

Headwaters Fund

Program Description

The Headwaters Fund (HWF) is a subset of the Economic Development Division and is staffed by the Economic Development team and directed by the Headwaters Fund Board, who acts as advisory to the Humboldt County Board of Supervisors.

This fund was established with federal and state dollars to offset the loss of timber harvest jobs and taxes when the Headwaters Forest was purchased and logging was curtailed or reduced. HWF provides access to business and infrastructure loans through partnerships with Arcata Economic Development Corporation and the Redwood Region Economic Development Commission.

This program supports the Board of Supervisors' Strategic Plan by promoting strong economic resiliency and growth.

FY 2025-26 Proposed Budget Table

1120286

	2023-24 Actual	2024-25 Adopted	Estimated 2024-25 Actual	2025-26 Requested	2025-26 Proposed	Increase (Decrease)	% Change
Revenue							
General Fund Contribution	0	91,000	91,000	141,629	141,629	50,629	56%
Total Revenue	0	91,000	91,000	141,629	141,629	50,629	56%
Expense							
Salaries & Employee Benefits	21,178	93,096	74,006	110,040	110,040	16,944	18%
Services and Supplies	17,349	14,900	3,516	8,784	8,784	(6,116)	(41%)
Other Charges	47,516	(16,996)	13,478	22,805	22,805	39,801	(234%)
Special Items	1,576	0	0	0	0	0	0%
Total Expense	87,619	91,000	91,000	141,629	141,629	50,629	56%
Net Revenues (Expenditures)	87,619	0	0	0	0	0	0%
Additional Funding Support							
1120 Economic Development	87,619	0	0	0	0	0	0%
Total Additional Funding Support	87,619	0	0	0	0	0	0%
Staffing Positions							
Allocated Positions	0.00	0.00	0.00	0.00	0.00	0.00	0%

Significant Changes

- The proposed General Fund Contribution has increased due to changes in local accounting practices, the calculation of Redevelopment Dissolution amount for administration of the Headwaters Fund was corrected during FY 2024-25.
- The proposed expenditure budget for Other Charges has increased due to projected allocation of Cost Allocation Plan charges across the Economic Development Division.

County Administrative Office

Accomplishments

- Approved a \$2,000,000 short term financing loan to the Southern Humboldt Community Health Care District (SHCHD) to increase working capital for the 4–6-month timeframe required to process an Intergovernmental Transfer (IGT) request through the State of California. Participation in the IGT process allowed SHCHD to receive funds from the federal government for qualified Medicaid expenditures. (2001)

Goals

- Complete a comprehensive review of the charter and lending programs for recommendation to the Board of Supervisors. (2001)
- Present recommendations to the Board of Supervisors to expand the funding pool for local lending initiatives. (2001)

Performance Measures

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
HWF Revolving Loan Outstanding Balances					
These balances reflect the outstanding HWF loans in the community as of Q3 in each fiscal year.	5,334,006	4,574,507	4,542,170	5,219,671	8,527,295

Headwaters Revolving Loan Fund

FY 2025-26 Proposed Budget Table

3843000

	2023-24 Actual	2024-25 Adopted	Estimated 2024-25 Actual	2025-26 Requested	2025-26 Proposed	Increase (Decrease)	% Change
Revenue							
Use of Money and Property	326,242	0	113,000	0	0	0	0%
Total Revenue	326,242	0	113,000	0	0	0	0%
Expense							
Services and Supplies	2,800	0	0	0	0	0	0%
Other Charges	697,000	3,578,365	0	3,930,000	3,930,000	351,635	10%
Total Expense	699,800	3,578,365	0	3,930,000	3,930,000	351,635	10%
Net Revenues (Expenditures)	373,558	3,578,365	(113,000)	3,930,000	3,930,000	351,635	10%
Additional Funding Support							
3843 Headwaters Revolving Loan Fund	373,558	3,578,365	(113,000)	3,930,000	3,930,000	351,635	10%
Total Additional Funding Support	373,558	3,578,365	(113,000)	3,930,000	3,930,000	351,635	10%
Staffing Positions							
Allocated Positions	0.00	0.00	0.00	0.00	0.00	0.00	0%

Significant Changes

- The proposed expenditure budget for Other Charges has increased due to estimated available year-end cash balance of the Headwaters Revolving Loan Fund projected to be available for loans in FY 2025-26.

Personnel

There are no personnel changes.

