

CITY OF CRESCENT CITY

Mayor Blake Inscore
Council Member Alex Fallman
Council Member Isaiah Wright

Mayor Pro Tem Heidi Kime
Council Member Jason Greenough

AGENDA REGULAR CITY COUNCIL MEETING VIRTUAL VIA ZOOM

MONDAY

AUGUST 3, 2020

6:00 P.M.

Due to the current public health emergency resulting from COVID-19, the public may access and participate in the public meeting using one or more of the following three methods: (1) participate online via Zoom – details to join the meeting will be on both the [City of Crescent City – City Hall Facebook page](#) as well as the [City of Crescent City website \(www.crescentcity.org\)](#); (2) watch the meeting via livestream on YouTube (Channel: [City of Crescent City, California](#)) and submit comments via publiccomment@crescentcity.org; or submit a written comment by filing it with the City Clerk at 377 J Street, Crescent City, California 95531 prior to 4:00 pm, July 6, 2020. If you require a special accommodation, please contact City Clerk Robin Patch at 464-7483 ext. 223.

Due to lack of items to discuss, there will not be a closed session.

OPEN SESSION

Call to order
Roll call
Pledge of Allegiance

PUBLIC COMMENT PERIOD

Any member of the audience is invited to address the City Council on any matter that is within the jurisdiction of the City of Crescent City. Comments of public interest or on matters appearing on the agenda are accepted. Note, however, that the Council is not able to undertake extended discussion or act on non-agendized items. Such items can be referred to staff for appropriate action, which may include placement on a future agenda. All comments shall be directed toward the entire Council. Any comments that are not at the microphone are out of order and will not be a part of the public record. After receiving recognition from the Mayor, please state your name and city or county residency for the record. Public comment is limited to three (3) minutes. The public is additionally allotted three minutes each in which to speak on any item on the agenda prior to any action taken by the Council.

CEREMONIAL ITEMS

1. Moment of Silence for K9 Ares

2. Proclamation for Crescent City – Rikuzentakata Peace Week

CONSENT CALENDAR

3. Council Meeting Minutes

- *Recommendation: Approve the July 6, 2020 regular meeting minutes and the July 14, 2020 special meeting minutes, and the July 20, 2020 regular meeting minutes of the City Council.*

4. Warrant Claims List

- *Recommendation: Receive and file the warrant claims list for the period July 11, 2020 through July 24, 2020.*

5. Payroll Report

- *Recommendation: Receive and file the biweekly payroll report for the period ending July 18, 2020 paid July 24, 2020.*

6. FY 2019-20 Budget Amendment for Legal Services and Amendment to City Attorney Legal Services Agreement to Include Federal Contract Provisions

- *Recommendation: Adopt Resolution No. 2020-64, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING THE FY 2019-20 BUDGET OF THE CITY OF CRESCENT CITY*
- *Adopt Resolution No. 2020-65, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY APPROVING AMENDMENT #2 TO THE LEGAL SERVICES AGREEMENT FOR CITY ATTORNEY SERVICES WITH BLACK RICE & LUNA LLP*

7. Quarterly Cash and Investments Report as of June 30, 2020

- *Recommendation: Receive and file quarterly cash and investments report as of June 30, 2020.*

REPORTS AND PRESENTATIONS

8. Dr. Rehwaldt Update on COVID-19

9. Economic Resiliency Update

PUBLIC HEARINGS - None

CONTINUING BUSINESS

10. November 2020 General Sales Tax Ballot Measure

- *Recommendation: Hear staff report*
- *Receive public comment*
- *Consider and take the following actions:*
 1. *Adopt Resolution No. 2020-66, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY CALLING FOR AN ELECTION TO BE HELD ON NOVEMBER 3, 2020 TO PRESENT TO VOTERS A MEASURE TO LEVY A GENERAL TRANSACTIONS AND USE TAX OF ONE PERCENT AND REQUESTING THE DEL NORTE COUNTY BOARD OF SUPERVISORS TO ALLOW THE ELECTION TO BE CONSOLIDATED WITH THE STATEWIDE GENERAL ELECTION OF THAT SAME DATE.*
 2. *Appoint two members of the Council to serve on ballot measure arguments ad hoc committee*

3. *Approve an amendment to the professional services agreement with Planwest Partners, Inc. for additional ballot measure support*
4. *Adopt Resolution No. 2020-67, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING THE FY 2019-20 BUDGET OF THE CITY OF CRESCENT CITY FOR 2020 ELECTION AND BALLOT MEASURES EXPENSES*

11. 2020 CDBG Business Assistance Loan Program

- *Recommendation: Hear staff report*
- *Receive public comment*
- *Consider and take the following actions:*
 1. *Authorize the City Manager to execute a subrecipient agreement with Arcata Economic Development Corporation (AEDC)*
 2. *Authorize the City Manager to execute professional services agreement with North Coast Small Business Development Center (SBDC)*

NEW BUSINESS

12. 2020 Community Development Block Grant (CDBG) Coronavirus Response Round 1 Application

- *Recommendation: Hear staff report*
- *Receive public comment*
- *Consider and take the following actions:*
 1. *Adopt Resolution 2020-68, A RESOLUTION APPROVING AN APPLICATION FOR FUNDING AND THE EXECUTION OF A GRANT AGREEMENT AND ANY AMENDMENTS THERETO FROM THE 2020 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM – CORONAVIRUS RESPONSE ROUND 1*
 2. *AUTHORIZE THE CITY MANAGER TO SIGN CDBG-CV1 CERTIFICATIONS AND STATEMENT OF Assurances*
 3. *Adopt Resolution 2020-69, A RESOLUTION OF THE CITY OF CRESCENT CITY AMENDING THE FISCAL YEAR 2020-21 BUDGET*
 4. *Authorize the City Manager to sign Amendment #2 to the Professional Services Agreement with Adams Ashby Group*
 5. *Direct staff to complete and submit all required grant application documents*

CITY COUNCIL ITEMS

- **Legislative Matters** – Consider miscellaneous legislative matters pertinent to the City of Crescent City. Authorize the Mayor to sign the appropriate letters and/or positions with respect to such matters.
- **City Manager Report and City Council Directives** – Pursuant to Crescent City Municipal Code § 2.08.200, the City Council may instruct the city manager on matters of importance to the administrative services of the City and provide direction with respect to subordinates of the City Manager. (Directives from individual Council Members that are not objected to by any member present shall be considered an order of the City Council.)
 - **Pool Update**
- **Reports, Concerns, Referrals, Council travel and training reports** – In accordance with Gov't Code § 54954.2(a), City Council Members may make brief announcements or brief reports on their own activities. They may ask questions for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda.

ADJOURNMENT

***Adjourn to the regular meeting of the City Council of the City of Crescent City scheduled for Monday, August 17, 2020 at 6:00 p.m., via Zoom, Crescent City, CA 95531.

POSTED:

July 30, 2020

/s/ Robin Patch

City Clerk/Administrative Analyst

Vision:

The City of Crescent City will continue to stand the test of time and promote quality of life and community pride for our residents, businesses and visitors through leadership, diversity, and teamwork.

Mission:

The purpose of our city is to promote a high quality of life, leadership and services to the residents, businesses, and visitors we serve. The City is dedicated to providing the most efficient, innovative and economically sound municipal services building on our diverse history, culture and unique natural resources.

Values:

Accountability
Honesty & Integrity
Excellent Customer Service
Effective & Active Communication
Teamwork
Fiscally Responsible

Moment of silence for
K9 Ares



Proclamation
of the
City of Crescent City

WHEREAS, the mornings of August 6 and August 9 in Japan in the year 2020 mark the 75th anniversary of the atomic bombings of Hiroshima and Nagasaki, respectively; and

WHEREAS, the end of World War II shortly after the bombings ushered in an era of continual peace between the United States of America and Japan; and

WHEREAS, in 1956 President Dwight D. Eisenhower with great foresight created organizations like Sister Cities International to carry out the mission of achieving peace through mutual respect, understanding, and cooperation between peoples around the world; and

WHEREAS, visible proof of this long-lasting peaceful relationship between our two countries is present right here in our own city where we have enjoyed a wonderfully enriching cross-cultural relationship with our sister city, Rikuzentakata, since 2018; and

WHEREAS, the peaceful relationship between the United States of America and Japan is widespread in that there are over 455 sister city/state relationships that have been recorded between our two countries, including the groundbreaking relationship between Saint Paul, Minnesota and Nagasaki, Japan, which was the first postwar sister city relationship with the United States and an Asian city, and

WHEREAS, bell ringing has long played a role in the United States, representing peace, and in Japan, where New Year bell ringing marks a new era, and the United States and Japan together have ushered in a new perpetual era of peace; and

NOW THEREFORE LET IT BE PROCLAIMED that the week of August 5 through August 12, 2020, the City Council of the City of Crescent City do hereby proclaim as “Crescent City – Rikuzentakata Peace Week” and all people in both cities are urged to commemorate the occasion by participating in a bell ringing ceremony, either individually at home, virtually, or in some safe public area taking care to observe all public health orders and advisories.

Crescent City – Rikuzentakata Peace Week

Mayor Blake Inscore



CITY OF CRESCENT CITY

Mayor Blake Inscore
Council Member Alex Fallman

Mayor Pro Tem Heidi Kime
Council Member Jason Greenough
Council Member Isaiah Wright

MINUTES REGULAR CITY COUNCIL MEETING VIRTUAL VIA ZOOM

MONDAY

JULY 6, 2020

6:00 P.M.

OPEN SESSION

Call to order Mayor Inscore called the meeting to order at 6:08 p.m.

Roll call Council Members Present: Council Member Fallman, Council Member Jason Greenough, Council Member Isaiah Wright, Mayor Pro Tem Heidi Kime, and Mayor Inscore.

Staff Members Present: City Manager Eric Wier, City Attorney Martha Rice, Human Resources Administrator Sunny Valero, Recreation and Events Coordinator Director Holly Wendt, Finance Director Linda Leaver, Public Works Director/City Engineer Jonathan Olson, Public Works Maintenance Manager Jason Wylie, Public Works Office Technician Heather Welton, Fire Chief Bill Gillespie and Police Chief Richard Griffin.

Pledge of Allegiance led by Mayor Inscore

PUBLIC COMMENT PERIOD

The following citizens addressed the Council:

Victoria Blanchard- (submitted e-mail, read aloud by Mayor Inscore) Spoke about how she enjoyed the Council saluting the flags and that she wanted the flag put back up at Brother Jonathan Park. She said she wanted to see transient tax be repealed. She spoke about chemtrails and that she was happy there isn't fluoride in the water.

