a) Closing documents will include:
   i) Commitment Letter;
   ii) Loan Agreement/Contract;
   iii) Borrower’s governmental authorization for borrowing and repayment guarantee;
   iv) Borrower’s opinion of counsel (if needed);
   v) Note (outlines borrower’s obligations);
   vi) Insurance documents (as needed): hazard, liability, workman’s compensation, life, flood, fire;
   vii) Collateral documents;
Employment Opportunity Statement, Closing Statement, environmental reviews, records of disbursement; and
ix) Other closing documents as HWF may require.
b) Staff will provide borrower with a checklist outlining obligations under CIF loan program.

31. **Loan Terms of Contract**
   a) **Payments**
      i) Loan payments are due on the first of each month. Typically, principal and interest payments will consist of equal monthly installments based on amortization of the loan over the loan term.
      ii) Payments are deemed late if not made within 10 days of due date. Late payments will be assessed a $50 penalty.
      iii) Monthly payments are applied in the following order: first to the late payment penalties and collection fees, then to interest, then to principal.
   b) **Fees**
      i) Loan fees to cover administrative and underwriting costs will be determined by HWF staff and Headwaters Fund Board.
      ii) Servicing fees will be paid for by borrower.

32. **Loan Disbursement and Servicing**
   a) A Loan Servicer will service the loans. Borrower will sign the necessary documents prepared by Staff and Servicer for loan closing.
   b) The Servicer will conduct billing and collections. The Servicer will provide at least monthly reports (with payment records) that loan payments have been made and are current. Servicer will notify HWF Staff no later than 30 working days after a missed due date of a loan payment.
   c) **Borrower reporting**
      i) The borrower shall provide HWF Staff and/or Servicer the following on a regular basis:
         a) Financial statements of the project;
         b) Project changes;
         c) Insurance updates;
         d) Other information as required to service and monitor the loan.
      ii) HWF Staff, Staff representatives, or HFB may schedule site visits to the borrower’s operations. HWF Staff and HFB may investigate and inspect any borrower documents at any time.
   d) HWF Staff will keep a loan file that will include:
      i) Note, Loan Agreement/Contract, Loan Application Package, Insurance (if applicable), Loan Committee Report, Disbursements, Guaranties (if applicable), and other documents; and
      ii) Original legal documents should be securely stored (e.g. locked in separate files).
   e) A Loan Tracking System will be organized by month (when payments are due) to track borrower due dates for insurance payments, taxes, financial statement updates, guarantor financial statements (if applicable), and Uniform Commercial Code renewal dates (if applicable). Parts of the Loan Tracking System may be maintained by the Loan Servicer.
   f) **Delinquent and lost loans file**
      i) HWF Staff will keep a list of all loans deemed uncollectable or delinquent. Delinquent loan information will include Staff recommendations for action.
   g) **Annual review**
i) HWF Staff will conduct an annual review of each loan and borrower to determine:
   a) Changes in borrower’s position that could affect repayment;
   b) Compliance with all loan covenants and conditions;
   c) Material changes in collateral and guarantees (if applicable); and
   d) Plans to address problems or potential problems with the loan.

ii) The review will consist of:
    a) Collecting updated financial and other relevant information;
    b) Performing updated credit checks (if applicable);
    c) Checking in with borrower to check project status and other factors impacting repayment; and
    d) Updating job creation/retention counts and/or estimates.

iii) If Annual Review uncovers any significant changes or problems, HFB will review and recommend any remedies to these problems to BOS for action.

33. Troubled Loan Guidelines
   a) HWF Staff will work with the Servicer to take appropriate steps to address delinquent payments or loan defaults.
   b) Servicer must notify HWF Staff of delinquent loans within 30 business days following Servicer knowledge of delinquency. All payment past due 30 days or more will be reported by Servicer and Staff to HFB in a monthly written past due report.
   c) In the event that loan payments are more than 30 business days late, Servicer will call the Borrower and ascertain why the payment is late and get a commitment for payment. The Servicer will maintain a log of all verbal and written communication about the past due payments. Penalty fees can be assessed in compliance with loan documents and state laws. HFB can waive a late fee, under appropriate circumstances.
   d) If payment has not been received 30 days after the due date, the Servicer or Staff will follow up with a letter stating the amounts past due and explaining that the borrower is in default. In cases where the loan was closed within the last six months, Servicer/HWF Staff may make a site visit.
   e) If payment has not been received by the 45th day, the Servicer will call the borrower a second time and may follow up with a site visit. Additional sureties to the loan may be informed of the past due situation at this point.
   f) By the 60th day of a late payment, HWF staff will schedule a site visit and meeting with the borrower. The goal of this meeting will be to develop an agreed upon payment plan to get the borrower current.
      i) If applicable, Staff will double check that all collateral documentation are in place and collateral is in order and that all insurances required by borrower are in place.
      ii) After the meeting with the borrower, the loan monitoring Staff will make a full report to HFB (to be heard at the next scheduled meeting) detailing the nature of the problem and making recommendations.
      iii) HWF Staff will develop a strategy for further action, including:
            a) Loan re-structuring;
            b) Strategy to liquidate the collateral;
            c) Notice of default and the intention to foreclose;
            d) Further forbearance of action based upon certainty of repayment and confidence of operations; and
            e) Sending the loan to the collection agency.
   g) Foreclosure Policies

