

**PROFESSIONAL SERVICES AGREEMENT
BY AND BETWEEN
COUNTY OF HUMBOLDT
AND
ARCATA ECONOMIC DEVELOPMENT CORPORATION
FOR FISCAL YEARS 2021-2022 THROUGH 2026-2027**

This "Professional Services Agreement (the "Agreement") is entered into, by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and Arcata Economic Development Corporation, a California 501c3 nonprofit, hereinafter referred to as "SUBRECIPIENT," on the date last signed below and is made upon the following considerations:

WHEREAS, Sections 602(b)(2) and 603(b) of the Social Security Act, as added by §9901 of the American Rescue Plan Act, Pub.L.No. 117-2 (March 11, 2021) authorizes the United States Department of the Treasury (the "Treasury") to make payments to certain recipients from the Coronavirus State and Local Fiscal Relief Funds ("SLFRF") Program; and

WHEREAS, on September 1, 2021, after being notified of an award by the Treasury and as a condition to receive of these Funds, COUNTY made certain assurances to the Treasury regarding the use of SLFRF program funds; and

WHEREAS, COUNTY, by and through its County Administrative Office ("CAO"), has been allocated a total of Thirteen Million One Hundred Twelve Thousand Two Hundred Seventy Six Dollars (\$13,112,276.00) in funding made available through the federally enacted American Rescue Plan Act ("ARPA") SLFRF program, as administered by the Treasury for the purpose of supporting local and tribal governments' response to and recovery from the COVID-19 public health emergency, as defined by Title 31, Subtitle A, Part 35 of the Code of Federal Regulations, ("Treasury Final Rule"); and

WHEREAS, County's allocation of these SLFRF funds from the federal government are for meeting specific community objectives as defined by the Treasury and which are intended for activities related to COVID-19 recovery; and

WHEREAS, in accordance with the applicable SLFRF guidance, COUNTY has identified several goals and objectives pertaining to the expenditure of SLFRF funding, including, without limitation, the provision of financial support to providers and childcare workers, childcare subsidies, technical support and infrastructure development, and other services designed to provide additional support for the local childcare industry in response to the COVID-19 public health emergency; and

WHEREAS, COUNTY determined that SUBRECIPIENT has the institutional, managerial and fiscal capacity to provide the services designed to provide additional support for the local childcare industry in response to the COVID-19 public health emergency; and

WHEREAS, COUNTY selected SUBRECIPIENT to act as the subrecipient for these funds and therefor, in essence, passes through these federal dollars for the purpose of performing those services as defined in the Project Description; and

WHEREAS, COUNTY has awarded SUBRECIPIENT a one-time allocation of Four Million Eight Hundred Fifty-Six Thousand Five Hundred Dollars (\$4,856,500.00) for the purpose of funding and administering a project that is consistent with the goals and objectives of the SLFRF program; and

WHEREAS, COUNTY finds that the proposed SLFRF project is in the public interest and the requested allocation is required to ensure the establishment and administration thereof; and

WHEREAS, the parties desire to enter into an agreement which sets forth each party's rights and responsibilities regarding the establishment and administration of the proposed SLFRF project.

NOW THEREFORE, the parties hereto mutually agree as follows:

1. RIGHTS AND RESPONSIBILITIES OF COUNTY:

- A. Allocation of Program Funds. COUNTY shall provide SUBRECIPIENT with an amount not to exceed Four Million Eight Hundred Fifty-Six Thousand Five Hundred Dollars (\$4,856,500.00) for the purpose of funding the establishment and administration of an SLFRF project as described in Exhibit A, attached hereto and incorporated by reference as though fully set forth herein, including, without limitation, compensating SUBRECIPIENT for the provision of financial support to providers and childcare workers, childcare subsidies, technical support and infrastructure development, and other services designed to provide additional support for the local childcare industry in response to the COVID-19 public health emergency.
- B. Project Budget. Attached hereto as Exhibit B is the Project Budget setting forth the categories of SLFRF funding SUBRECIPIENT shall expend and provide to the COUNTY during the project.
- C. Right to Receive Records on Obligated Funds. Beginning on July 1, 2024, COUNTY shall have the right to review SUBRECIPIENT's records during normal business hours, upon prior written request consent to which shall not be unreasonably withheld, to review SUBRECIPIENT's records regarding the obligation of the SLFRF funds.
- D. Right to Receive Refund on Non-Obligated Funds. Beginning on July 1, 2024, the COUNTY has the right, upon written request to SUBRECIPIENT, to receive a refund of any and all non-obligated SLFRF funds along with their pro rata share of administrative costs, as of July 1, 2024.
- E. Consultation around SLFRF Guidelines. COUNTY shall provide any and all appropriate consultation and/or coordinate training opportunities pertaining to SUBRECIPIENT's authorized use and management of SLRF funding.

2. RIGHTS AND RESPONSIBILITIES OF SUBRECIPIENT:

- A. Provision of Financial Support to Childcare Providers. SUBRECIPIENT shall provide funding to eligible childcare providers for childcare services, including, without limitation, childcare retention bonuses, hiring bonuses, forgivable loans to transition spaces into infant/toddler care, and forgivable education loans including determine appropriate metrics for approving environmental improvements to childcare homes and centers.
- B. Provision of Financial Support to Working Parents. SUBRECIPIENT shall provide funding to eligible individuals for childcare services, including, without limitation, childcare subsidies, throughout the entire term of this Agreement, as funds allow.
- C. Provision of Funding for Technical Assistance and Business Support Services. SUBRECIPIENT shall provide funding to an eligible agency for technical assistance and support services to childcare providers to aid in record keeping and book-keeping throughout the term of this Agreement, as staffing allows, including but not limited to hiring a software technician to

assist childcare providers troubleshooting processes and payments of SLFRF funds.

- D. Provision of Funding for Establishment of Childcare Sustainability Commission. SUBRECIPIENT shall provide funding to an eligible agency to convene childcare stakeholders to develop a workforce and childcare survey and seek additional funding to maintain and extend programs funded through SLFRF, or other funding, including but not limited to the Child Care Task Force.
- E. Program Administration. SUBRECIPIENT shall develop, maintain and follow written program guidelines and criteria for eligible providers, individuals, agencies and others who may receive funding through this SLFRF program. SUBRECIPIENT SHALL provide a link on its website where applicants may find additional information and applications. SUBRECIPIENT shall respond to all inquiries for information from prospective applicants, track incoming applications confirm eligibility and distribute funds to approved applicants. SUBRECIPIENT shall be responsible for developing all necessary contracts, hiring documents and tax reporting (specifically IRS Form 1099s) associated with distribute funding for SLFRF programs.
- F. Data Collection and Submission. SUBRECIPIENT shall coordinate with COUNTY and collect, maintain and report to COUNTY any and all necessary data and participant-level data obtained as a result of providing SLFRF funding for childcare-related services.
- G. Duty to Refund Non-Obligated SLFRF Funds. SUBRECIPIENT hereby agrees, that is after July 1, 2024 COUNTY requests a refund of any or all identified non-obligated SLFRF funds, SUBRECIPIENT hereby agrees to refund to COUNTY the amount of the identified non-obligated funds AND their pro rata share of administrative costs.