CEREMONIAL ITEMS – None

CONSENT CALENDAR

1. Council Meeting Minutes

- *Recommendation: Approve the June 15, 2020 special meeting minutes, June 22, 2020 special meeting minutes, and June 24, 2020 special meeting minutes of the City Council.*

2. Warrant Claims List

- *Recommendation: Receive and file the warrant claims list for the period June 6, 2020 through June 26, 2020.*

3. Payroll Report

- *Recommendation: Receive and file the biweekly payroll report for the period ending June 20, 2020 paid June 26, 2020.*

4. Confirming a Local Emergency Continues to Exist

- *Recommendation: Adopt Resolution No. 2020-53, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY CONFIRMING A LOCAL EMERGENCY CONTINUES TO EXIST*

5. Pebble Beach Bank Stabilization Project

- *Recommendation: Direct staff to include \$175,000 in staff labor and benefits and \$25,000 in incidental costs for the Pebble Beach Bank Stabilization Project request for Advanced Construction funding.*

6. The California Endowment Grant for Smoke-Free Multiunit Housing Ordinance

- *Recommendation: Accept The California Endowment grant in the amount of \$9,000 to assist the City with Health in All Policy ordinance support, including but not limited to, the evaluation of a smoke-free multiunit housing ordinance.*
- *Adopt Resolution No. 2020-54, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING THE FISCAL YEAR 2020-21 BUDGET.*

There was no public comment.

On a motion by Mayor Pro Tem Kime, seconded by Council Member Fallman, and carried unanimously on a 4-0 polled vote, the City Council of the City of Crescent City adopted the consent calendar consisting of items 1-6 as presented.

REPORTS AND PRESENTATIONS - None

PUBLIC HEARINGS - None

CONTINUING BUSINESS - None

NEW BUSINESS

7. 2019-2020 Community Development Block Grant (CDBG) Application

- *Recommendation: Hear staff report*
- *Receive public comment*
- *Consider and take the following actions:*
 1. *Ratify the City Manager's acceptance of The California Endowment Grant in the amount of \$9,000 to complete economic development grant applications which can leverage federal funding to build health, wellness, and recovery in Del Norte County.*
 2. *Adopt Resolution No. 2020-55, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING THE FISCAL YEAR 2020-2021 BUDGET.*
 3. *Authorize the City Manager to execute a Professional Services Agreement with Claggett Wolfe Associates.*
 4. *Authorize the City Manager to execute a Memorandum of Understanding with Del Norte County to allow business loan program to serve businesses within the County.*
 5. *Direct staff to complete and submit all required grant application documents.*
 6. *Direct staff to procure two additional consultants for the program, with agreements to be brought back to the Council for approval.*

Finance Director Leaver gave a brief background and description on the Community Development Block Grant application and steps.

The loans were discussed on a Council level.

There was no public comment.

On a motion by Mayor Pro Tem Kime, seconded by Council Member Fallman, and carried unanimously on a 4-0 polled vote, the City Council of the City of Crescent City ratified the City Manager's acceptance of The California Endowment Grant in the amount of \$9,000 to complete economic development grant applications which can leverage federal funding to build health, wellness, and recovery in Del Norte County, adopted Resolution No. 2020-55, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING THE FISCAL YEAR 2020-2021 BUDGET, authorized the City Manager to execute a Professional Services Agreement with Claggett Wolfe Associates, authorized the City Manager to execute a Memorandum of Understanding with Del Norte County to allow business loan program to serve businesses within the County, directed staff to complete and submit all required grant application documents and directed staff to procure two additional consultants for the program with agreements to be brought back to the Council for approval.

CITY COUNCIL ITEMS

- **Legislative Matters** – Consider miscellaneous legislative matters pertinent to the City of Crescent City. Authorize the Mayor to sign the appropriate letters and/or positions with respect to such matters.
- **City Manager Report and City Council Directives** – Pursuant to Crescent City Municipal Code § 2.08.200, the City Council may instruct the city manager on matters of importance to the administrative services of the City and provide direction with respect to subordinates of the City Manager. (Directives from individual Council Members that are not objected to by any member present shall be considered an order of the City Council.)

City Manager Eric Wier updated the Council on the Cares Act Funding that will go towards Covid-19 supplies. He spoke about the Fourth of July events this year. He announced that Officer Lo received the Hometown Heroes nominations and he received his advanced certificate for law enforcement. He said Officer Rincon just completed her field training assignment. He said the Sunset Circle Pedestrian Trail Project goes out to bid July 7th, 2020. He thanked the volunteer group Pride in Community that is run by Roger Gitlin. He said City Hall reopened this past Monday to public with new procedures to comply with covid-19 orders. He wanted to thank the California Endowment on the grant awarded to the City. He spoke about the ballot measure for the sales tax.

Recreation and Events Coordinator Director Holly Wendt gave the Council an update on the Fred Endert Municipal Swimming Pool. She said that they are looking at how to get the pool open in a safe and sustainable way.

City Manager Eric Wier gave an update on the Front Street Storm Drain Project, he said C street is almost complete and Front Street work should start mid July.

Council Member Greenough asked City Manager Wier if he knew how someone could volunteer with Mr. Gitlins Pride in Community group.

City Manager Eric Wier said they would contact Supervisor Gitlin, requirements are to wear protective gear and its optional to bring equipment.

- **Reports, Concerns, Referrals, Council travel and training reports** – In accordance with Gov't Code § 54954.2(a), City Council Members may make brief announcements or brief reports on their own activities. They may ask questions for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda.

Council Member Greenough said he had the opportunity to speak with the local Republican Woman Group. He said they spoke about the proposed sales tax.

Council Member Kime, spoke about her Fourth of July and kayaking on the ocean.

Council Member Wright joined the Council Meeting at 6:49 pm.

ADJOURNMENT

There being no further business to come before the Council, Mayor Inscore adjourned the meeting at 6:51 p.m. to the special meeting of the City Council of the City of Crescent City scheduled for Monday, July 20, 2020 at 6:00 p.m., via Zoom, Crescent City, CA 95531.

ATTEST:

Heather Welton, Public Works Office Technician for
Robin Patch, City Clerk/Administrative Analyst



CITY OF CRESCENT CITY

Mayor Blake Inscore
Council Member Alex Fallman
Council Member Isaiah Wright

Mayor Pro Tem Heidi Kime
Council Member Jason Greenough

MINUTES SPECIAL CITY COUNCIL MEETING VIRTUAL VIA ZOOM MEETINGS

TUESDAY

JULY 14, 2020

5:30 P.M.

OPEN SESSION

Call to order Mayor Inscore called the meeting to order at 5:34 p.m.

Roll call Council Members present: Council Member Alex Fallman, Council Member Jason Greenough, Council Member Isaiah Wright, Mayor Pro Tem Heidi Kime, and Mayor Blake Inscore
Staff members present: City Manager Eric Wier, City Attorney Martha Rice, City Clerk/Administrative Analyst Robin Patch, Finance Director Linda Leaver, Human Resources Administrator Sunny Valero, Recreation and Events Coordinator Director Holly Wendt, Public Works Director Jon Olson, Fire Chief Bill Gillespie, and Police Chief Richard Griffin

Pledge of Allegiance led by Mayor Inscore

PUBLIC COMMENT PERIOD

There were no public comments

CEREMONIAL ITEMS – None

CONSENT CALENDAR - None

REPORTS AND PRESENTATIONS - None

PUBLIC HEARINGS - None

CONTINUING BUSINESS

1. November 2020 General Sales Tax Ballot Measure

- Recommendation: Hear Staff Report
- Receive Public Comment
- Consider and Take the Following Actions:
 1. Discuss and provide direction to staff regarding the proposed Transactions and Use Tax Ordinance to be placed on the November 2020 ballot, including direction on the proposed citizen's oversight committee

2. Authorize the City Manager to execute professional services agreement amendment #3 with Planwest Partners, Inc implementing Phase 2B (Ballot Measure informational and outreach support services) in the amount of \$33,900
3. Adopt Resolution No. 2020-56 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING THE FISCAL YEAR 2020-21 BUDGET OF THE CITY OF CRESCENT CITY

City Manager Wier went through the sales tax measure that was presented to the Council at the June 24th Council meeting. The Crescent City Council had a joint meeting with the District Fire Board on November 21, 2019 with the decision to move forward with the 10-year Financial Master Plan for Crescent City Fire and Rescue. The call volume has reached unsustainable levels of 2,000 calls for the year. This plan will cover staffing, apparatus/equipment, and a training budget. Because the assessment is sunseting, if the property tax measure does not pass, the fire department will run out of funds by 2022. CCPD staffing sustainability was also reviewed, the supervisory support for our officers is very important for continued success of the department. The other need the City had was the financing of the Fred Ender Municipal Pool. City Manager Wier explained the current financial status of the City of Crescent City and how the budget has been affected by COVID19, that staff has cut back in the budget as much as they can. He further reported to the Council the information that was obtained by Godbe Research from a survey they conducted in our community. The community overall was in support of a tax measure that would help with public safety. It was also discovered that sales tax is much more resilient than TOT. A sales tax is a mechanism to allocate the costs to the actual users of the service such as police and fire. Sales tax would not be a tax on groceries and prescription medication but on the other goods and services. Council directed staff to move forward with the City sales tax measure of a 1 cent sales tax which will result in \$1.3 million. Additionally, our sales tax is less than the surrounding cities which has sales tax of 8.3% - 8.75%. City Attorney Rice explained that the draft ordinance before them tonight includes all of the required provisions and that the only additions are the oversight committee and annual audit. The committee is to include the City Manager, the Finance Director, and five community members. This committee will serve as a watchdog of these funds who will then create a report showing where the tax money went each year. They can make recommendations or criticisms on how the money is to be spent and how it had been spent and it will be reviewed by citizens. The County discussed the ordinance today, a couple of tweaks they made that was the staff persons can designate someone else and that those two positions not be voting positions, City Attorney Rice recommends the City adopt these minor changes as well. Council Member Greenough asked if there will be a timeline created for the report; City Attorney Rice stated that the committee will want to do the report after the City's audit is done. The actual due date will be left up to staff to set.

Mayor Inscore obtained unanimous consensus from the Council to add the two additional changes to match the County's to the draft ordinance.

Mayor Inscore asked for public comment; there were no public comments.

Mayor Inscore obtained unanimous consensus to place the proposed Transactions and Use Tax Ordinance to be placed on the November 2020 ballot and directed staff to start the process for the citizen's oversight committee.