Commented [HR9]: Procedural change
i) In most instances a straight foreclosure will be viewed as the last option. There are, however, instances when foreclosure is the best option and the only remedy to a deteriorating situation. Foreclosure may only take place upon the recommendation of Staff and HFB, and approval by BOS.

ii) All foreclosure proceedings and actions should be done in such a way as to provide maximum protection for HWF.

iii) Collateral liquidations must attempt to cover the cost of the outstanding loan principal, any accrued interest owed to the lenders, and the transaction costs of liquidation (i.e. legal, marketing, Staff time).

iv) In the event that the foreclosure proceeds do not cover the outstanding loan amounts due and the cost of the collection, the proceeds will be disbursed in the following order:
   a) First, collection costs; and
   b) Second, loan amounts due CIF.

34. Conflict of Interest Policy
   a) This Policy covers economic conflicts of interest (as defined in California Government Code 8100 et. seq.; and Humboldt County Ordinance) and other conflicts of interest. Any HFB Member or HWF Staff who has an interest in a contract or other transaction presented to HFB or a committee thereof for authorization, approval, or ratification shall make a prompt and full disclosure of his/her interest to HFB or committee prior to its acting on such contract or transaction. Such disclosure shall include any relevant and material facts known to such person about the contract or transaction and the nature of the potential conflict. Said person will recuse himself/herself from decision-making, voting, and using personal influence in the discussions with respect to such contract or transaction. Such person may be counted in determining whether a quorum is present for the Board meeting but may not be counted when the Board or a committee of the Board takes action on the transaction. The minutes of the meeting shall reflect the disclosure made, the vote thereon, the abstention from voting and participation, and whether a quorum was present.

35. Portfolio Management Guidelines
   a) Target default and loss rates: Because the CIF lends only to governments for approved projects, the target default and loss rates are no more than 1%.

36. Financial Management
   a) Fund Report
      i) Staff, using information from Loan Servicer, County Treasurer-Tax Collector and County Auditor, will prepare monthly fund balance reports to monitor monthly fund balance, principal and interest recaptured, disbursements, funds committed, and CIF funds available.
   b) Loan Portfolio Report
      i) Staff will work with Servicer to prepare quarterly summaries of outstanding and authorized loans including the last payment date, loan balance, and delinquent loan reports and action plans. HFB will review any loan delinquencies and defaults, and make recommendations to BOS as needed.
37. Extraordinary Project

a) Although ineligible according to Headwaters CIF, Grant Fund, and Revolving Loan Fund criteria, an extraordinary project providing extraordinary economic benefit to Humboldt County may still be eligible for Headwaters Funding. This Extraordinary Project must pass the following levels of approval:
   i) Staff and HFB recommendation; and
   ii) BOS super-majority vote approval (i.e. approval by at least four out of the five Board of Supervisors).

b) Selection criteria:
   i) The project must demonstrate a total economic benefit that significantly exceeds the economic benefit from using twice the amount of funds for the Revolving Loan Fund, CIF, or Grant Fund; whichever of the three Funds that would be appropriate and/or most impacted would be the standard against which to judge the Extraordinary Project. In other words, if the Extraordinary Project requests $1 million, its total economic benefit must exceed using $2 million for Revolving Loan Fund, CIF, or Grant Fund investments;
   ii) The calculation of total economic benefit should include measures such as County-wide direct and indirect job creation/retention, wealth generation, workforce development, and business development; and
   iii) No alternative sources of funding should be readily available.

c) Government jurisdictions and non-profit organizations are eligible to apply.
d) Businesses, individuals, and political lobbying groups are ineligible to apply for funding.
e) Under no circumstances can the Extraordinary Project include using Headwaters Fund money for general County government funding.
### FY21-22 INCOME*

<table>
<thead>
<tr>
<th>Description</th>
<th>Forecasted Earnings</th>
<th>Actual to Date</th>
<th>% Fiscal Year Completed</th>
<th>% Forecast Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>County Pool Interest</td>
<td>$</td>
<td>1 $</td>
<td>1</td>
<td>100%</td>
</tr>
<tr>
<td>RLF Lending Interest</td>
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<td>100%</td>
</tr>
<tr>
<td>CIF Lending Interest</td>
<td>$</td>
<td>1 $</td>
<td>1</td>
<td>100%</td>
</tr>
<tr>
<td>Endowment Fund Interest</td>
<td>$</td>
<td>1 $</td>
<td>1</td>
<td>100%</td>
</tr>
<tr>
<td>Reclaimed Grants</td>
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<td>-</td>
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<tr>
<td><strong>TOTAL</strong></td>
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<td>100% 125%</td>
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### FY21-22 SPENDING PLAN