3. TERM:

This Agreement shall begin on May 10, 2022 and shall remain in full force and effect until December 31, 2026, unless SUBRECIPIENT fails to provide a certificate or other proof of insurance to the COUNTY on or before May 31, 2022, or this Agreement is sooner terminated as provided herein.

4. TERMINATION:

- A. Termination for Cause. COUNTY may, in its sole discretion, immediately terminate this Agreement, if SUBRECIPIENT fails to adequately perform the services required hereunder within the time limits specified herein, fails to comply with the terms or conditions set forth herein, or violates any local, state or federal law, regulation or standard applicable to its performance hereunder.
- B. Termination without Cause. COUNTY may terminate this Agreement without cause upon thirty (30) days advance written notice which states the effective date of the termination.
- C. Termination due to Insufficient Funding. COUNTY's obligations under this Agreement are contingent upon the availability of local, state and/or federal funds. In the event such funding is reduced or eliminated, COUNTY shall, at its sole discretion, determine whether this Agreement shall be terminated. COUNTY shall provide SUBRECIPIENT seven (7) days advance written notice of its intent to terminate this Agreement due to insufficient funding.
- D. Termination due to Failure to Provide Proof of Insurance by May 31, 2022. SUBRECIPIENT hereby agrees that if SUBRECIPIENT fails to provide a certificate or other proof the insurance provisions detailed in Section 14 below have been complied with, this Agreement shall

automatically terminate at 11:59 p.m. PDT on May 31, 2022, and SUBRECIPIENT shall refund any and all funding received under this Agreement to the COUNTY on or before June 10, 2022

- E. Compensation upon Termination. In the event this Agreement is terminated, SUBRECIPIENT shall be entitled to compensation for uncompensated services provided hereunder through and including the effective date of termination. However, this provision shall not limit or reduce any damages owed to COUNTY due to a breach of this Agreement by SUBRECIPIENT.

5. COMPENSATION:

- A. Maximum Amount Payable. The maximum amount payable by COUNTY for any and all services provided, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement is Four Million Eight Hundred Fifty-Six Thousand Five Hundred Dollars (\$4,856,500.00). SUBRECIPIENT hereby agrees to perform any and all services required by this Agreement for an amount not to exceed such maximum dollar amount. However, if local, state or federal funding or allowance rates are reduced or eliminated, COUNTY may, by amendment, reduce the maximum amount payable hereunder or terminate this Agreement as provided herein.

- B. Additional Services. Any additional services not otherwise set forth herein, shall not be provided by SUBRECIPIENT, or compensated by COUNTY, without COUNTY's prior written authorization. Any and all unauthorized costs and expenses incurred above the maximum payable amount set forth herein shall be the responsibility of SUBRECIPIENT. SUBRECIPIENT shall notify COUNTY in writing, at least six (6) weeks prior to the date upon which SUBRECIPIENT estimates that the maximum payable amount will be reached.

6. PAYMENT:

- A. COUNTY will deposit ninety percent (90%) of the funds in SUBRECIPIENT'S account no later than thirty (30) days after execution of this Agreement.
- B. COUNTY will deposit five percent (5%) of the total amount specified in Section 5.A. no later than January 31, 2023.
- C. Final five percent (5%) of the total amount specified in Section 5.A., above, shall not be released by COUNTY to SUBRECIPIENT until SUBRECIPIENT submits Final Report (see Section 8(B)) pursuant to the terms of this Agreement.

7. NOTICES:

Any and all notices required to be given pursuant to the terms and conditions of this Agreement shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

COUNTY: Humboldt County Administrative Office
Attention: Sean Quincey, Deputy CAO
825 5th Street, #112
Eureka, California 95501

SUBRECIPIENT: Arcata Economic Development Corporation
Attention: Susan Seaman, Program Director
707 K Street
Eureka, CA 95501

8. REPORTS:

- A. SUBRECIPIENT hereby agrees to provide COUNTY with any and all reports that may be required by any local, state and/or federal agencies for compliance with this Agreement. The adequacy of such reports, including the Final Report, shall be determined by the County Administrative Office. SUBRECIPIENT shall submit one (1) electronic copy of any and all reports required hereunder in a format that complies with the Americans with Disabilities Act and any other applicable local, state and federal accessibility laws, regulations and standards. Any and all reports required hereunder shall be submitted in accordance with any and all applicable timeframes using the format required by the State of California as appropriate.
- B. SUBRECIPIENT will submit a Final Report to the County (see Exhibit C, Final Report Form), including final documentation to receive funding specified in Section 6(c), and in no event shall the Final Report be submitted later than thirty (30) days after the Agreement's termination date. The Final Report will utilize the format in Exhibit C and shall include:
- i. Documentation of activities contracted and completed with Agreement funds;
 - ii. Financial accounting of Agreement funds;
 - iii. Subcontracts signed and/or completed;
 - iv. Narrative of accomplishments to date and schedule of activities and expected completion date; and
 - v. Requests for revisions of timeline, budget, and other Project items.

9. MAINTENANCE & PRESEVATION OF AND ACCESS TO RECORDS:

- A. SUBRECIPIENT hereby agrees to maintain and preserve records and financial documents sufficient to evidence compliance with sections 602(c) and 603(c), Treasury's regulations implementing those sections, and guidance regarding the eligible uses of funds.
- B. SUBRECIPIENT hereby agrees to timely prepare accurate and complete financial, performance and payroll records, documents and other evidence relating to the services provided pursuant to the terms and conditions of this Agreement, and to maintain and preserve said records for at least five (5) years from the date of final payment hereunder. Such records shall be original entry books with a general ledger itemizing all debits and credits for the services provided pursuant to the terms and conditions of this Agreement.
- C. The Treasury Office of Inspector General and the Government Accountability Office, or their authorized representatives, shall have the right of access to records (electronic and otherwise) of SUBRECIPIENT in order to conduct audits or other investigations.
- D. Pursuant to California Government Code Section 8546.7, all records, documents, conditions and activities of SUBRECIPIENT, and its subcontractors, related to the services provided pursuant to the terms and conditions of this Agreement, shall be subject to the examination and audit of the California State Auditor and any other duly authorized agents of the State of California. SUBRECIPIENT hereby agrees to make all such records available during normal business hours to inspection, audit and reproduction by COUNTY and any other duly authorized local, state

and/or federal agencies. SUBRECIPIENT further agrees to allow interviews of any of its employees who might reasonably have information related to such records by COUNTY and any other duly authorized local, state and/or federal agencies. All examinations and audits conducted hereunder shall be strictly confined to those matters connected with the performance of this Agreement, including, without limitation, the costs of administering this Agreement.

