

**Headwaters Fund Board Meeting Minutes**  
**March 27<sup>th</sup>, 2020 – 12:00 p.m.- 2:00 p.m.**  
**Held Remotely via Zoom Web Conferencing**

**MEMBERS PRESENT:** Bruce Rupp – Eureka, Dianna Rios – Fortuna, Chuck Ellsworth – Eureka, Jenna Catsos – Eureka, Carl Hanson – Ferndale, Elizabeth Cameron – Eureka

*All Board Members and Staff attended remotely in accordance with Gov. Newsom's Executive Order N-29-20 (March 17<sup>th</sup>, 2020).*

**MEMBERS ABSENT:** N/A

**OTHERS PRESENT:** Gregg Foster, Bob Moore, Ross Welch, Kenny Spain, Ryan Heitz, Catherine Carter

Item #	Action	Pass/Fail
1	Approve 02-21-2020 meeting minutes with modification	Pass
2	HWF Board to review staff recommendation for Headwaters Fund to revise existing agreements (contracts) with Arcata Economic Development Corporation (AEDC) and Redwood Region Economic Development Commission (RREDC) as part of an overall recommendation to the Board of Supervisors to provide relief to local businesses. Board to determine amount of funds to be utilized as a participant in a regional effort to support small businesses in the county due to the COVID-19 emergency.	Pass
3	HWF Board to discuss a recommendation to the Board of Supervisors and County Auditor/Controller to transfer funds from the Community Investment Fund to the Revolving Loan Fund should all current funds in the RLF be exhausted.	Pass

**1. Opening**

Chair Carl Hansen called the meeting to order at 12:04 pm. A quorum was present.

a. Roll call, including member location

Board members stated their name and where they were located.

b. Approval of February 21<sup>st</sup>, 2020 Minutes

It was moved by Bruce Rupp and seconded by Jenna Catsos to approve the February 21<sup>st</sup>, 2020 meeting minutes. Chair called for public comment – none received. Motion carried unanimously.

c. Public comment on non-agenda items.

There was no public comment.

d. Report out on meetings attended

Chuck Ellsworth attended a Chamber Mixer and Harbor Working Group meeting.

Jenna Catsos attended SBDC meetings and noted the number of businesses reaching out to the SBDC during the Covid-19 crisis.

Dianna Rios said she has been attending the daily Covid Economic Resilience Committee (CERC) meetings. Carl Hansen asked for information for joining those meetings and she provided the meeting information in the Zoom chat.

**2. HWF Board to review staff recommendation for Headwaters Fund to revise existing agreements (contracts) with Arcata Economic Development Corporation (AEDC) and Redwood Region Economic Development Commission (RREDC) as part of an overall recommendation to the Board of Supervisors to provide relief to local businesses. Board to determine amount of funds to be utilized as a participant in a regional effort to support small businesses in the county due to the COVID-19 emergency.**

Kenny Spain explained the goal of these loans is to help as many businesses as possible. He also emphasized the importance of reacting as quickly as possible by making more funds available through RREDC and AEDC. Gregg Foster stated that these loans are similar to their current loans, except these loans will have a lower interest rate. Bruce Rupp and Jenna Catsos noted that RREDC and AEDC are trusted lenders and that loans like these are extremely important during this time.

It was moved by Elizabeth Cameron and seconded by Dianna Rios that the board authorize the Executive Director of the Headwaters Fund, Kenny Spain, to proceed with the bridge loan fund as outlined in the lending proposal, including the allocation of initial advances, as well as the ability for RREDC and AEDC to use the full amount of the RLF currently available to them for this program. This is provided that the Headwaters Fund Board Chair, Carl Hansen, can approve and provide comment on the final agreements with lending partners. Chair called for public comment – none received. Motion carried unanimously.

**3. HWF Board to discuss a recommendation to the Board of Supervisors and County Auditor/Controller to transfer funds from the Community Investment Fund to the Revolving Loan Fund should all current funds if the RLF be exhausted.**

Kenny Spain explained that if the lenders exhaust the existing funds, it would be requested that the Humboldt County Auditor-Controller move one million dollars from the Community Investment Fund (CIF) to Revolving Loan Fund (RLF). This amount would not be transferred unless it was needed.

The board mentioned it would be beneficial for these loans to be included in a Covid-19 press release, so business owners are aware of these funds. Headwaters staff noted the panic within the community and business owners. They explained that by being able to announce that this money is available, it could bolster overall morale in the community. The board asked to have an additional conversation before the action happens, because of the rapidly changing economic environment. They expressed the importance of being flexible with these funds, in order to adapt as needed.

It was moved by Dianna Rios and seconded by Bruce Rupp to approve the request to authorize the Humboldt County Auditor-Controller to transfer funds from CIF to RLF, with the stipulation that the board will give authorization before the RLF funds are allocated. Chair called for public comment – none received. Motion carried unanimously.

#### **4. Staff and Board updates**

Kenny Spain announced that the Board of Supervisors approved the Headwaters competitive grant funding recommendations at their March 26<sup>th</sup>, 2020 meeting.

Kenny also updated the board regarding changes in the Economic Development office. He explained that some staff are working from home, some are in the office, and some are working in the Office of Emergency Services (OES) during the Covid-19 crisis.

#### **5. Adjourn**

Chair Carl Hansen adjourned the meeting at 2:00 p.m.

The next meeting will be Tuesday, April 14<sup>th</sup>, 2020 from 1:30 to 4:00 p.m.