



COUNTY OF HUMBOLDT

For the meeting of: 11/5/2019

File #: 19-1374

To: Board of Supervisors

From: County Administrative Office

Agenda Section: Consent

SUBJECT:
Headwaters Fund Grant Manuals Revisions

RECOMMENDATION(S):
That the Board of Supervisors:

1. Approve revision to Headwaters Fund Board Manual;
2. Approve revisions to the Headwaters Fund (HWF) Grant Program Manuals; and
3. Approve an increased threshold for Headwaters Fund Board Mini-Grant Amounts.

SOURCE OF FUNDING:
Headwaters Funds (Fund 3846-Community Investment Fund (CIF) and Fund 3848-Grant Fund)

DISCUSSION:
The Headwaters Fund Board (HWFB) met at a Special Meeting of their board on August 12, 2019 as per the HWF Charter to review the HWF manuals.

Based upon the review, the HWFB is recommending the County Administrative Officer (CAO) have the option to delegate her/his position on the HWF Sub-Committee (per Section 5.b) of the HWFB Manual, see attachment 5, to a designee. The Sub-Committee is comprised of two of your Board members, the Treasurer Tax Collector and the County Administrative Officer. The sub-committee interviews and makes recommendations to your Board for filling vacancies on the HWFB.

Per Headwaters Fund (HWF) Charter Section 5.c, the HWFB has reviewed the guidelines for the HWF CIF and Grant Fund (including competitive and mini-grant guidelines) with the primary goals of clarifying which types of non-profit organizations are eligible for funding and to simplify the grant categories. County Counsel participated in the review and commented on the proposed changes. All changes are reflected in the attached documents. Each manual is attached in a red-lined and a clean version reflecting the recommended changes.

Note: lobbying organizations are categorically excluded, including but not limited to Internal Revenue Service (IRS) approved Section-527 organizations. All HWF grantees are restricted from using

Headwaters funds for lobbying activities.

The main recommended changes are:

- 1) To allow all types of IRS approved 501 (c) non-profit organizations (501 (c) 1-27), which are in good standing with the IRS and State of California. This replaces the current HWFB policy of limiting eligibility to 501 (c)(3) and (c)(4) non-profits;
- 2) To allow California registered unincorporated non-profit associations, non-profit public benefit corporations and mutual benefit corporations approved and certified by the State of California as being in good standing;
- 3) To reduce the number of competitive grant categories from three to two by combining implementation and technical assistance which would leave planning and implementation; and
- 4) To allow for mini-grant awards approved under Section 5.b of the Grant Fund Manual to be increased from \$1,500.00 to \$2,500.00 with a maximum individual mini-grant award capped at \$5,000.00.

FINANCIAL IMPACT:

There is no financial impact to the county General Fund. The Headwaters Fund Spending Plan recommended to your board and approved as part of the County Budget adoption includes funding from Fund-3847, Liquidity Fund, for administrative review of the CIF and Grant Fund Manuals during Fiscal Year 2019-2020. The review was conducted in advance of a competitive grant round which will begin on November 1, 2019. The 2019-2020 grant round will have a minimum of \$130,000 available.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by supporting business, workforce development and creation of private-sector jobs .

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

It is recommended your Board approve the proposed changes. Your board could return the manuals to the HWFB and staff for further review.

ATTACHMENTS:

- Attachment 1 - HWF Community Investment Fund Manual-Red Lined Version
- Attachment 2 - HWF Community Investment Fund Manual-Proposed Version
- Attachment 3 - HWF Grant Fund Manual-Red Lined Version
- Attachment 4 - HWF Grant Fund Manual-Proposed Version
- Attachment 5 - HWF Board Manual-Red Lined Version
- Attachment 6 - HWF Board Manual-Proposed Version
- Attachment 7 - HWF Charter

PREVIOUS ACTION/REFERRAL:

File #: 19-1374

Board Order No.: C-10
Meeting of: 08/19/2014
File No.: N/A