- E. Audit Costs. In the event of an audit exception or exceptions related to the services provided pursuant to the terms and conditions of this Agreement, the party responsible for not meeting the requirements set forth herein shall be responsible for the deficiency and for the cost of the audit. If the allowable expenditures cannot be determined because SUBRECIPIENT's documentation is nonexistent or inadequate, according to generally accepted accounting practices, the questionable cost shall be disallowed by COUNTY.
- F. Records shall be maintained by SUBRECIPIENT for a period of five (5) years after all funds have been expended or returned to Treasury, whichever is later, except that if any litigation, claim, negotiation, audit or other action is pending, the records shall be retained until completion and resolution of all issues arising therefrom.
- G. SUBRECIPIENT's failure to comply with the requirements set forth herein may result in the imposition of any and all applicable penalties pertaining to obstruction of governmental investigations.

10. CONFIDENTIALITY, PRIVACY AND DATA SECURITY REQUIREMENTS:

- A. General Legal Requirements. SUBRECIPIENT hereby agrees to protect any and all confidential records and client confidentiality in conformance with any and all applicable local, state and federal laws, regulations and standards, including, without limitation: Division 19 of the California Department of Social Services Manual of Policies and Procedures – Confidentiality of Information; California Welfare and Institutions Code Sections 827, 5328, 10850 and 14100.2; California Health and Safety Code Sections 1280.15 and 1280.18; the California Information Practices Act of 1977; the California Confidentiality of Medical Information Act ("CMIA"); the United States Health Information Technology and Clinical Health Act ("HITECH Act"); the United States Health Information Portability and Accountability Act of 1996 ("HIPAA"); the CARES Act and any current and future implementing regulations promulgated thereunder, including, but not limited to: the Federal Privacy Regulations contained in 45 C.F.R. Parts 160 and 164; the Federal Security Standards contained in 45 C.F.R. Parts 160, 162 and 164; the Federal Standards for Electronic Transactions contained in 45 C.F.R. Parts 160 and 162; 42 C.F.R. Sections 431.300, *et seq.*; 45 C.F.R. Section 205.50; and 24 C.F.R. Part 576, all as may be amended from time to time.
- B. HIPAA Business Associate Requirements. SUBRECIPIENT hereby agrees to adhere to the terms and conditions set forth in Exhibit C – County of Humboldt HIPAA Business Associate Agreement, which is attached hereto and incorporated herein by reference as if set forth in full.
- C. Continuing Compliance with Confidentiality Requirements. Each party hereby acknowledges that local, state and federal laws, regulations, standards and contractual requirements pertaining to confidentiality, electronic data security and privacy are rapidly evolving, and that amendment of this Agreement may be required to ensure compliance with such developments. Each party agrees to enter into negotiations concerning an amendment to this Agreement embodying written assurances consistent with the requirements of HIPAA, the HITECH Act, the CMIA, the ARPA and any other applicable local, state and federal laws, regulations, standards or contractual requirements.

11. MONITORING:

COMPANY hereby agrees that COUNTY has the right to monitor all activities related to this Agreement, including, without limitation, the right to review and monitor COMPANY's records, policies, procedures and overall business operations, at any time, in order to ensure compliance with the terms and conditions of this Agreement. COMPANY shall cooperate with a corrective action plan, if deficiencies in COMPANY's records, policies, procedures or business operations are identified by COUNTY. COUNTY is not responsible for COMPANY's performance under this Agreement or any applicable corrective action plan.

12. ASSURANCES OF COMPLIANCE WITH CIVIL RIGHTS REQUIREMENTS:

- A. SUBRECIPIENT shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this contract (or agreement). Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this contract or agreement.
- B. SUBRECIPIENT hereby assures that it, and its subcontractors, shall comply with the provisions of Title VII of the Civil Rights Act of 1968, the Civil Rights Restoration Act of 1987, the Fair Housing Amendment Act of 1988, the Housing for Older Persons Act of 1995, the Housing and Urban Development Act of 1968, Section 109 of Title 1 of the Housing and Community Development Act of 1974, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, Federal Executive Order 11246, Federal Executive Order 11063, Federal Executive Order 11259, the Americans with Disabilities Act of 1990, the Equal Opportunity Act, the Immigration Reform and Control Act of 1986, the Vietnam Era Veterans' Readjustment Act of 1974, the Jobs for Veterans Act of 2002, the Uniform Guidelines on Employee Selection Procedures adopted by the Equal Employment Opportunity Commission in 1978, the California Fair Employment and Housing Act, California Welfare and Institutions Code Section 10000, Division 21 of the California Department of Social Services Manual of Policies and Procedures, and any other applicable local, state and federal laws, regulations and standards, all as may be amended from time to time. The applicable regulations of the California Fair Employment and Housing Commission implementing Government Code Section 12990, set forth in Sections 8101, *et seq.* of Title 2 of the California Code of Regulations ("C.C.R."), are incorporated into this Agreement by reference and made a part hereof as if set forth in full.
- C. Nondiscriminatory Delivery of Social Services. In connection with the execution of this Agreement, SUBRECIPIENT, and its subcontractors, shall not unlawfully discriminate in the administration of public assistance and social services programs. SUBRECIPIENT hereby assures that no person shall be excluded from participation in, be denied benefits of, or be subjected to discrimination under any program or activity receiving local, state or federal financial assistance because of: race; religion or religious creed; color; age, over forty (40) years of age; sex, including, without limitation, gender identity and expression, pregnancy, childbirth and related medical conditions; sexual orientation, including, without limitation, heterosexuality, homosexuality and bisexuality; national origin; ancestry; marital status; medical condition, including, without limitation, cancer and genetic characteristics; mental or physical disability,

including, without limitation, HIV status and AIDS; political affiliation; military service; denial of family care leave; or any other classifications protected by any and all applicable local, state or federal laws, regulations or standards, all as may be amended from time to time. COUNTY reserves the right to monitor the services provided hereunder in order to ensure compliance with the requirements of this provision.