City Manager Wier stated that a draft resolution will be before the Council at the next regular Council meeting to be adopted and sent to the Del Norte County Clerk/Recorder to be placed on the ballot. Senior Planner Colette Metz of Planwest Partners explained the proposed partnership with Joy Kummer, Partner of TBWBH, for the outreach strategy. Ms. Kummer gave a background of her firm and how they are a strategy and communications consulting firm and they specialize in public finance measures. Their focus is on experience in information, not advocacy. They will be developing public information messaging and materials for outreach, such as talking points,

FAQs, informational videos, informational handouts, and we and social media content. Ms. Kummer gave examples of what they have done for other California communities doing the same as what Crescent City is doing. Council Member Greenough asked what the biggest challenges experienced in doing the outreach; Ms. Kummer stated that right now it's not being able to take advantage of public meetings as they usually do. Mayor Inscore asked Ms. Kummer to offer more strategies to employ to help this become a success; Ms. Kummer stated that mailers work well as one good tool in the toolbox. Also utilizing the City's online resources such as short posts linked to images used throughout the materials that are submitted to the community in other forms. paid digital advertising can work well, use short testimonials from the police and fire department. Mayor Inscore asked if direct mailing for ballot measure is different from candidate mailers for effectiveness; Ms. Kummer stated that the difference is community photos being used for the ballot measure that people recognize, shouldn't be too text heavy and easy to understand. Council Member Fallman asked the minimum number of contacts that you have with one voter, what is the goal; Ms. Kummer stated 2 mailings, media and online opportunities which would give at least 3 "touches" to the registered voters, with the goal of keeping the mailing cost low. Council Member Greenough is there anything we aren't talking about that we should do to help have a better advantage? Ms. Kummer stated that digital media is something that you can put as much money towards as you want and depending on how much money you put towards it increases your target and the frequency in which people see it. Mayor Inscore stated that the Council doesn't want to see the money being spent and then fall short of what is needed to make this successful. If it's \$39k and we needed \$45k to make it successful, we'd need to know this so we can make sure this works and we need the very best recommendation to get us over the finish line. He asked that Ms. Kummer to discuss with staff all that will be required to make this a fully successful outreach.

The following citizens addressed the Council

Darrin Short - disagreed with the expense to do mailings, feel like it is a waste of money.

David Gearhart – thinks the plan is great, encourages community members to share throughout the community.

Bill Cochran – as a pool user, supports this measure.

Mayor Inscore asked Ms. Kummer what the difference is between targeting likely voters vs. going to everyone; she explained that the City can only provide information, they cannot advocacy for this measure. How the information is provided cannot be targeted, it must be broad, by not doing so, it will appear to be advocacy. Mayor Inscore asked City Attorney Rice if the electeds can advocate for this measure? Is there a line that we need to be cognizant of? City Attorney Rice answered that you can use the materials that are sent out but using City materials together can blur the line. Electeds can speak to groups, post to their pages, etc for the passage of the measure. City Attorney Rice stated that electeds should avoid telling people to vote yes, but to be informational on the measure.

Dan Gray- is it possible to have the information be specific instead of general?

Darrin Short – Crescent Fire Protection District should be united, the measure that is sunsetting was only for 3 apparatuses. We haven't asked for money for operations since 1986.

City Manager Wier explained the costs: \$17,650 is for consultant support (Planwest and Props and Measures), \$16,200 is for materials and outreach. If the Council wants staff to regroup and meet with Joy and Colette, we can bring it to the next meeting as a revised scope of work; Ms. Metz agreed that there was time to do that.

On a motion by Council Member Greenough, seconded by Mayor Pro Tem Kime, and carried unanimously on a 5-0 polled vote, the City Council of the City of Crescent City authorized the City Manager to execute professional services agreement amendment #3 with Planwest Partners, Inc implementing Phase 2B (Ballot Measure informational and outreach support services) in the amount of \$33,900 with the current scope of work.

There was unanimous consensus from the Council for staff to move forward with Ms. Kummer and Ms. Metz for alternative options.

On a motion with Council Member Greenough, seconded by Council Member Fallman and carried unanimously on a 5-0 polled vote, the City Council of the City of Crescent City adopted Resolution No. 2020-56 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING THE FISCAL YEAR 2020-21 BUDGET OF THE CITY OF CRESCENT CITY

NEW BUSINESS - None

CITY COUNCIL ITEMS

- **Legislative Matters – None**
- **City Manager Report and City Council Directives – None**
- **Reports, Concerns, Referrals, Council travel and training reports – None**

ADJOURNMENT

There being no further business to come before the Council, Mayor Inscore adjourned the meeting at 7:02 p.m. to the regular scheduled meeting of the City Council of the City of Crescent City on Monday, July 20, 2020 at 6:00 p.m., via Zoom, Crescent City, CA 95531.

ATTEST:

Robin Patch
City Clerk/Administrative Analyst



CITY OF CRESCENT CITY

Mayor Blake Inscore
Council Member Alex Fallman
Council Member Isaiah Wright

Mayor Pro Tem Heidi Kime
Council Member Jason Greenough

MINUTES REGULAR CITY COUNCIL MEETING VIRTUAL VIA ZOOM

MONDAY

JULY 20, 2020

6:00 P.M.

OPEN SESSION

Call to order

Mayor Inscore called the meeting to order at 6:03 p.m.

Roll call

Council Members present: Council Member Alex Fallman, Council Member Jason Greenough, Council Member Isaiah Wright, Mayor Blake Inscore

Council Member absent at roll call: Mayor Pro Tem Heidi Kime

Staff members present: City Manager Eric Wier, City Attorney Martha Rice, City Clerk/Administrative Analyst Robin Patch, Human Resources Administrator Sunny Valero, Housing Authority Executive Director Megan Miller, Recreation and Events Coordinator Director Holly Wendt, Finance Director Linda Leaver, Public Works Director Jon Olson, Public Works Maintenance Manager Jason Wylie, Fire Chief Bill Gillespie and Police Chief Richard Griffin

Pledge of Allegiance led by

PUBLIC COMMENT PERIOD

The following citizens addressed the Council:

Candace Tinkler: said that in regards to her fence she would be working with the City to follow the City's code as well as having her fence built.

CEREMONIAL ITEMS – None

CONSENT CALENDAR

1. Warrant Claims List

- *Recommendation: Receive and file the warrant claims list for the period June 27, 2020 through July 10, 2020.*

2. Payroll Report

- *Recommendation: Receive and file the biweekly payroll report for the period ending July 4, 2020 paid July 10, 2020.*

3. Smart Water Meters

- *Approve the purchase of 500 Sensus smart water meters from Ferguson*
- *Authorize the City Manager to sign a purchase agreement with Ferguson, Sensus FCC license application, a lease agreement with Spectrum, and any other documents needed to implement the water meter replacement project.*

4. Water Model and Capital Improvement Plan

- *Recommendation: Authorize the City Manager to sign contract amendment, task order 6, with Stover Engineering to complete the Water Model and Capital Improvement Plan Project.*

5. Water Quality Lab Equipment Replacement

- *Adopt Resolution No. 2020-57, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING THE FISCAL YEAR 2020-21 BUDGET*

6. CCPD Grant Acceptance - ABC Alcohol Policing Partnership

- *Accept the ABC Alcohol in Policing Partnership Grant and contingent upon the City Attorney approval as to form authorize the City Manager to execute grant documents.*
- *Adopt Resolution No. 2020-58, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING THE FISCAL YEAR 2020-2021 BUDGET*

7. Humboldt Area Foundation COVID-19 Regional Response Fund Grant

- *Accept a Humboldt Area Foundation COVID-19 Regional Response Fund grant funding for purchase of EMS Coats for Crescent City Fire & Rescue*
- *Adopt Resolution No. 2020-59, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING THE FISCAL YEAR 2020-21 BUDGET OF THE CITY OF CRESCENT CITY*

There were no public comments on the consent calendar.

On a motion by Council Member Fallman, seconded by Council Member Greenough, and carried unanimously on a 4-0 polled vote with Mayor Pro Tem Kime being absent, the City Council of the City of Crescent City adopted the consent calendar consisting of items 1-7 as presented.

REPORTS AND PRESENTATIONS

8. City of Crescent City FY 2020/21 Budget Update

City Manager Wier stated that due to these times, there will be regular updates on the budget. Finance Director Leaver gave a brief report on the current TOT. The 2019/2020 FY, the first half was almost identical to the year before, with a slight increase in Oct/Nov/Dec. The Jan/Feb/Mar quarter we have not yet received the TOT from 2 hotels and 8 vacation rentals (they are due August 31). On average, the TOT is down 22%. *Mayor Pro Tem Kime joined the Council meeting at 6:14 p.m.* For the Apr/May/June 2020 quarter, we have received from 11 so far for the total of \$50k, it is 70% down from normal. We will see higher TOT for this quarter than we projected, we are expecting \$120k. Regarding sales tax, as of June the projection will be a 6.1% decrease instead of a 9.5% reduction as originally thought, which means for \$47k more than we expected.

There were no public comments.

PUBLIC HEARINGS

9. Delinquent Sewer Only Accounts

- *Recommendation: Open public hearing*
- *Hear staff report*
- *Receive public comment*
- *Close public hearing*
- *City Council may revise, change, reduce, or modify any change, or may overrule any or all objections*
- *Adopt Resolution No. 2020-60, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY DETERMINING THE AMOUNT OF DELINQUENT SEWER CHARGES FOR CERTAIN PARCELS OF PROPERTY AND AUTHORIZING THE COLLECTION THEREOF WITH ORDINARY PROPERTY TAXES*

Mayor Inscore opened the public hearing at 6:27 p.m.

Finance Director Leaver reported to the Council that this is done annually. When a sewer account is delinquent it can be added to the tax roll with property taxes. An updated delinquent sewer list was presented to the Council and was final document as of 3pm today, the Council will adopt the resolution with this updated list. Council Member Greenough asked if the people excluded paid in full or in part; Director Leaver said it would be whatever was due to be taken off the delinquent list. The total due is \$17,528.54 and Director Leaver asked the Council to receive public comment for the public hearing so anyone who is on the list wants to protest can do so.

There were no public comments, Mayor Inscore closed the public hearing at 6:32 p.m.

On a motion by Council Member Greenough, seconded by Mayor Pro Tem Kime, and carried unanimously on a 5-0 polled vote, the City Council of the City of Crescent City adopted Resolution No. 2020-60, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY DETERMINING THE AMOUNT OF DELINQUENT SEWER CHARGES FOR CERTAIN PARCELS OF PROPERTY AND AUTHORIZING THE COLLECTION THEREOF WITH ORDINARY PROPERTY TAXES, to include the list provided to the Council as of July 20, 2020.