Headwaters Comm. Investment Fund

FY 2025-26 Proposed Budget Table

3846000

	2023-24 Actual	2024-25 Adopted	Estimated 2024-25 Actual	2025-26 Requested	2025-26 Proposed	Increase (Decrease)	% Change
Revenue							
Use of Money and Property	34,170	0	30,494	0	0	0	0%
Total Revenue	34,170	0	30,494	0	0	0	0%
Expense							
Other Charges	0	0	0	660,000	660,000	660,000	100%
Total Expense	0	0	0	660,000	660,000	660,000	100%
Net Revenues (Expenditures)	(34,170)	0	(30,494)	660,000	660,000	660,000	100%
Additional Funding Support							
3846 Hdwtrs Comm Investment Fund	(34,170)	0	(30,494)	660,000	660,000	660,000	100%
Total Additonal Funding Support	(34,170)	0	(30,494)	660,000	660,000	660,000	100%
Staffing Positions							
Allocated Positions	0.00	0.00	0.00	0.00	0.00	0.00	0%

Significant Changes

- The proposed expenditure budget for Other Charges has increased due to changes in local accounting practices, all transactions related to loan disbursements will now occur within the Headwaters fund accounts.

Personnel

There are no personnel changes.

Headwaters Liquidity Fund

FY 2025-26 Proposed Budget Table

3847000

	2023-24 Actual	2024-25 Adopted	Estimated 2024-25 Actual	2025-26 Requested	2025-26 Proposed	Increase (Decrease)	% Change
Revenue							
Use of Money and Property	9,904	494,511	212,300	357,000	357,000	(137,511)	(28%)
Other Revenues	0	0	81	0	0	0	0%
Total Revenue	9,904	494,511	212,381	357,000	357,000	(137,511)	(28%)
Expense							
Other Financing Uses	0	312,270	62,792	350,000	350,000	37,730	12%
Total Expense	0	312,270	62,792	350,000	350,000	37,730	12%
Net Revenues (Expenditures)	(9,904)	(182,241)	(149,589)	(7,000)	(7,000)	175,241	(96%)
Additional Funding Support							
3847 Headwaters Liquidity Fund	(9,904)	(182,241)	(149,589)	(7,000)	(7,000)	175,241	(96%)
Total Additional Funding Support	(9,904)	(182,241)	(149,589)	(7,000)	(7,000)	175,241	(96%)
Staffing Positions							
Allocated Positions	0.00	0.00	0.00	0.00	0.00	0.00	0%

Significant Changes

- The proposed revenue budget for Use of Money and Property has decreased due to estimated interest revenue for Headwater Loan repayment activity in FY 2025-26.
- The proposed expenditure budget for Other Financing Uses has increased due to anticipated transfer of Headwater Liquidity funds to the Headwaters Grant Fund for grant award disbursements.
- The proposed budget for Additional Funding Support has decreased due to projected reductions in interest revenue offset by anticipated transfers of funds to to the Headwater Liquidity Fund for grant award disbursements.

Personnel

There are no personnel changes.

Headwaters Grant Fund

FY 2025-26 Proposed Budget Table

3848000

	2023-24 Actual	2024-25 Adopted	Estimated 2024-25 Actual	2025-26 Requested	2025-26 Proposed	Increase (Decrease)	% Change
Revenue							
Use of Money and Property	0	0	18	0	0	0	0%
Total Revenue	0	0	18	0	0	0	0%
Expense							
Other Charges	15,066	312,207	58,391	350,000	350,000	37,793	12%
Other Financing Uses	0	(312,207)	(62,792)	(350,000)	(350,000)	(37,793)	12%
Total Expense	15,066	0	(4,401)	0	0	0	0%
Net Revenues (Expenditures)	15,066	0	(4,419)	0	0	0	0%
Additional Funding Support							
3848 Headwaters Grant Fund	15,066	0	(4,419)	0	0	0	0%
Total Additional Funding Support	15,066	0	(4,419)	0	0	0	0%
Staffing Positions							
Allocated Positions	0.00	0.00	0.00	0.00	0.00	0.00	0%

Significant Changes

- The proposed revenue budget for Other Financing Sources has decreased due to anticipated transfer of Headwater Liquidity funds to the Headwaters Grant Fund for grant award disbursements.
- The proposed revenue budget for Other Financing Sources has increased due to
- The proposed expenditure budget for Other Charges has increased due to anticipated increase in Headwaters Fund grant award disbursements.

Personnel

There are no personnel changes.