- D. Provision of Professional Services. Consistent with the requirements of any and all applicable local, state and federal laws, regulations and standards, SUBRECIPIENT shall not engage in any unlawful discriminatory practices in the admission of clients, assignments of accommodations, treatment, evaluation, employment or personnel or any other respect on the basis of: race; religion or religious creed; color; age (over forty (40) years of age); sex, including, without limitation, gender identity and expression, pregnancy, childbirth and related medical conditions; sexual orientation, including, without limitation, heterosexuality, homosexuality and bisexuality; national origin; ancestry; marital status; medical condition, including, without limitation, cancer and genetic characteristics; mental or physical disability, including, without limitation, HIV status and AIDS; political affiliation; military service; denial of family care leave; or any other classifications protected by any and all applicable local, state or federal laws, regulations or standards, all as may be amended from time to time. SUBRECIPIENT shall not discriminate against clients on the basis of health status or need for health care services.
- E. Employment Practices. In connection with the services provided hereunder, SUBRECIPIENT, and its subcontractors, shall not unlawfully discriminate against any employee, or applicant for employment, because of: race; religion or religious creed; color; age (over forty (40) years of age); sex, including, without limitation, gender identity and expression, pregnancy, childbirth and related medical conditions; sexual orientation, including, without limitation, heterosexuality, homosexuality and bisexuality; national origin; ancestry; marital status; medical condition, including, without limitation, cancer and genetic characteristics; mental or physical disability, including HIV status and AIDS; political affiliation; military service; denial of family care leave; or any other classifications protected by any and all applicable local, state or federal laws, regulations or standards, all as may be amended from time to time. SUBRECIPIENT shall take affirmative action to ensure that qualified applicants are employed, and that during employment, employees are treated without regard to the factors referenced above. Such actions shall include, without limitation: employment, promotion, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and career development opportunities and selection for training, including apprenticeship. Nothing herein shall be construed to require the employment of unqualified persons.
- F. Solicitations for Employment. Any and all solicitations or advancements for employees placed by, or on behalf of, SUBRECIPIENT shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, physical or mental disability, age or status as a disabled veteran or veteran of the Vietnam era.
- G. Notification to Current and Prospective Employees. SUBRECIPIENT shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the federal government or DHCD, setting forth the provisions of the Equal Opportunity Clause of Section 503 of the Rehabilitation Act of 1973 and the Affirmative Action Clause required by the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (Section 4212 of Title 38 United States Code ("U.S.C.")). Such notices shall state SUBRECIPIENT's obligation under the law to take affirmative action to employ and advance in employment qualified applicants without discrimination based on their race, color, religion, sex, national origin, physical or mental disability, age or status as a disabled veteran or veteran of the Vietnam era and the rights of applicants and employees.

- H. Notification to Labor Unions and/or Employee Representatives. SUBRECIPIENT shall send to each labor union or representative of employees with which it has a collective bargaining agreement, or other contract or understanding, a notice, to be provided by the federal government or the State of California, advising the labor union or employee representative of SUBRECIPIENT's commitments under the provisions herein, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- I. Non-Discrimination in Federally Assisted Programs. SUBRECIPIENT shall comply with all the provisions of, and furnish all information and reports required by, Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. Section 4212) and Federal Executive Order 11246, as amended by Federal Executive Order 11375 - "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by 41 C.F.R. Part 60 - "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and the rules, regulations and relevant orders of the Secretary of Labor pertaining to the prohibition of discrimination against qualified disabled persons in all federally assisted programs or activities, as detailed in the regulations signed by the Secretary of Health and Human Services, effective June 2, 1977, found in the Federal Register, Volume 42, No. 86, dated May 4, 1977.
- J. Sanctions for Non-Compliance. In the event of SUBRECIPIENT's non-compliance with the requirements set forth herein, or with any federal rules, regulations or orders referenced herein, this Agreement may be cancelled, terminated or suspended in whole or in part and SUBRECIPIENT may be declared ineligible for further state and federal contracts in accordance with procedures authorized in Federal Executive Order 11246, as amended, and such other sanctions that may be imposed, and remedies invoked, as provided in Federal Executive Order 11246, as amended, including by Federal Executive Order 11375 - "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by 41 C.F.R. Part 60 - "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," or by the rules, regulations or orders of the Secretary of Labor, or as otherwise provided by any applicable local, state and federal laws, regulations and standards.
- K. Incorporation of Provisions. SUBRECIPIENT shall include the foregoing provisions in every subcontract related to the services provided pursuant to the terms and conditions of this Agreement, unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Federal Executive Order 11246, as amended, including by Federal Executive Order 11375 - "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by 41 C.F.R. Part 60 - "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," Section 503 of the Rehabilitation Act of 1973 or the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. Section 4212), so that such provisions will be binding upon each subcontractor or vendor. SUBRECIPIENT shall take such action with respect to any subcontract related to the services provided hereunder, as the Director of the Office of Federal Contract Compliance Programs or DHCD may direct as a means of enforcing such provisions, including, without limitation, sanctions for non-compliance, provided, however, that in the event SUBRECIPIENT becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by DHCD, SUBRECIPIENT may request in writing to DHCD, who, in turn, may request the United States to enter into such litigation.

13. NUCLEAR-FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE:

By executing this Agreement, SUBRECIPIENT certifies that it is not a Nuclear Weapons Contractor,

in that SUBRECIPIENT is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems or nuclear weapons components as defined by the Nuclear-Free Humboldt County Ordinance. SUBRECIPIENT agrees to notify COUNTY immediately if it becomes a Nuclear Weapons Contractor as defined above. COUNTY may immediately terminate this Agreement if it determines that the foregoing certification is false or if SUBRECIPIENT subsequently becomes a Nuclear Weapons Contractor.

14. INDEMNIFICATION:

- A. HOLD HARMLESS, DEFENSE AND INDEMNIFICATION. SUBRECIPIENT SHALL HOLD HARMLESS, DEFEND AND INDEMNIFY COUNTY AND ITS AGENTS, OFFICERS, OFFICIALS, EMPLOYEES AND VOLUNTEERS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LOSSES, DAMAGES AND LIABILITIES OF ANY KIND OR NATURE, INCLUDING, WITHOUT LIMITATION, ATTORNEY'S FEES AND OTHER COSTS OF LITIGATION, ARISING OUT OF, OR IN CONNECTION WITH, SUBRECIPIENT'S NEGLIGENT PERFORMANCE OF, OR FAILURE TO COMPLY WITH, ANY OF THE DUTIES AND/OR OBLIGATIONS CONTAINED HEREIN, EXCEPT SUCH LOSS OR DAMAGE WHICH WAS CAUSED BY THE SOLE NEGLIGENCE OR WILLFUL MISCONDUCT OF COUNTY.
- B. Effect of Insurance. Acceptance of the insurance required by this Agreement shall not relieve SUBRECIPIENT from liability under this provision. This provision shall apply to any and all claims for damages related to SUBRECIPIENT's performance hereunder, regardless of whether any insurance is applicable or not. The insurance policy limits set forth herein shall not act as a limitation upon the amount of indemnification or defense to be provided by SUBRECIPIENT hereunder.