CONTINUING BUSINESS

10. November 2020 General Sales Tax Ballot Measure

- *Recommendation: Hear staff report*
- *Receive public comment*
- *Waive full reading, read by title only and introduce Ordinance No. 824, AN ORDINANCE OF THE CITY COUNCIL AND THE PEOPLE OF THE CITY OF CRESCENT CITY ADDING CHAPTER 3.30 TO TITLE 3 OF THE CRESCENT CITY MUNICIPAL CODE IMPOSING A TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION*
- *Direct staff on recommended changes to the draft ballot measure resolution, including, but not limited to, the ballot measure question and the ad hoc committee for ballot arguments.*

City Manager Wier gave a brief history of the discussions that have been held at previous Council meetings. This started with the Fire Department Master Plan; this sales tax would provide \$1.3 million which would go to the Crescent City Fire and Rescue Master Plan to create a sustainable fire department, it would go towards implementation of the police department staffing plan to ensure proper supervisory staffing and patrol CCPD staffing plan, and the Pool, local street

maintenance such as fixing potholes, resurfacing streets, installing and repairing sidewalks. City Attorney Rice stated that this 1% tax would commence April 1, 2021 and we would be required to enter into a contract with the State for fund disbursement. There is a list of standard exclusions, 90% of the ordinance is legal language outlining what the State wants. The oversight committee is structured as a 7-member committee, 2 staff members and 5 residents of the City. Residents can apply for the Board and the Mayor will have an appointment. This committee will be reporting to the public where the money went and what was received. City Manager Wier stated the measure would be called Essential City Services Measure. Mayor Pro Tem Kime said we are specifically stating we are using this for roads, fire, police – what happens if we have a surplus? Will that be Council, staff, or oversight committee driven? City Manager Wier answered that since this will be in the budget, the committee would prepare a report and present it to the Council for approval with the annual budget. Finance Director Leaver reminded the public that every year we have a Budget Workshop where they can give their input on the budget, which will include the funds for this measure. Mayor Inscore said the impetus to this was Fire and Police and change the order to make sure they come first in the language of the question.

The Council was in unanimous consensus to change the order in the question to list fire and police first and for the oversight committee to be as written.

Candace Tinkler: supports this Measure but warns that some business owners will be driven out of the City. That should be clearly communicated to prevent this.

Linda Sutter: spoke about another city's ballot measure that failed due to COVID not being the right time to present one.

David Gearhart: as a business owner, he supports this measure and will promote it.

On a motion by Council Member Fallman, seconded by Mayor Pro Tem Kime, and carried unanimously on a 5-0 polled vote, the City Council of the City of Crescent City waived full reading, read by title only and introduced Ordinance No. 824, AN ORDINANCE OF THE CITY COUNCIL AND THE PEOPLE OF THE CITY OF CRESCENT CITY ADDING CHAPTER 3.30 TO TITLE 3 OF THE CRESCENT CITY MUNICIPAL CODE IMPOSING A TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

NEW BUSINESS

11. Sunset Circle Multi-Use Trail Project

- *Recommendation: Hear staff report*
- *Receive public comment*
- *Award the Sunset Circle Multi-Use Trail Projects to Tidewater Contractors, Inc., authorize the City Manager to sign an agreement with said contractor, sign all other documents required to comply with all funding source requirements, and authorize the City Manager to approve and sign change orders in an aggregate amount not to exceed available funds.*

Public Works Director Olson gave a brief history of the project and stated that the lowest bidder, Tidewater Contractors, was selected to do the project. There is an \$18k contingency therefore staff has reached out to LTCO to see if there is other funding available should the need arise. Council Member Greenough asked about what the feedback from LTCO about the need for additional funds; Director Olson stated he has spoken several times with Ms. Leighton and has always received positive feedback for that. She is pro-trail project and an active partner with the City to make the project work. Mayor Pro Tem Kime asked for the timeline for completion; Director

Olson stated that if we can award the contract in the next couple of weeks, the project will be complete in October 2020.

On a motion by Council Member Greenough, seconded by Council Member Fallman and carried unanimously on a 5-0 polled vote, the City Council of the City of Crescent City awarded the Sunset Circle Multi-Use Trail Projects to Tidewater Contractors, Inc., authorize the City Manager to sign an agreement with said contractor, sign all other documents required to comply with all funding source requirements, and authorize the City Manager to approve and sign change orders in an aggregate amount not to exceed available funds.

On a motion by Council Member Greenough, seconded by Council Member Fallman and carried unanimously on a 5-0 polled vote, the City Council of the City of Crescent City directed staff to seek funding through Del Norte Local Transportation Commission (LTCo) for up to \$42k for a contingency.

12. Outdoor Dining Permits During COVID-19 Emergency

- *Recommendation: Hear staff report*
- *Receive public comment*
- *Adopt Resolution No. 2020-61, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY APPROVING THE ISSUANCE OF OUTDOOR DINING PERMITS DURING THE COVID-19 DECLARED EMERGENCY*

City Manager Wier stated that the regulations that pertain to COVID19 have put difficulties on our local restaurants as inside dining was not allowed. Using the parking areas would facilitate these needs. City Attorney Rice stated that since the municipal code doesn't have this sort of permit, staff needs the Council to authorize the use of the right of way for these purposes. The alternative to adopting an ordinance that takes a long time, would be the resolution that is proposed for adoption tonight. The businesses who use this are required to indemnify the City. Council Member Fallman asked if businesses are required to use this to operate and what if they aren't in compliance, how is it enforced; City Attorney Rice stated that CCPD can enforce it if they are using the public right of way and the City can revoke the permit. Mayor Inscore stated that the staff report stated there would be no fee associated with that and he agreed with that, it's already difficult enough for local businesses already, the Council agreed. Direction given to staff to not charge a fee for this permitting process.

The following citizen addressed the Council:

Linda Sutter: *will they be required to wash down the areas on the sidewalks. Mayor Pro Tem Kime answered it is safe to assume that the restaurants will be complying with the Public Health order and what is required of restaurants to operate.*

On a motion by Council Member Wright, seconded by Council Member Greenough and carried unanimously on a 5-0 polled vote, the City Council of the City of Crescent City adopted Resolution No. 2020-61, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY APPROVING THE ISSUANCE OF OUTDOOR DINING PERMITS DURING THE COVID-19 DECLARED EMERGENCY

13. CCPD Backpack Program

- *Recommendation: Hear staff report*
- *Receive public comment*
- *Give direction to staff to maintain a school backpack donation program*
- *Adopt Resolution No. 2020-62, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING THE FISCAL YEAR 2020-21 BUDGET*

Police Chief Griffin stated that Officer Magnolia Valero presented this idea to him for the Department to do. Officer Valero reported to the Council the reason behind the program and that the goal is for the program to help families that aren't able to afford school supplies. Chief Griffin stated he had reached out to Superintendent Harris to find out what age group to target and he suggested 3rd graders, so Joe Hamilton Elementary (which is in the City) to be the school and grade to receive the backpacks. Council Member Fallman asked what Chief Griffin's plans were to make sure the backpacks were sanitized for distribution; Chief Griffin answered that they would be sanitized there at the PD and then again at the school offices. Mayor Pro Tem Kime asked how many they were going to project to reach; Chief Griffin said to start, the target is 30 to start the first year. Mayor Pro Tem Kime volunteered to donate for 5 backpacks, Council Member Wright offered a donation of 5 backpacks from himself. Mayor Inscore suggested that people also be allowed to donate the items that go inside the backpacks and to use social media to obtain the donations. Mayor Inscore volunteered to donate 5 backpacks, Council Member Greenough volunteers to donate for 5 backpacks. Chief Griffin said that as a result of the Council Members' personal generosity, they have now already reached their goal for this program.

The following citizen addressed the Council:

Candace Tinkler: suggested local seamstresses to make colorful masks and offered to donate to the program

On a motion by Mayor Pro Tem Kime, seconded by Council Member Wright, and carried unanimously on a 5-0 polled vote, the City Council of the City of Crescent City directed staff to maintain a school backpack donation program and adopted Resolution No. 2020-62, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING THE FISCAL YEAR 2020-21 BUDGET.

CITY COUNCIL ITEMS

- **Legislative Matters** – Mayor Inscore reported meeting with Senator McGuire and reported that the State will give a budget update for August; Senator McGuire also reported about the local agencies CARES Act funding to be received.
- **City Manager Report and City Council Directives** –
 - Chief Griffin announced that Joseph Swiderski donated 100 ice cream vouchers for kids to use at CC Diner and officers have started to pass them out.
 - Director Wendt reported on the stakeholder group for the pool who is looking into funding and grants that could be available for the pool. She also reported to any business listening that the Economic Resiliency Group has PPE available to those who need it.
 - City Manager Wier reported that Chief Gillespie got a grant for additional PPE for the firefighters through the Humboldt Area Foundation. Echoed the Council's sentiments with the addition of Officer Valero to the Department and the overall positive movement being seen at CCPD.
 - The interviews for the consultant for the Energy Efficiency Project have been completed and there were some good proposals. The final consultant has been selected and staff is working with them to iron out the details.
 - There is a Citizens Advocacy Committee in support of the ballot measure, there will possibly be an update at next meeting.
- **Reports, Concerns, Referrals, Council travel and training reports** –

Council Member Wright: had the orientation for the GSRMA Board and first meeting, thanked the Council for the appointment.

Council Member Fallman: wanted to state for the record that if the Council is not meeting in person, then City Hall should be closed, the public should not have to risk coming into City Hall. *City Manager Wier stated that in order for City Hall to open, we had to follow the same guidelines as the other businesses and had to submit it to Public Health to do so. This has been taken very seriously. Mayor Inscore asked City Manager Wier to consider options for people who do not want to come into City Hall.*

Mayor Inscore: encouraged the public to read the most recent letter from Dr. Rehwaldt, issued today.

ADJOURNMENT

There being no further business come before the Council, Mayor Inscore adjourned the meeting at 7:58 p.m. to the regular meeting of the City Council of the City of Crescent City scheduled for Monday, August 3, 2020 at 6:00 p.m., via Zoom, Crescent City, CA 95531.