<table>
<thead>
<tr>
<th>Description</th>
<th>Budgeted</th>
<th>Allocated/Awarded</th>
<th>Actual to Date</th>
<th>Returned to Corpus</th>
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<tr>
<td>Loan Loss Repayment</td>
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<td>Mini-Grants</td>
<td>$</td>
<td>1 $</td>
<td>1 $</td>
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<tr>
<td>Competitive Grants</td>
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<tr>
<td>Reinvestment</td>
<td>$</td>
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<tr>
<td><strong>TOTAL</strong></td>
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### CAPITAL RETURNED IN FY21-22

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Revolving Loan Fund</td>
<td>AEDC + RREDC blah blah</td>
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<td>Community Investment Fund</td>
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### FY22-23 INCOME*

<table>
<thead>
<tr>
<th>Description</th>
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<th>Actual to Date</th>
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<th>% Forecast Earned</th>
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<tr>
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<tr>
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<td>25% 100%</td>
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<tr>
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<td>Reclaimed Grants</td>
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### FY22-23 LOANS IN DEFAULT

<table>
<thead>
<tr>
<th>Fund Name</th>
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*Note about fiscal year for spending vs. calendar year for income*
### Historical Snapshot

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<th>Fiscal Year</th>
<th>Spent</th>
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### Income Breakdown*

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<th>% Fiscal Year Completed</th>
<th>Forecasted Earnings</th>
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<td>Reclaimed Grants</td>
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### Fund Balances

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<th>Fund Name</th>
<th>Fund Name</th>
<th>Fund Name</th>
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</tbody>
</table>

* Note about fiscal year for spending vs. calendar year for income
## FY22-23 SPENDING PLAN

<table>
<thead>
<tr>
<th>Description</th>
<th>Allocated/Awarded</th>
<th>Actual to Date</th>
<th>Returned to Corpus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Loss Repayment</td>
<td>$ 1</td>
<td>$ 1</td>
<td>$ 1</td>
</tr>
<tr>
<td>Mini-Grants</td>
<td>$ 1</td>
<td>$ 1</td>
<td>1</td>
</tr>
<tr>
<td>Competitive Grants</td>
<td>$ 1</td>
<td>$ 1</td>
<td>1</td>
</tr>
<tr>
<td>Contingency</td>
<td>$ 1</td>
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</tr>
<tr>
<td>Reinvestment</td>
<td>$ 1</td>
<td></td>
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</tr>
<tr>
<td>TOTAL</td>
<td>$ 5</td>
<td>$ 3</td>
<td>$ 3</td>
</tr>
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</table>

## CAPITAL RETURNED IN FY22-23

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revolving Loan Fund</td>
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## FY22-23 INCOME*

<table>
<thead>
<tr>
<th>Description</th>
<th>Forecasted Earnings</th>
<th>Actual to Date</th>
<th>% Fiscal Year Completed</th>
<th>% Forecast Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>County Pool Interest</td>
<td>$ 1</td>
<td>$ 1</td>
<td>50%</td>
<td>100%</td>
</tr>
<tr>
<td>RLF Lending Interest</td>
<td>$ 1</td>
<td>$ 1</td>
<td>50%</td>
<td>100%</td>
</tr>
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<td>50%</td>
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<tr>
<td>Endowment Fund Interest</td>
<td>$ 1</td>
<td>$ 1</td>
<td>50%</td>
<td>100%</td>
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<tr>
<td>Reclaimed Grants</td>
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<td>TOTAL</td>
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## FY22-23 LOANS IN DEFAULT

<table>
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<th>Fund Name</th>
<th>Lender</th>
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<th>Recovered</th>
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</table>

* Note about fiscal year for spending vs. calendar year for income
July 7, 2023

Dear Headwaters Board,

The Eureka Street Art Festival (ESAF) is requesting a Headwaters Mini-Grant in the amount of $5,000 for the 2023 festival that will be held along the Broadway corridor from July 31st through August 5th. ESAF is a week-long public art festival that brings together local, regional, and international artists to paint murals throughout Eureka. The festival offers the opportunity to watch the creation of large-scale pieces of art and allows the public to interact with artists through daily tours, lectures, and special events. In addition, the art installations throughout the city remain long after the week-long festival ends, drawing tourists and residents into new areas of Eureka, encouraging more walking and exploration of our beautiful city.