15. INSURANCE REQUIREMENTS:

This Agreement shall be executed by COUNTY on the sole condition and representation made by SUBRECIPIENT, that on or before May 31, 2022, SUBRECIPIENT shall provide COUNTY with a certificate of insurance detailing the requirements below, or other proof that the following insurance provisions have been complied with, and are filed with the Clerk of the Humboldt County Board of Supervisors on or before May 31, 2022.

- A. General Insurance Requirements. Without limiting SUBRECIPIENT's indemnification obligations set forth herein, SUBRECIPIENT, and its subcontractors hereunder, shall take out and maintain, throughout the entire term of this Agreement, and any extensions thereof, the following policies of insurance, placed with insurers authorized to do business in the State of California with a current A.M. Bests rating of no less than A: VII or its equivalent against personal injury, death and property damage which may arise from, or in connection with, the activities of SUBRECIPIENT or its agents, officers, directors, employees, licensees, invitees, assignees or subcontractors:
1. Comprehensive or Commercial General Liability Insurance at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence form CG 0001), in an amount of Two Million Dollars (\$2,000,000.00) per occurrence for any one (1) incident, including, without limitation, personal injury, death and property damage. If a general aggregate limit is used, such limit shall apply separately hereto or shall be twice the required occurrence limit.
 2. Automobile/Motor Liability Insurance with a limit of liability not less than One Million

Dollars (\$1,000,000.00) combined single limit coverage. Such insurance shall include coverage of all owned, hired and non-owned vehicles, and be at least as broad as Insurance Service Offices Form Code 1 (any auto).

3. Workers' Compensation Insurance, as required by the California Labor Code, with statutory limits, and Employers Liability Insurance with a limit of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury or disease. Said policy shall contain, or be endorsed to contain, a waiver of subrogation against COUNTY and its agents, officers, officials, employees and volunteers.

"I hereby agree to comply with the provisions of California Labor Code Section 3700, which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with state law, throughout the term of this Agreement."

SUBRECIPIENT: _____

Arcata Econ. Dev. Corp.
[Job Title]

_____ Date

4. Professional Liability Insurance – Error and Omission Coverage including coverage in an amount no less than Two Million Dollars (\$2,000,000.00) for each occurrence (Four Million Dollars (\$4,000,000.00) general aggregate). Said insurance shall be maintained for the statutory period during which SUBRECIPIENT may be exposed to liability. SUBRECIPIENT shall require that such coverage be incorporated into its professional services agreements with any other entities.

B. Special Insurance Requirements. Said policies shall, unless otherwise specified herein, be endorsed with the following provisions:

1. The Comprehensive or Commercial General Liability Policy shall provide that COUNTY, and its agents, officers, officials, employees and volunteers, are covered as additional insured for liability arising out of the operations performed by, or on behalf of, SUBRECIPIENT. The coverage shall contain no special limitations on the scope of protection afforded to COUNTY or its agents, officers, officials, employees and volunteers. Said policy shall also contain a provision stating that such coverage:
 - a. Includes contractual liability.
 - b. Does not contain exclusions as to property damage caused by explosion or collapse of structures or underground damage, commonly referred to as "XCU Hazards."
 - c. Is the primary insurance with regard to COUNTY.
 - d. Does not contain a pro-rata, excess only and/or escape clause.
 - e. Contains a cross liability, severability of interest or separation of insureds clause.
2. The above-referenced policies shall not be canceled, non-renewed or materially reduced in coverage without thirty (30) days prior written notice being provided to COUNTY in accordance with the notice requirements set forth herein. It is further understood that SUBRECIPIENT shall not terminate such coverage until COUNTY receives adequate proof that equal or better insurance has been secured.

3. The inclusion of more than one (1) insured shall not operate to impair the rights of one (1) insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one (1) insured shall not operate to increase the limits of the insurer's liability.
4. For claims related to this Agreement, SUBRECIPIENT's insurance is the primary coverage to COUNTY, and any insurance or self-insurance programs maintained thereby are excess to SUBRECIPIENT's insurance and will not be used to contribute therewith.
5. Any failure to comply with the terms and conditions of this Agreement shall not affect the coverage provided to COUNTY or its agents, officers, officials, employees and volunteers.
6. SUBRECIPIENT shall furnish COUNTY with certificates and original endorsements effecting the required coverage prior to execution of this Agreement. The endorsements shall be on forms approved by the Humboldt County Risk Manager. Any deductible or self-insured retention over One Hundred Thousand Dollars (\$100,000.00) shall be disclosed to, and approved by, COUNTY. If SUBRECIPIENT does not keep all required policies in full force and effect, COUNTY may, in addition to any other available remedies, take out the necessary insurance and deduct the cost of said insurance from the monies owed to SUBRECIPIENT under this Agreement.
7. COUNTY is to be notified immediately if twenty-five percent (25%) or more of any required insurance aggregate limit is encumbered, and SUBRECIPIENT shall be required to purchase additional coverage to meet the above-referenced aggregate limits.

C. Insurance Notices. Any and all insurance notices required to be given pursuant to the terms and conditions of this Agreement shall be sent to the addresses set forth below in accordance with the notice requirements contained herein.

COUNTY: County of Humboldt
Attention: Risk Management
825 Fifth Street, Room 131
Eureka, California 95501

SUBRECIPIENT: Arcata Economic Development Corporation
Attention: Susan Seaman, Program Director
707 K Street
Eureka, CA 95501

- D. SUBRECIPIENT hereby agrees that if it fails to provide a certificate of insurance or other proof the insurance provisions detailed in this Section 14 have been complied with, this Agreement shall automatically terminate at 11:59 p.m. PDT on May 31, 2022, and SUBRECIPIENT shall refund any and all funding received under this Agreement to the COUNTY on or before June 10, 2022.