ATTEST:

Robin Patch
City Clerk/Administrative Analyst

Accounts Payable

Checks by Date - Summary by Check Number

User: crawlings
 Printed: 7/27/2020 9:32 AM



Check No	Vendor No	Vendor Name	Check Date	Void Checks	Check Amount
ACH	EDDTAX	State of California EDD TAX Auto Pay	07/14/2020	0.00	4,248.04
ACH	FITTAX	FIT Payroll Taxes Auto Pay	07/14/2020	0.00	19,454.07
ACH	PERS2	Public Emp Retirement Sys	07/14/2020	0.00	25,012.45
436673	EDDGarn	Employment Development Dept ATTN: W	07/14/2020	0.00	424.88
436674	CASTATE	CA State Disbursement Unit	07/14/2020	0.00	608.04
436675	NCHEAL	Sydney M Clinton	07/14/2020	0.00	80.00
436676	WAMUTU	Crescent City Employees Association	07/14/2020	0.00	85.00
436677	CCPOLI	Crescent City Police Officer's Association	07/14/2020	0.00	550.00
436678	ICMARE	ICMA Retirement Trust-457	07/14/2020	0.00	4,162.35
436679	CAPLIVE	Secure Screening Solutions, Inc	07/14/2020	0.00	88.00
436680	ZCAJUSTA	ST CA Dept Of Justice	07/14/2020	0.00	128.00
436704	STOVER	Ward Stover	07/16/2020	0.00	1,172.28
436705	CURRYE	Brad Coleman Inc	07/16/2020	0.00	171.98
436706	CRENNE	C Renner Petroleum Inc	07/16/2020	0.00	1,071.73
436707	CIVILWES	Civil West Engineering Services, Inc.	07/16/2020	0.00	5,763.75
436708	DNCOEN	D N Co Engineering	07/16/2020	0.00	1,949.79
436709	DNCOUN	D N Co Unified School Dst	07/16/2020	0.00	990.30
436710	FASTENAL	Fastenal Company	07/16/2020	0.00	374.16
436711	HAMWSG	Hambro WSG Inc	07/16/2020	0.00	8,755.63
436712	USABLUEB	HD Supply Facilities Maintenance Ltd	07/16/2020	0.00	125.02
436713	HEMMIN	Hemmingsen Contracting Co Inc	07/16/2020	0.00	3,214.25
436714	INFOSEND	Infosend Inc.	07/16/2020	0.00	1,987.30
436715	MISSIO	Mission Linen Supply	07/16/2020	0.00	10.83
436716	MORJON	Mor-Jon Inc	07/16/2020	0.00	187.76
436717	101	National Auto Parts Warehouse	07/16/2020	0.00	3.34
436718	NORTHTR	Northridge Electric LLC	07/16/2020	0.00	509.43
436719	DNOFFI	Debra Stover	07/16/2020	0.00	1,086.69
436720	STOVER	Ward Stover	07/16/2020	0.00	10,651.75
436721	CALCARDS	US Bank Corporate Pmt Systems	07/16/2020	0.00	13,388.04
436722	AWWA	American Water Works Assoc	07/16/2020	0.00	105.00
436723	CHARTEC	Charter Communications	07/16/2020	0.00	99.98
436724	A&BSTO	Crystal View Capital Fund I, LLC	07/16/2020	0.00	460.00
436725	VERIZO2	Frontier California Inc	07/16/2020	0.00	2,092.11
436726	RODRIGUZ	Gilberto Gil-Rodriguez	07/16/2020	0.00	169.99
436727	MISSIO	Mission Linen Supply	07/16/2020	0.00	9.88
436728	OREILLY	O'Reilly Auto Enterprises LLC	07/16/2020	0.00	46.19
436729	MENDES	Pacific Packaging & Supply Co Inc	07/16/2020	0.00	890.73
436730	HASLER	Quadient Inc	07/16/2020	0.00	140.63
436731	ZSWRCSRF	SRF Accounting Office	07/16/2020	0.00	1,600,000.00
436732	QUILLC	Staples	07/16/2020	0.00	132.67
436733	TIDEWA	Tidewater Contractors Inc	07/16/2020	0.00	387.00
Report Total (41 checks):				0.00	1,710,789.04

AP
7-11-20 to 7-24-20 Council



User: crawlings
Printed: 7/27/2020 9:27:00 AM

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crawlings , 09:36:08, 07/27/2020

check number	check date	acct 1	description	amount	selected for void
0	7/14/2020	610-000-2185-00000	PR Batch 00001.07.2020 State Income Tax	734.18	False
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0	7/14/2020	610-000-2185-00000	PR Batch 00011.07.2020 State Income Tax	984.02	False
0	7/14/2020	610-000-2185-00000	PR Batch 00011.07.2020 State Income Tax	567.34	False
0	7/14/2020	610-000-2185-00000	PR Batch 00911.07.2020 State Income Tax	45.07	False
0	7/14/2020	610-000-2189-00000	PR Batch 00001.07.2020 Federal Income Tax	2,449.67	False
0	7/14/2020	610-000-2188-00000	PR Batch 00911.07.2020 Medicare Employer Portion	160.69	False
0	7/14/2020	610-000-2188-00000	PR Batch 00911.07.2020 Medicare Employee Portion	160.69	False
0	7/14/2020	610-000-2189-00000	PR Batch 00011.07.2020 Federal Income Tax	1,969.52	False
0	7/14/2020	610-000-2188-00000	PR Batch 00011.07.2020 Medicare Employee Portion	487.73	False
0	7/14/2020	610-000-2189-00000	PR Batch 00911.07.2020 Federal Income Tax	448.44	False
0	7/14/2020	610-000-2188-00000	PR Batch 00011.07.2020 Medicare Employer Portion	284.15	False
0	7/14/2020	610-000-2188-00000	PR Batch 00001.07.2020 Medicare Employer Portion	350.26	False
0	7/14/2020	610-000-2188-00000	PR Batch 00011.07.2020 Medicare Employee Portion	284.15	False
0	7/14/2020	610-000-2188-00000	PR Batch 00001.07.2020 Medicare Employee Portion	350.26	False
0	7/14/2020	610-000-2188-00000	PR Batch 00001.07.2020 Medicare Employer Portion	992.34	False
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0	7/14/2020	610-000-2188-00000	PR Batch 00001.07.2020 Medicare Employee Portion	992.34	False
0	7/14/2020	610-000-2188-00000	PR Batch 00011.07.2020 Medicare Employer Portion	487.73	False
0	7/14/2020	610-000-2187-00000	PR Batch 00011.07.2020 ER Contribution	1,752.40	False
0	7/14/2020	610-000-2187-00000	PR Batch 00001.07.2020 ER Contribution	6,330.84	False
0	7/14/2020	610-000-2187-00000	PR Batch 00001.07.2020 Survivor Benefit	25.01	False
0	7/14/2020	610-000-2187-00000	PR Batch 00011.07.2020 Survivor Benefit	6.63	False
0	7/14/2020	610-000-2187-00000	PR Batch 00001.07.2020 Service Credit Purchase	106.49	False
0	7/14/2020	610-000-2187-00000	PR Batch 00001.07.2020 Survivor Benefit	8.47	False
0	7/14/2020	610-000-2187-00000	PR Batch 00001.07.2020 ER Contribution	1,837.65	False
0	7/14/2020	610-000-2187-00000	PR Batch 00011.07.2020 Survivor Benefit	11.22	False
0	7/14/2020	610-000-2187-00000	PR Batch 00001.07.2020 EE Contribution	4,713.73	False
0	7/14/2020	610-000-2187-00000	PR Batch 00011.07.2020 ER Contribution	4,321.04	False
0	7/14/2020	610-000-2187-00000	PR Batch 00011.07.2020 EE Contribution	2,992.51	False
0	7/14/2020	610-000-2187-00000	PR Batch 00011.07.2020 EE Contribution	1,234.55	False
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check number	check date	acct 1	description	amount	selected for void
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436673	7/14/2020	610-000-2170-00000	PR Batch 00001.07.2020 Wage Garn - EDD	335.47	False
436673	7/14/2020	610-000-2170-00000	PR Batch 00001.07.2020 Wage Garn - EDD	89.41	False
436674	7/14/2020	610-000-2170-00000	PR Batch 00011.07.2020 Child Support-CA %	286.71	False
436674	7/14/2020	610-000-2170-00000	PR Batch 00001.07.2020 Child Support-CA	153.81	False
436674	7/14/2020	610-000-2170-00000	PR Batch 00001.07.2020 Child Support-CA	44.65	False
436674	7/14/2020	610-000-2170-00000	PR Batch 00011.07.2020 Child Support-CA %	122.87	False
436675	7/14/2020	412-100-4407-00000	Jun 20 New Hire Screenings	80.00	False
436676	7/14/2020	610-000-2184-00000	PR Batch 00011.07.2020 Misc EE Association Fund	5.41	False
436676	7/14/2020	610-000-2184-00000	PR Batch 00011.07.2020 Misc EE Association Fund	9.59	False
436676	7/14/2020	610-000-2184-00000	PR Batch 00001.07.2020 Misc EE Association Fund	17.56	False
436676	7/14/2020	610-000-2184-00000	PR Batch 00001.07.2020 Misc EE Association Fund	52.44	False
436677	7/14/2020	610-000-2181-00000	PR Batch 00011.07.2020 CCPOA Dues	325.54	False
436677	7/14/2020	610-000-2181-00000	PR Batch 00011.07.2020 CCPOA Dues	224.46	False
436678	7/14/2020	610-000-2186-00000	Plan #306752	68.11	False
436678	7/14/2020	610-000-2178-00000	Plan #300878	1,089.74	False
436678	7/14/2020	610-000-2186-00000	Plan #306752	14.28	False
436678	7/14/2020	610-000-2186-00000	Plan #306752	160.64	False
436678	7/14/2020	610-000-2178-00000	Plan #300878	44.54	False
436678	7/14/2020	610-000-2178-00000	Plan #300878	212.67	False
436678	7/14/2020	610-000-2186-00000	Plan #306752	40.26	False
436678	7/14/2020	610-000-2186-00000	Plan #306752	59.67	False
436678	7/14/2020	610-000-2178-00000	Plan #300878	814.21	False
436678	7/14/2020	610-000-2178-00000	Plan #300878	116.09	False
436678	7/14/2020	610-000-2186-00000	Plan #306752	33.69	False
436678	7/14/2020	610-000-2186-00000	Plan #306752	144.08	False
436678	7/14/2020	610-000-2186-00000	Plan #306752	687.14	False
436678	7/14/2020	610-000-2186-00000	Plan #306752	192.07	False
436678	7/14/2020	610-000-2178-00000	Plan #300878	62.33	False
436678	7/14/2020	610-000-2186-00000	Plan #306752	12.51	False
436678	7/14/2020	610-000-2178-00000	Plan #300878	410.32	False
436679	7/14/2020	001-240-4411-00000	Livescam - Clawson	22.00	False
436679	7/14/2020	412-100-4407-00000	Livescam - New Hires	44.00	False
436679	7/14/2020	001-240-4411-00000	Livescam - Webster	22.00	False
436680	7/14/2020	001-240-4411-00000	Fingerprinting - Webster	32.00	False
436680	7/14/2020	001-240-4411-00000	Fingerprinting - Clawson	32.00	False
436680	7/14/2020	412-100-4407-00000	Fingerprinting - New Hires	64.00	False
436704	7/16/2020	901-364-4799-00111	Right of way aquisition for ROW Multi-Use Trail	1,172.28	False
436705	7/16/2020	001-470-4390-00000	Gatorline	171.98	False
436706	7/16/2020	001-240-4330-00000	Fuel for patrol cars	68.82	False
436706	7/16/2020	001-240-4330-00000	Fuel for patrol cars	1,002.91	False
436707	7/16/2020	913-352-4799-35216	WWTP contract engineering services 6/1/20-6/30/20	5,763.75	False
436708	7/16/2020	913-353-4799-35300	Prop 84 contribution April-June 2020	1,949.79	False