ESAF was started in 2018 by a group of passionate citizens who live and work in Eureka. Each year, the festival moves around the city to provide revitalization to the entirety of Eureka. In 2018, the festival focused on Opera Alley in Old Town and facilitated the creation of 17 murals and the installation of 5 temporary wheat paste exhibits. In 2019, the festival transformed the Downtown Area with the addition of 20 murals and 6 sculptural installations. In 2020, the festival moved to the Henderson Center neighborhood and created 12 murals (including the Native Mural Project), and 8 poetry installations as part of the Sidewalk Poetry Project. Then, for the 2021 festival, the festival painted 11 of our largest murals focused along the 101 corridor through downtown Eureka. In 2022, the festival took to the Bridge District- working with Caltrans to paint the piers under the Samoa Bridge and partnering with local businesses to beautify a number of buildings along the 101. We also brought back the Block Party, hosting a large event under the Samoa Bridge on the waterfront. This year’s festival will also be a partnership with Caltrans, adding 17 murals along the Broadway corridor and adding a mural to the Herrick Overpass as part of a larger gateway project.

Overall, ESAF has a number of goals:

1. To support our local artists by offering them well-paid employment opportunities
2. To bring attention to Eureka’s art scene and existing murals
3. To attract visitors to the city and support our local economy
4. To use murals to improve blighted areas and reduce crime

The mission of the Eureka Street Art Festival is to create intentional, accessible art that enlivens public spaces, stimulates community revitalization, and attracts visitors to Eureka.

The expected outcomes for the 2023 Eureka Street Art Festival are as follows:

- Paint 17 murals along the Broadway corridor
- Paint a mural on the Herrick Overpass as part of a larger gateway project with Caltrans
- Create meaningful employment opportunities for seven local artists
- Bring ten out-of-the-area artists into Eureka to help create a vibrant art scene
- Draw 5,000 attendees for the Festival Block Party
- Beautify the main corridor of our city

Our planned budget for the 2023 Eureka Street Art Festival is as follows:

<table>
<thead>
<tr>
<th>Type</th>
<th>Amount</th>
<th>Including</th>
<th>Headwaters Grant</th>
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</thead>
<tbody>
<tr>
<td>Promotion</td>
<td>$3,646</td>
<td>Website, signage, posters, radio ads, ads, programs, banners, save the date postcards, boosted posts</td>
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<tr>
<td>Murals</td>
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<td>Block Party</td>
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<td>Fencing, vendors, insurance, cups, port-o-potties, linens, ABC permit, sound person, bands, tables and chairs</td>
<td></td>
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</table>

In past years of the festival we have seen the broad benefits of this event. First, the creation and existence of these murals benefit local artists by providing paid opportunities to receive incredible exposure for their work. Second, local business owners benefit from the festival because of the increased foot traffic brought to the area both during and after the event. Third, local community organizations, artists, musicians, and performers are invited to participate in the Block Party, and receive exposure to the thousands of festival attendees. And finally, residents benefit from the addition of murals to their community. Studies have shown that public art helps improve the quality of life for residents, decreases crime in communities by giving a neighborhood an air of being cared for, and helps with place-making and community building. Murals help create a sense of pride in a community and help people take ownership over their neighborhood.

Humboldt County touts its large artist community, and this event provides paid opportunities for local artists. Not only do we provide a large number of artists with a well-paying job, but we also help promote them through social media, our website, and in printed publications. The exposure they receive from having a prominent piece of public art can help support and grow their careers. Eureka-based artist Anna Sofia Amezcua painted her first ever mural during the 2018 festival, and has since been hired to complete four more, thanks to the exposure she received from this event. As Amezcua puts it, “the Eureka Street Art Festival provided me with the platform to try something new, and it has taken my career in a wonderful new direction. I can say with certainty that the festival is responsible for many of the jobs I have received in the last two years, and it has instilled in me a love for creating large-scale public art.” The Eureka Street Art Festival impacts community life in Eureka and the broader Humboldt County by creating a vibrant annual event, while constantly adding to our beautiful
collection of local murals. Murals have been proven to have an incredible impact on residents’ lives. Public art creates a tangible sense of place, resulting in increased foot traffic while adding color, vibrancy, and character to an urban environment. Murals enhance public safety by creating the feeling that a place is cared for, which in turn makes crimes of opportunity (vandalism, illegal dumping, drug use, robbery) less likely.

We appreciate Headwaters Fund for funding the festival in the past, and we understand that it is unusual to fund a program more than once. However, by moving this festival every year it is essentially a new festival, and we are starting over each time. This year is an especially heavy lift as we are targeting the Broadway corridor along Highway 101, and tackling the Herrick Overpass to create a gateway into Eureka. I look forward to presenting the festival to your board on July 11th, please feel free to contact me with any questions.

Thank you,

Swan Askbury
Economic Development Manager
City Administration