16. RELATIONSHIP OF PARTIES:

It is understood that this Agreement is by and between two (2) independent entities and is not intended to, and shall not be construed to, create the relationship of agents, servant, employee, partnership, joint venture or any other similar collaborative association or legal entity. Both parties further agree that SUBRECIPIENT shall not be entitled to any benefits to which COUNTY employees are entitled,

including, without limitation, overtime, retirement, leave or workers' compensation benefits. SUBRECIPIENT shall be solely responsible for the acts and omissions of its agents, officers, employees, assignees and subcontractors. SUBRECIPIENT's employees and representatives shall at no time hold themselves out to be employees or representatives of the COUNTY.

17. COMPLIANCE WITH APPLICABLE LAWS, REGULATIONS AND STANDARDS:

- A. General Legal Requirements. SUBRECIPIENT hereby agrees to comply with any and all local, state and federal laws, regulations, policies, procedures and standards applicable to the services provided pursuant to the terms and conditions of this Agreement, including, without limitation, any and all applicable laws, regulations and standards pertaining to the ESG-CV program.
- B. Licensure Requirements. SUBRECIPIENT hereby agrees to comply with any and all local, state and federal licensure, certification and accreditation standards applicable to the services provided pursuant to the terms and conditions of this Agreement.
- C. Federal Funding Requirements. SUBRECIPIENT hereby agrees to comply with any and all applicable federal funding requirements set forth in 2 C.F.R. Part 200 and 24 C.F.R. 576, including, without limitation, the accounting principles, cost principles and audit requirements set forth in 2 C.F.R. Section 200.49, 2 C.F.R. Section 200.68, 2 C.F.R. Section 200.403, 2 C.F.R. Section 200.414, 2 C.F.R. Section 200.415, 2 C.F.R. Sections 200.500, *et seq.* and 24 C.F.R. Section 576.500, and any current and future implementing regulations, policies, procedures and standards promulgated thereunder, all as may be amended from time to time.
- D. Accessibility Requirements. SUBRECIPIENT hereby agrees to comply with any and all applicable accessibility requirements set forth in the Americans with Disabilities Act, Section 508 of the Rehabilitation Act of 1973, as amended, California Government Code Section 1135 and any current and future implementing regulations, policies, procedures and standards promulgated thereunder, including, without limitation, the federal accessibility standards set forth in 36 C.F.R. Section 1194.1, all as may be amended from time to time.
- E. Conflict of Interest Requirements. SUBRECIPIENT hereby agrees to comply with any and all applicable conflict of interest requirements set forth in the California Political Reform Act, Office of Management and Budget Circulars A-102 and A-110 and any current and future implementing regulations, policies, procedures and standards promulgated thereunder, including, without limitation, COUNTY's Conflict of Interest Code, all as may be amended from time to time. Pursuant to 24 C.F.R. Section 576.404, in addition to the conflict of interest requirements set forth in Office of Management and Budget Circulars A-102 and A-110, no employee, agent, consultant, officer or official of SUBRECIPIENT who exercises, or has exercised, any functions or responsibilities with respect to assisted activities, or who is in a position to participate in a decision-making process, or gain inside information with regard to such activities; may obtain a personal or financial interest or benefit from the activity or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or for those with whom they have family or business ties, during their tenure or for one (1) year thereafter.
- F. Environmental Requirements. SUBRECIPIENT hereby agrees to comply with any and all applicable environmental requirements set forth in the California Environmental Quality Act, Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Clean Air Act (42 U.S.C. Sections 1857, *et seq.* the Federal Water Pollution Control Act (33 U.S.C. 1251, *et seq.*), the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. Sections 4821, *et seq.*) the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42

U.S.C. Sections 4851, *et seq.*) and any current and future implementing regulations, policies, procedures and standards promulgated thereunder, including, without limitation, the environmental quality guidelines set forth in 14 C.C.R. Sections 15000, *et seq.*, 24 C.F.R. Part 50, 24 C.F.R. Section 576.407(d), 40 C.F.R. Part 247, 40 C.F.R. Part 15 and 24 C.F.R. Part 35, all as may be amended from time to time.

- G. Prevailing Wage Requirements. SUBRECIPIENT hereby agrees to comply with any and all applicable prevailing wage requirements set forth in California Labor Code Sections 1770, *et seq.* and any current and future implementing regulations, policies, procedures and standards promulgated thereunder, all as may be amended from time to time.

18. PROVISIONS REQUIRED BY LAW:

This Agreement is subject to any additional local, state and federal restrictions, limitations or conditions that may affect the terms, conditions or funding of this Agreement. This Agreement shall be read and enforced as though all legally required provisions are included herein, and if for any reason any such provision is not included, or incorrectly stated, the parties agree to amend the pertinent section to make such insertion or correction.

19. REFERENCE TO LAWS, REGULATIONS AND STANDARDS:

In the event any law, regulation, policy, procedure, standard or contractual obligation referred to herein is amended during the term of this Agreement, the parties agree to comply with the amended provision as of the effective date of such amendment.

20. PROTOCOLS:

Each party hereby agrees that the inclusion of additional protocols may be required to make this Agreement specific. All such protocols shall be negotiated, determined and agreed upon by both parties hereto.

21. NOTIFICATION OF LITIGATION:

SUBRECIPIENT shall immediately notify COUNTY of any claim for damages, lawsuit or other professional litigation filed against SUBRECIPIENT, which relates to the services provided pursuant to the terms and conditions of this Agreement.

22. SEVERABILITY:

If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

23. ASSIGNMENT:

Neither party shall delegate its duties or assign its rights hereunder, either in whole or in part, without the other party's prior written consent. Any assignment by SUBRECIPIENT in violation of this provision shall be void, and shall be cause for immediate termination of this Agreement. This provision shall not be applicable to service agreements or other arrangements usually or customarily entered into by either party to obtain supplies, technical support or professional services.

24. AGREEMENT SHALL BIND SUCCESSORS:

All provisions of this Agreement shall be fully binding upon, and inure to the benefit of, the parties and to each of their heirs, executors, administrators, successors and permitted assigns.

25. WAIVER OF DEFAULT:

The waiver by either party of any breach of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement. In no event shall any payment by COUNTY constitute a waiver of any breach of this Agreement which may then exist on the part of SUBRECIPIENT. Nor shall such payment impair or prejudice any remedy available to COUNTY with respect to the breach or default. COUNTY shall have the right to demand repayment of, and SUBRECIPIENT shall promptly refund, any funds which COUNTY determines were not expended in accordance with the terms and conditions of this Agreement.

26. NON-LIABILITY OF COUNTY OFFICIALS AND EMPLOYEES:

No official or employee of COUNTY shall be personally liable for any default or liability under this Agreement.

27. AMENDMENT:

This Agreement may be amended at any time during the term hereof upon the mutual consent of both parties. No addition to, or alteration of, the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto.