check number	check date	acct 1	description	amount	selected for void
436709	7/16/2020	001-230-4330-00000	fuel: June 2020	990.30	False
436710	7/16/2020	001-364-4390-10025	Vending Supplies	59.41	False
436710	7/16/2020	001-470-4390-00000	Vending Supplies	111.34	False
436710	7/16/2020	413-353-4390-00000	Vending Supplies	59.42	False
436710	7/16/2020	419-371-4390-00000	Vending Supplies	59.41	False
436710	7/16/2020	508-508-4390-00000	Vending Supplies	84.58	False
436711	7/16/2020	413-000-1202-00000	Sludge Disposal June 2020	232.33	False
436711	7/16/2020	413-000-1202-00000	Sludge Disposal June 2020	1,651.03	False
436711	7/16/2020	413-000-1202-00000	Sludge Disposal June 2020	1,626.32	False
436711	7/16/2020	413-000-1202-00000	Sludge Disposal June 2020	1,625.08	False
436711	7/16/2020	413-000-1202-00000	Sludge Disposal June 2020	196.49	False
436711	7/16/2020	413-000-1202-00000	Sludge Disposal June 2020	1,616.42	False
436711	7/16/2020	413-000-1202-00000	Sludge Disposal June 2020	1,641.13	False
436711	7/16/2020	413-000-1202-00000	Sludge Disposal June 2020	166.83	False
436712	7/16/2020	001-480-4390-00000	Gear Case Service Kit	125.02	False
436713	7/16/2020	419-371-4390-00000	3/4: minus rock for road base	1,384.60	False
436713	7/16/2020	001-364-4390-10025	3/4: minus rock for road base	173.08	False
436713	7/16/2020	413-353-4390-00000	3/4: minus rock for road base	173.07	False
436713	7/16/2020	413-353-4390-00000	3/4: minus rock for road base	148.35	False
436713	7/16/2020	001-364-4390-10025	3/4: minus rock for road base	148.35	False
436713	7/16/2020	419-371-4390-00000	3/4: minus rock for road base	1,186.80	False
436714	7/16/2020	413-120-4240-00000	FY20 UB mailing service june 2020	993.65	False
436714	7/16/2020	419-120-4240-00000	FY20 UB mailing service june 2020	993.65	False
436715	7/16/2020	413-351-4320-00000	Uniforms	10.83	False
436716	7/16/2020	508-508-4390-60001	Quad and O ring for #74	4.49	False
436716	7/16/2020	508-508-4390-60001	Oli filter for #74-NAPA	29.58	False
436716	7/16/2020	508-508-4390-00000	Keystock	30.06	False
436716	7/16/2020	508-508-4390-60001	Fuel Filter and acetone- NAPA	52.43	False
436716	7/16/2020	508-508-4390-00000	Brake line, tube nut and labor for #16	71.20	False
436717	7/16/2020	508-508-4390-00000	Refund for Defect part from Inv.# 53-00117635	-6.72	False
436717	7/16/2020	508-508-4390-00000	Permatex	10.06	False
436718	7/16/2020	506-506-4450-00000	Electrical work-corp yard	509.43	False
436719	7/16/2020	001-240-4370-00000	Clorox Wipes PD	416.99	False
436719	7/16/2020	001-350-4310-00000	Toner	21.03	False
436719	7/16/2020	413-352-4310-00000	Toner	21.03	False
436719	7/16/2020	419-371-4310-00000	Toner	21.03	False
436719	7/16/2020	001-113-4310-00000	Ink for admin color printer & Robin's desktop	378.58	False
436719	7/16/2020	412-100-4310-00000	Phone Message Book	5.59	False
436719	7/16/2020	001-240-4370-00000	Clorox Wipes PD	125.10	False
436719	7/16/2020	001-240-4310-00000	Receipt Book PD	13.94	False
436719	7/16/2020	001-240-4370-00000	Clorox Wipes PD	41.70	False
436719	7/16/2020	001-240-4370-00000	Clorox Wipes PD	41.70	False
436720	7/16/2020	419-371-4409-00000	Create water model of City's water dist system	10,651.75	False

check number	check date	acct 1	description	amount	selected for void
436721	7/16/2020	001-240-4320-00000	GALLS: boots	628.72	False
436721	7/16/2020	001-240-4390-00000	Shipping of radiosTHE MAIL ROOM: Mark Wallach UPS ground-commerc	478.81	False
436721	7/16/2020	001-240-4390-00000	Evidence supplies	821.40	False
436721	7/16/2020	001-240-4310-00000	AMAZON: surefire SF123A lithium batteries 24 pack	97.80	False
436721	7/16/2020	001-240-4311-00000	WAYFAIR: black watchet guest chair	223.58	False
436721	7/16/2020	001-240-4310-00000	AMAZON: engergizer mad D batteries	51.57	False
436721	7/16/2020	001-240-4390-00000	AMAZON: Battery stick	20.41	False
436721	7/16/2020	001-240-4310-00000	AMAZON: AA batteries & AAA batteries	44.06	False
436721	7/16/2020	001-240-4320-00000	AMAZON: Twin mag waistband holster x1,duty holster x2	277.79	False
436721	7/16/2020	001-240-4320-00000	STADRI EMBLEMS: PD Badges	301.54	False
436721	7/16/2020	001-240-4320-00000	GALLS: Uniforms	6,565.37	False
436721	7/16/2020	001-240-4450-00000	IRON MOUNTAIN: Refund on Duplicate charge	-78.98	False
436721	7/16/2020	001-240-4320-00000	AMAZON: TLR black holster	59.09	False
436721	7/16/2020	001-230-4240-00000	Shipping of radiosTHE MAIL ROOM: Mark Wallach UPS ground-commerc	478.81	False
436721	7/16/2020	001-240-4390-00000	AMAZON: Stinger LED	25.13	False
436721	7/16/2020	001-240-4320-00000	EMBLEM ENTERPRISES INC: PD patches	766.75	False
436721	7/16/2020	001-240-4390-00000	ANSGEAR: pepperball rounds	764.33	False
436721	7/16/2020	001-240-4240-00000	THE MAIL ROOM: Centers for Education & employ. Flat rate postage	9.95	False
436721	7/16/2020	001-240-4320-00000	ENGLUND MARINE: Waterproof hooded jacket	161.40	False
436721	7/16/2020	001-240-4320-00000	ENGLUND MARINE: Waterproof hooded jacket x2	354.73	False
436721	7/16/2020	001-240-4320-00000	ENGLUND MARINE: waterpoof breathable jacket	177.36	False
436721	7/16/2020	001-240-4320-00000	THE MAIL ROOM: Russell Quiniola First Class package	5.99	False
436721	7/16/2020	001-240-4320-00000	ENGLUND MARINE:Waterproof hood jckt x1 Green jckt Hood x1	322.80	False
436721	7/16/2020	001-240-4240-00000	THE MAIL ROOM: Mark Wallach FedEx Ground postage	59.64	False
436721	7/16/2020	001-240-4320-00000	ENGLUND MARINE: waterpoof breathable jacket	177.36	False
436721	7/16/2020	001-240-4320-00000	ENGLUND MARINE: waterpoof breathable jacket	177.36	False
436721	7/16/2020	001-240-4390-00000	SIRCHIE: Evidence supplies	415.27	False
436722	7/16/2020	419-371-4550-00000	Water books	105.00	False
436723	7/16/2020	413-352-4230-00000	broadband for security 7/8/20-8/7/20	99.98	False
436724	7/16/2020	001-113-4450-00000	physical document storage-& late fee/lien fee.July & August 2020	460.00	False
436725	7/16/2020	412-100-4230-00000	City Hall Shared Phone- 6/30/20-7/29/20	15.04	False
436725	7/16/2020	419-371-4230-00000	Water System phone 707-1014 - 7/10/20-8/9/20	29.50	False
436725	7/16/2020	412-100-4230-00000	Monthly Phone Bill 6/30/20-7/29/20	126.23	False
436725	7/16/2020	413-352-4230-00000	WWTP phone 6/30/20-7/29/20	265.53	False
436725	7/16/2020	001-471-4230-00000	Cult Cntr Elev Alrm 707-464-4582 6/30/20-7/29/20	65.90	False
436725	7/16/2020	413-351-4230-00000	Lab phone 464-5416 6/30/20-7/29/20	118.35	False
436725	7/16/2020	419-111-4230-00000	City Hall Shared Phone- 6/30/20-7/29/20	14.36	False
436725	7/16/2020	001-480-4230-00000	City Hall Shared Phone- 6/30/20-7/29/20	9.57	False
436725	7/16/2020	001-114-4230-00000	City Hall Shared Phone - 6/30/20-7/29/20	44.43	False
436725	7/16/2020	419-120-4230-00000	City Hall Shared Phone- 6/30/20-7/29/20	83.39	False
436725	7/16/2020	001-470-4230-00000	City Hall Shared Phone- 6/30/20-7/29/20	9.56	False
436725	7/16/2020	001-113-4230-00000	City Hall Shared Phone - 6/30/20-7/29/20	44.43	False
436725	7/16/2020	001-350-4230-00000	City Hall Shared Phone- 6/30/20-7/29/20	32.80	False

check number	check date	acct 1	description	amount	selected for void
436725	7/16/2020	413-111-4230-00000	City Hall Shared Phone- 6/30/20-7/29/20	12.99	False
436725	7/16/2020	001-250-4230-00000	City Hall Shared Phone- 6/30/20-7/29/20	5.46	False
436725	7/16/2020	001-364-4230-00000	City Hall Shared Phone- 6/30/20-7/29/20	15.04	False
436725	7/16/2020	001-120-4230-00000	City Hall Shared Phone - 6/30/20-7/29/20	92.28	False
436725	7/16/2020	001-313-4230-00000	City Hall Shared Phone- 6/30/20-7/29/20	12.30	False
436725	7/16/2020	001-471-4230-00000	City Hall Shared Phone- 6/30/20-7/29/20	9.57	False
436725	7/16/2020	001-111-4230-00000	City Hall Shared Phone - 6/30/20-7/29/20	16.40	False
436725	7/16/2020	413-352-4230-00000	City Hall Shared Phone- 6/30/20-7/29/20	36.23	False
436725	7/16/2020	001-251-4230-00000	City Hall Shared Phone- 6/30/20-7/29/20	19.83	False
436725	7/16/2020	413-353-4230-00000	City Hall Shared Phone- 6/30/20-7/29/20	14.36	False
436725	7/16/2020	420-115-4230-00000	City Hall Shared Phone- 6/30/20-7/29/20	44.43	False
436725	7/16/2020	413-120-4230-00000	City Hall Shared Phone- 6/30/20-7/29/20	88.86	False
436725	7/16/2020	419-371-4230-00000	City Hall Shared Phone- 6/30/20-7/29/20	51.27	False
436725	7/16/2020	001-230-4230-00000	707-464-9113 monthly phone 6/30/20-7/29/20	34.23	False
436725	7/16/2020	413-352-4230-00000	Treatment Plant Phone: 465-3054 6/30/20-7/29/20	453.68	False
436725	7/16/2020	413-352-4230-00000	Trt Plt phone line 6/30/20-7/29/20	186.19	False
436725	7/16/2020	001-480-4230-00000	Pool Phone 465-5761 - 6/30/20-7/29/20	128.97	False
436726	7/16/2020	506-506-4320-00000	Protective Footwear Reimbursement FY 21	42.50	False
436726	7/16/2020	419-371-4320-04320	Protective Footwear Reimbursement FY 21	42.50	False
436726	7/16/2020	001-364-4320-04320	Protective Footwear Reimbursement FY 21	42.49	False
436726	7/16/2020	413-353-4320-04320	Protective Footwear Reimbursement FY 21	42.50	False
436727	7/16/2020	001-120-4370-00000	Uniforms/towels/rugs	9.88	False
436728	7/16/2020	508-508-4390-00000	Shift Tube	46.19	False
436729	7/16/2020	001-230-4370-00000	Janitorial Supplies	95.40	False
436729	7/16/2020	001-113-4370-00000	Janitorial Supplies- City-Wide	2.22	False
436729	7/16/2020	413-120-4370-00000	Janitorial Supplies- City-Wide	2.23	False
436729	7/16/2020	001-470-4370-00000	Janitorial Supplies- City-Wide	250.55	False
436729	7/16/2020	001-471-4370-00000	Janitorial Supplies- City-Wide	22.27	False
436729	7/16/2020	413-352-4370-00000	Janitorial Supplies- City-Wide	22.27	False
436729	7/16/2020	001-120-4370-00000	Janitorial Supplies- City-Wide	8.91	False
436729	7/16/2020	420-115-4370-00000	Janitorial Supplies- City-Wide	2.23	False
436729	7/16/2020	001-313-4370-00000	Janitorial Supplies- City-Wide	2.22	False
436729	7/16/2020	506-506-4370-00000	Janitorial Supplies- City-Wide	22.27	False
436729	7/16/2020	508-508-4370-00000	Janitorial Supplies- City-Wide	27.84	False
436729	7/16/2020	412-100-4370-00000	Janitorial Supplies- City-Wide	22.27	False
436729	7/16/2020	001-350-4370-00000	Janitorial Supplies- City-Wide	63.47	False
436729	7/16/2020	001-240-4370-00000	Janitorial Supplies- City-Wide	22.27	False
436729	7/16/2020	001-111-4370-00000	Janitorial Supplies- City-Wide	2.23	False
436729	7/16/2020	001-114-4370-00000	Janitorial Supplies- City-Wide	2.23	False
436729	7/16/2020	419-120-4370-00000	Janitorial Supplies- City-Wide	2.23	False
436729	7/16/2020	001-480-4370-00000	Janitorial Supplies- City-Wide	55.68	False
436729	7/16/2020	001-251-4370-00000	Janitorial Supplies- City-Wide	1.11	False
436729	7/16/2020	001-350-4370-00000	Janitorial Supplies- City-Wide	27.19	False

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436729	7/16/2020	508-508-4370-00000	Janitorial Supplies- City-Wide	11.92	False
436729	7/16/2020	412-100-4370-00000	Janitorial Supplies- City-Wide	9.54	False
436729	7/16/2020	001-313-4370-00000	Janitorial Supplies- City-Wide	0.96	False
436729	7/16/2020	001-113-4370-00000	Janitorial Supplies- City-Wide	0.96	False
436729	7/16/2020	001-111-4370-00000	Janitorial Supplies- City-Wide	0.95	False
436729	7/16/2020	001-480-4370-00000	Janitorial Supplies- City-Wide	23.85	False
436729	7/16/2020	413-352-4370-00000	Janitorial Supplies- City-Wide	9.54	False
436729	7/16/2020	001-470-4370-00000	Janitorial Supplies- City-Wide	107.35	False
436729	7/16/2020	420-115-4370-00000	Janitorial Supplies- City-Wide	0.96	False
436729	7/16/2020	001-240-4370-00000	Janitorial Supplies- City-Wide	9.54	False
436729	7/16/2020	001-251-4370-00000	Janitorial Supplies- City-Wide	0.48	False
436729	7/16/2020	506-506-4370-00000	Janitorial Supplies- City-Wide	9.54	False
436729	7/16/2020	001-114-4370-00000	Janitorial Supplies- City-Wide	0.96	False
436729	7/16/2020	001-471-4370-00000	Janitorial Supplies- City-Wide	9.54	False
436729	7/16/2020	001-120-4370-00000	Janitorial Supplies- City-Wide	3.82	False
436729	7/16/2020	413-120-4370-00000	Janitorial Supplies- City-Wide	0.96	False
436729	7/16/2020	419-120-4370-00000	Janitorial Supplies- City-Wide	0.96	False
436730	7/16/2020	001-120-4240-00000	Postage machine rental/maint 8/1/20-10/31/20	70.31	False
436730	7/16/2020	419-120-4240-00000	Postage machine rental/maint 8/1/20-10/31/20	35.16	False
436730	7/16/2020	413-120-4240-00000	Postage machine rental/maint 8/1/20-10/31/20	35.16	False
436731	7/16/2020	413-000-2735-00000	Annual Loan Payment	1,600,000.00	False
436732	7/16/2020	001-350-4310-00000	Batteries, Post it's, Highlighter	66.34	False
436732	7/16/2020	419-371-4310-00000	Batteries, Post it's, Highlighter	66.33	False
436733	7/16/2020	001-364-4390-10025	Asphalt/Concrete to patch roads	232.20	False
436733	7/16/2020	419-371-4390-00000	Asphalt/Concrete to patch roads	38.70	False
436733	7/16/2020	413-353-4390-00000	Asphalt/Concrete to patch roads	116.10	False
				1,710,746.30	

AP
7-11-20 to 7-24-20 Housing



User: crawlings
Printed: 7/27/2020 9:28:01 AM

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crawlings , 09:36:22, 07/27/2020

check number	check date	acct 1	description	amount	selected for void
436725	7/16/2020	110-490-4230-00000	City Hall Shared Phone- 6/30/20-7/29/20	10.93	False
436729	7/16/2020	110-490-4370-00000	Janitorial Supplies- City-Wide	22.27	False
436729	7/16/2020	110-490-4370-00000	Janitorial Supplies- City-Wide	9.54	False
				<u>42.74</u>	

CITY OF CRESCENT CITY
 BI-WEEKLY PAYROLL REPORT

PAYROLL END DATE July 18, 2020
 PAYROLL PAID DATE July 24, 2020
 CHECK NUMBERS 110160-110162

	Regular Pay	Overtime	Gross Pay	# Empl	Notes
Dept #110 City Council	1,409.84		1,409.84	5	
Dept #111 Admin/City Manager	11,211.74	135.85	11,347.59	3	
Dept #114 Human Resources	2,185.01	40.97	2,225.98	1	
Dept #120 Finance/Utility Billing	15,384.90		15,384.90	6	
Dept #230 Fire Department	6,446.14		6,446.14	2 + 2 part-time	
Dept #240 Police Department	33,137.50	1,902.45	35,039.95	12	
Dept #313 Planning			1,376.50	1 Part-time	
Dept #350 Public Works-All Depts	53,929.24	880.52	54,809.76	23+ 5 Part-time	
Dept #450 Recreation & Events			2,969.84	1 + 1 Part-time	
Dept #480 Swimming Pool Fund	1,591.44		1,591.44	1+17 Part-time	
Dept #490 Housing Authority	8,419.84		8,419.84	3 + 1 Part-time	
TOTALS	133,715.65	2,959.79	141,021.78	59 + 29 Part-time	

The payroll summarized above is listed where assigned. The actual costs of each employee are allocated each pay period to the department and/or fund where the actual work was performed.



CITY COUNCIL AGENDA REPORT

TO: MAYOR INSCORE AND MEMBERS OF THE CITY COUNCIL

FROM: ERIC WIER, CITY MANAGER

BY: MARTHA D. RICE, CITY ATTORNEY

DATE: AUGUST 3, 2020

SUBJECT: FY 2019-20 BUDGET AMENDMENT FOR LEGAL SERVICES AND AMENDMENT TO CITY ATTORNEY LEGAL SERVICES AGREEMENT TO INCLUDE FEDERAL CONTRACT PROVISIONS

RECOMMENDATION

- Adopt Resolution No. 2020-64, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING THE FY 2019-20 BUDGET OF THE CITY OF CRESCENT CITY
- Adopt Resolution No. 2020-65, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY APPROVING AMENDMENT #2 TO THE LEGAL SERVICES AGREEMENT FOR CITY ATTORNEY SERVICES WITH BLACK RICE & LUNA LLP

BACKGROUND

Black Rice & Luna LLP provides the City with City Attorney services. As a result of an increased demand for legal services due to the COVID-19 pandemic, the City has incurred more costs for legal services than budgeted in the general fund and a budget amendment is necessary. In addition, the City would like to seek reimbursement from the federal government for those services that were directly related to COVID-19 response. It is necessary to amend the Legal Services Agreement to include the mandatory federal contract provisions in order for those services to be eligible for reimbursement. Although we do not yet know for certain whether these services will be eligible for reimbursement through FEMA, staff recommends preparing for that possibility.