28. STANDARD OF PRACTICE:

SUBRECIPIENT warrants that it has the degree of learning and skill ordinarily possessed by reputable professionals practicing in similar localities in the same profession and under similar circumstances. SUBRECIPIENT's duty is to exercise such care, skill and diligence as professionals engaged in the same profession ordinarily exercise under like circumstances.

29. JURISDICTION AND VENUE:

This Agreement shall be construed in accordance with the laws of the State of California and COUNTY's contractual obligations under the SLFRF Agreement that COUNTY has with DHCD. Any dispute arising hereunder, or relating hereto, shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to California Code of Civil Procedure Sections 394 or 395.

30. ADVERTISING AND MEDIA RELEASE:

Any and all informational material related to this Agreement shall receive approval from COUNTY prior to being used as advertising or released to the media, including, without limitation, television, radio, newspapers and internet. SUBRECIPIENT shall inform COUNTY of any and all requests for interviews by the media related to this Agreement before such interviews take place; and COUNTY shall be entitled to have a representative present at such interviews. Any and all notices required by this provision shall be given to Director in accordance with the notice requirements set forth herein.

31. SUBCONTRACTS:

SUBRECIPIENT shall obtain prior written approval from COUNTY before subcontracting any of the services to be provided pursuant to the terms and conditions of this Agreement. Any and all subcontracts shall be subject to all applicable terms and conditions of this Agreement, including, without limitation, the licensing, certification, privacy, security and confidentiality requirements set forth herein. SUBRECIPIENT shall remain legally responsible for the performance of all terms and conditions of this Agreement, including, without limitation, any and all services provided by third-parties under subcontracts, whether approved by COUNTY or not.

32. ATTORNEYS' FEES:

If either party shall commence any legal action, including, without limitation, an action for declaratory relief, against the other by reason of the alleged failure of the other to perform any of its obligations hereunder, the party prevailing in said action shall be entitled to recover court costs and reasonable attorneys' fees, including, but not limited to, the reasonable value of services rendered by the Humboldt County Counsel's Office, to be fixed by the court, and such recovery shall include court costs and attorneys' fees on appeal, if applicable. As used herein, the term "prevailing party" means the party who dismisses an action in exchange for payment of substantially all sums allegedly due, performance of provisions allegedly breached, or other considerations substantially equal to the relief sought by said party, as well as the party in whose favor final judgment is rendered.

33. SURVIVAL OF PROVISIONS:

The duties and obligations of the parties set forth in Section 4.E. – Compensation upon Termination, Section 9 – Maintenance of and Access to Records, , Section 10 – Confidentiality, Privacy and Data Security Requirements and Section 14 – Indemnification shall survive the expiration or termination of this Agreement.

34. CONFLICTING TERMS OR CONDITIONS:

In the event of any conflict in the terms or conditions set forth in any other agreements in place between the parties hereto and the terms and conditions set forth in this Agreement, the terms and conditions set forth herein shall have priority.

35. INDEPENDENT CONSTRUCTION:

The titles of the sections and subsections set forth herein are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of the provisions of this Agreement.

36. INTERPRETATION:

This Agreement, as well as its individual provisions, shall be deemed to have been prepared equally by both of the parties hereto, and shall not be construed or interpreted more favorably for one (1) party on the basis that the other party prepared it.

37. FORCE MAJEURE:

Neither party hereto shall be liable or responsible for delays or failures in performance resulting from events beyond the reasonable control, and without the fault or negligence, of such party. Such events

shall include, without limitation, acts of God, strikes, lockouts, riots, acts of war, epidemics, pandemics, acts of government, fire, power failures, nuclear accidents, earthquakes, unusually severe weather, acts of terrorism or other disasters, whether or not similar to the foregoing.

38. ENTIRE AGREEMENT:

This Agreement contains all of the terms and conditions agreed upon by the parties hereto and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind either of the parties hereto. In addition, this Agreement shall supersede in their entirety any and all prior agreements, promises, representations, understandings and negotiations of the parties, whether oral or written, concerning the same subject matter. Any and all acts which may have already been consummated pursuant to the terms and conditions of this Agreement are hereby ratified.

39. COUNTERPART EXECUTION:

This Agreement, and any amendments hereto, may be executed in one (1) or more counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to be one (1) and the same agreement. This Agreement, and any amendments hereto, may be signed by manual or electronic signatures in accordance with any and all applicable local, state and federal laws, regulations and standards, and such signatures shall constitute original signatures for all purposes. A signed copy of this Agreement, and any amendments hereto, transmitted by email or by other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement and any amendments hereto.

40. AUTHORITY TO EXECUTE:

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations hereunder have been duly authorized.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the first date written above.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
- (2) SECRETARY, CHIEF FINANCIAL OFFICER OR TREASURER.

ARCATA ECONOMIC DEVELOPMENT CORPORATION:

By: Mandy Marguez

Date: 4/28/22

Name: Mandy Marguez

Title: Board president

By: Larry Oetker

Date: 4/28/22

Name: Larry Oetker

Title: Board Secretary

COUNTY OF HUMBOLDT:

By: Virginia Bass
Virginia Bass, Chair
Humboldt County Board of Supervisors

Date: 5/10/22

INSURANCE AND INDEMNIFICATION REQUIREMENTS APPROVED:

By: Phillips, Amanda
Risk Management

Digitally signed by Phillips, Amanda
Date: 2022.05.04 09:13:18 -07'00'

Date: 05/04/2022

LIST OF EXHIBITS:

- Exhibit A – Project Description
- Exhibit B – Project Budget
- Exhibit C – Final Report Form

EXHIBIT A PROJECT DESCRIPTION

Arcata Economic Development Corporation
For Fiscal Years 2021-2022 through 2026-2027

Immediate Business Supports	Stabilization	Growth/Sustainability of a Healthier Child Care System
Employers report that child care is unavailable to their workers - Develop of child care industry partnerships with business interests and workforce development - Continue outreach on available resources through existing programs, especially Changing Tides Family Services - Encourage business to connect employees with existing resources such as Changing Tides Family Services, First 5 Humboldt, Family Resources Centers, and other services available to families	Employers are reporting that workers either cannot find child care, can't afford care, or are hesitant to work more hours because of the increased burden of child care fees Relieve some of the burden of child care costs on families. Provide child care subsidies to local families and stipends to businesses to pay for employee child care (public-private partnerships) for individual employees and/or employer-sponsored child care	Families report that child care fees are such a heavy burden that they often have to choose between child care and paying for housing, food, or other necessities Create a system of subsidies of child care fees for Humboldt families, including middle income families who don't qualify for existing supports
Child Care Programs are facing a critical staffing shortage, reducing the number of child care slots available to workers. Provide child care employee hiring bonuses Child care employee turnover is extremely high, exacerbating the existing child care shortages. Child care providers are closing programs because they can find more stable, better paying employment elsewhere, leaving parents with few options for care. Provide child care employee retention bonuses	As Universal Transitional Kindergarten (UTK) decreases the enrollment of 4 year olds in local child care programs, the traditional business model of child care will be further jeopardized because of licensing limitations. Facilitate the transition of some programs to infant-toddler care. ECE staff drain and/or start up costs to open new infant-toddler care. This would include funding for building requirement changes, equipment and materials, and bridge funding as programs absorb the reduction in revenue, as	Universal Transitional Kindergarten (UTK) will drain local programs of their highly qualified staff as staff migrate to the better paying/better benefitted positions in UTK, furthering child care staffing shortages. Educational loan forgiveness for child care employees and/or educational expense reimbursement and incentives for increasing professional qualifications District LCAP are working to include planned partnerships and/or contracts with child care

	licensing requirements require more staff and fewer children to be served in infant/toddler programs.	providers for before and after care and TK
Child care supply is in short supply, severely impacting other industries • Fund start-up costs for new child care businesses, primarily for equipment purchases and some business infrastructure such as software • Fund enhanced technical assistance for start-up	Child care programs report challenges in recruiting parents, record-keeping, marketing when they have openings, and developing productive partnerships. • Provide enhanced technical assistance for business incubation	Child care programs report difficulties in adapting to changing regulations, maintaining outreach, and accessing resources that could strengthen their programs. • Fund technical assistance for sustainability and sustained support of a business mentorship model
Child care lacks a sustainable funding model that does not unduly burden families with extremely high costs. When families can't reliably meet the cost burden, they can be forced to make decisions that impact our local economy and their family's health and well-being. • Leverage new and one-time funding sources, including American Rescue Plan Act funds, to stabilize the child care system and family burden	On a mid-term basis, new funding must be identified to provide business and families reliable, high quality child care options that promote optimal child development. • Fund a comprehensive local business, child care and workforce study to guide future planning and policy decisions and to facilitate grant applications for additional funding for local business and child care needs	On a long term basis, new solutions must be realized to provide business and families reliable, high quality child care options that promote optimal child development. • Establish a Humboldt Child Care Sustainability Task Force, made up of business leaders, policy makers and child care experts, to develop solutions for a stable Humboldt Child Care System which will report with a plan by January 2024

Humboldt County has a unique opportunity to leverage recovery of our local economy and emerge stronger from the COVID pandemic. By targeting American Rescue Plan Act funds to address a key priority for local business and families, Humboldt can create an economy where all families can succeed.

**EXHIBIT B
PROJECT BUDGET**

Local Proposal for 2022 SLFRF Funds

Local Proposal for 2022 ARPA Funds to Support Child Care

Financial Support to Providers/Immediate Business Support

Child Care Retention Bonuses -- \$2.25M

350 Child Care Providers are eligible to receive the bonus. \$1.50/hr. for 2 years.

Financial Support to Providers/Stabilization

Hiring bonuses of \$500 for 100 providers -- \$50,000

This would be used for direct hires and for encouraging Friend, Family and Neighbor Providers to become fully certified providers – helping to provide more access to care, especially in our most rural communities.

Forgivable loans to transition centers/homes from preschool to infant/toddler care.-- \$150,000

At \$7,500 each, centers and family childcare homes that are at risk of losing business to the T-K expansion can identify upgrades or changes they need to make to their facility to create more space for toddler or infant care. Once the work is completed and meets the appropriate criteria, the loans would be forgiven.

Financial Support to Providers/Sustainability

Educational loan forgiveness -- \$400,000

As we move forward towards universal T-K, many child care providers will be drawn to the public education system because of better pay and benefits. This school loan forgiveness would help incentive those who receive their early childhood degrees to continue to meet those needs outside of preschool or school age children. The forgiveness awards would be up to \$10,000/person. This can be awarded to 40 students over two years.

Financial Support for Parents to support the Workforce

Additional subsidies for working parents -- \$1.25 M

This would include years of subsidies to support child care expenses, based on income and cost of care. This would particularly identify those parents whose childcare is not fully subsidized and provide funding so that any family who makes less than \$89,000/year (the subsidy cut-off) can receive a full 30% subsidy. (example: If your current subsidy pays 20 percent, we would add 10%; If it pays 10 percent, we would add 20%) This could help an estimated 250 families.

Industry Technical Support and Infrastructure

Enhanced technical assistance for back end business support. -- \$140,000

Child care programs report challenges in record-keeping which prevented them from taking full advantage of prior COVID business funding. There is software available that can be utilized at a primary facility that would assist providers with record-keeping and bookkeeping. The software runs about \$7000/year, but requires a technician to provide assistance to the providers and monitoring of the system. The technician cost would be approximately \$63,000/year with 14,000 for the software.

Establish a Humboldt Child Care Sustainability Commission to develop solutions for a stable Humboldt Child Care System -- \$175,000

This commission would convene stakeholders and work on a comprehensive workforce and child care survey. It would seek a part time coordinator to that would report with a plan in Jan. 2024. Funding for the employee would be \$75,000 per year for two years with \$50,000 for the formal comprehensive research project costs. This position would be expected to look into funding opportunities to maintain and extend some of the programs presented through ARPA.

Total Child Care Recovery Costs: \$4.415M

EXHIBIT C
Final Report Form

Final Report

The purpose of the Final Report is to keep County staff and Board up-to-date on SUBRECIPIENT projects. A Final Report is due upon final request for funds, and no later than 30 days after the Agreement's termination date. Please complete the following form.

Date: _____ Project Title: _____
Organization: _____ Preparer: _____
Address: _____ Title: _____ Award Start Date: _____
_____ Phone: _____ Award End Date: _____
Phone: _____ email: _____

Please respond to the following, using as much space as necessary:

1. Describe your successes on the project to date.
2. Are grant activities proceeding according to planned timeline and budget? If not, state and explain any request for change:
 - Delayed/over budgeted activities
 - Revised timeline/budget
 - Impact of delay/over budget on project
3. Discuss any problems or unforeseen circumstances in implementing the grant project. Address how these problems/circumstances will be overcome, if appropriate and if there is anything Headwaters Fund staff can do to assist you.
4. Is there anything else that the County staff and Board should know about regarding your project?

I, the undersigned, certify that the information reported in this document is complete and accurate to the best of my knowledge.

Name (print): _____

Title: _____

Signature: _____

Date: _____