ITEM ANALYSIS

The budget amendment is necessary to account for the general fund charges that exceed the budgeted amount. The only change to the Legal Services Agreement is to include the required federal contract provisions so that certain COVID-19 related legal services may be eligible for reimbursement with federal funds.

6

FISCAL ANALYSIS

The Crescent City Purchasing Policy, found in the Crescent City Municipal Code Title 14 (14.16.040), allows the City Manager or Finance Director to provide for legal and insurance services that exceed the authorized budget if necessary, with Council approving the additional appropriations afterward. This policy allows the City to continue coverage of vital services without interruption.

The general fund legal services for FY 2019-20 has exceeded the budget by approximately \$4,500 with invoices received to date. Of this amount, \$2,535 has been specifically tracked for the COVID response. Additionally, \$1,702 has been tracked for CDBG application support, which will be reimbursed if those projects are awarded. Finally, there have been increased costs due to the number of special meetings that have been called in recent months, not all of which are directly related to COVID but which have increased costs for our City Attorney. Offsetting this, the City Attorney travel and training budget was largely unused this year due to COVID, resulting in savings of \$2,975.

Staff has received invoices for each month through June, although small invoices or adjustments could continue to be received as we work on closing our fiscal year. Therefore, staff recommends a budget increase of \$2,525:

- Invoices received to date exceeding current budget:
\$4,500
- Unused travel budget:
(2,975)
- Contingency for additional charges during year end close:
\$1,000
- Total budget adjustment: \$2,525

- Potential reimbursements (FEMA and CDBG): \$4,237
(not included as revenue until reimbursement is known)

ATTACHMENTS

- Resolution No. 2020-64, Budget Amendment
- Resolution No. 2020-65, Amendment #2 to Legal Services Agreement for City Attorney

STAFF REVIEW:

CM: EW

RESOLUTION NO. 2020-64

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY
AMENDING THE FISCAL YEAR 2019-20 BUDGET
OF THE CITY OF CRESCENT CITY**

WHEREAS, the budget for the fiscal year beginning July 1, 2019, as submitted by the City Manager, was reviewed by the City Council and a public hearing was held thereon the 17th day of June 2019; and

WHEREAS, the City Council adopted said budget and has the authority to amend said budget from time to time; and

WHEREAS, the City has incurred expenses for legal services in the general fund in excess of the budgeted amount due to the COVID-19 pandemic; and

WHEREAS, the fulfillment of the City's payment obligations under its contract for legal services requires an amendment to the adopted budget, as authorized in the Crescent City Municipal Code Title 14 (14.16.040).

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF CRESCENT CITY AS FOLLOWS:**

That the Fiscal Year 2019-20 City of Crescent City Annual Budget is hereby amended and appropriated in the amounts identified below:

	Revenue Increase (Decrease)	Expenditure Increase (Decrease)
General Fund		\$2,525

APPROVED and ADOPTED and made effective the same day at a regular meeting of the City Council of the City of Crescent City held on the 3rd day of August, 2020, by the following polled vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Blake Inscore, Mayor

ATTEST:

Robin Patch, City Clerk

RESOLUTION NO. 2020-65

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY
APPROVING AMENDMENT #2 TO THE LEGAL SERVICES AGREEMENT FOR CITY
ATTORNEY SERVICES WITH BLACK RICE & LUNA LLP**

WHEREAS, Black Rice & Luna LLP currently provides City Attorney services; and

WHEREAS, on March 19, 2020, Governor Newsom issued a statewide "Shelter-In-Place" Order due to the COVID-19 pandemic allowing only "essential" business sectors to remain open and encouraging remote working as much as possible; and

WHEREAS, the Shelter-In-Place Order and numerous orders thereafter have affected the way that both the City and the private businesses conduct their operations; and

WHEREAS, the Shelter-In-Place Order has had devastating impacts on the local economy and local tax revenues; and

WHEREAS, the City has expended an unexpected amount on legal services specifically in response to the COVID-19 pandemic, including navigating the rules and regulations imposed by the State and the City's response thereto; and

WHEREAS, there are federal dollars available to reimburse cities for expenses directly related to the COVID-19 pandemic; and

WHEREAS, specific contract requirements are necessary to be added to the City Attorney Legal Services Agreement to make certain legal services eligible for reimbursement with federal funds.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Crescent City that Amendment #2 to the Legal Services Agreement for City Attorney with Black Rice & Luna LLP attached hereto is approved.

PASSED AND ADOPTED and made effective the same day by the City Council of the City of Crescent City on this 3rd day of August, 2020, by the following polled vote:

**AYES:
NOES:
ABSTAIN:
ABSENT:**

Blake Inscore, Mayor

ATTEST:

Robin Patch, City Clerk

**AMENDMENT #2
LEGAL SERVICES AGREEMENT
FOR CITY ATTORNEY**

This Amendment #2 to the Legal Services Agreement dated April 20, 2015 as amended on July 16, 2018 (“Amendment #2”) is entered into by and between the City of Crescent City, a California municipal corporation (“City”) and Black Rice & Luna LLP, a California limited liability partnership (the “Firm”).

WHEREAS, Black Rice & Luna LLP provides City Attorney services to the City with the assistance of four attorneys, Martha D. Rice, Robert N. Black, Autumn E. Luna, and Michael T. Taney; and

WHEREAS, for certain legal services to be reimbursed with federal dollars, the Legal Services Agreement needs to be amended to include specific federal provisions.

NOW, THEREFORE, the parties hereto agree as follows:

1.0 Amendment. The Legal Services Agreement is hereby amended to include the following provision:

FEMA financial assistance or CDBG funds may be used to fund certain legal services provided under the Legal Services Agreement. Therefore, the Firm agrees to comply with all federal requirements including, but not limited to, the following in the provision of services to be paid for with federal funds:

1. 2 C.F.R. Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, which is expressly incorporated herein by reference.
2. Federal Contract Provisions attached hereto as Exhibit “B” and incorporated herein by reference.

Subcontracts, if any, must contain a provision making them subject to all of the provisions stipulated in the Legal Services Agreement, including but not limited to, 2 C.F.R. Part 200 and the Federal Contract Provisions.

With respect to any conflict between such federal requirements and the terms of the Legal Services Agreement and/or the provisions of state law and except as otherwise required under federal law or regulation, the more stringent requirement will control.

2.0 Other Provisions. All of the terms, conditions, and provision in the Legal Services Agreement, as amended, remain in full force and effect and are unchanged except as expressly amended hereby.

IN WITNESS WHEREOF, the parties have caused this Amendment #2 to be executed at Crescent City, California on August 3, 2020 with an effective date of July 1, 2019.

CITY OF CRESCENT CITY

BLACK RICE & LUNA LLP

By: Blake Inscore, Mayor

Martha D. Rice, Partner

ATTEST:

Robin Patch, City Clerk

**EXHIBIT B
FEDERAL CONTRACT PROVISIONS**

During the performance of legal services to be funded with federal dollars, Black Rice & Luna LLP (the "Vendor") must comply with all applicable federal laws and regulations including but not limited to the federal contract provisions in this Exhibit. In this Exhibit, the term "Agency" means the local agency entering into this contract with the Vendor.

1. CONTRACTING WITH SMALL AND MINORITY FIRMS, WOMEN'S BUSINESS ENTERPRISE AND LABOR SURPLUS AREA FIRMS (2 C.F.R. § 200.321)

- (A) Vendor shall be subject to 2 C.F.R. § 200.321 and will take affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible and will not be discriminated against on the grounds of race, color, religious creed, sex, or national origin in consideration for an award.
- (B) Affirmative steps shall include:
 - (i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
 - (ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
 - (iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;
 - (iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises; and
 - (v) Using the services/assistance of the Small Business Administration (SBA), and the Minority Business Development Agency (MBDA) of the Department of Commerce.

Vendor shall submit evidence of compliance with the foregoing affirmative steps when requested by the Agency.

Notwithstanding the foregoing, the affirmative steps requirements detailed above do not apply in the case of a noncompetitive procurement made under the emergency exception/exigency exception to competitive procurements.

2. COST PRINCIPLES (2 C.F.R. PART 200, SUBPART E)

- (A) If any indirect costs will be charged to the Agency under this contract, such costs must conform to the cost principles set forth under the Uniform Rules at 2 C.F.R. Part 200, subpart E ("Cost Principles"). In general, costs must (i) be necessary and reasonable; (ii) allocable to the grant award; (iii) conform to any limitations or exclusions set forth in the Cost Principles; (iv) be adequately documented; and (v) be determined in accordance with generally accepted accounting principles ("GAAP"), except, for state and local governments and Indian tribes only, as otherwise provided for in 2 C.F.R. Part 200, subpart E. 2 C.F.R. § 200.403. Costs that are determined unallowable pursuant to a federal audit are subject to repayment by Vendor.

3. ACCESS TO RECORDS & RECORD RETENTION (2 C.F.R. 200.336)

- (A) Vendor shall comply with 2 C.F.R. § 200.336 and provide the Federal Agency, Inspectors General, the Comptroller General of the United States, Agency, and the State of California or any of their authorized representatives access, during normal business hours, to documents, papers, books and records which are directly pertinent to this contract for the purposes of making and responding to audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to the Vendor's personnel for the purpose of interview and discussion related to the books and records.
- (B) The Vendor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
- (C) The Vendor agrees to provide the Federal Agency or its authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.

4. **REQUIRED CONTRACT PROVISIONS IN ACCORDANCE WITH APPENDIX II TO PART 200 – CONTRACT PROVISIONS FOR NON-FEDERAL ENTITY CONTRACTS UNDER FEDERAL AWARDS (2 C.F.R. § 200.326)**

- (A) Appendix II to Part 200 (A); Appendix II to Part 200 (B): Remedies for Breach; Termination for Cause/Convenience. If the contract is in excess of \$10,000 and the contract does not include provisions for both termination for cause and termination for convenience by the Agency, including the manner by which it will be effected and the basis for settlement, then the following termination clauses shall apply. If the contract is for more than the simplified acquisition threshold (see 2 C.F.R. § 200.88) at the time the contract is executed and does not provide for administrative, contractual, or legal remedies in instances where Contractor violates or breaches the terms of the contract, then the following termination clauses shall apply and have precedence over the contract. Otherwise, the following termination clauses shall not be applicable to the contract.
 - (i) Termination for Convenience. The Agency may, by written notice to Vendor, terminate this contract for convenience, in whole or in part, at any time by giving written notice to Vendor of such termination, and specifying the effective date thereof (“Notice of Termination for Convenience”). If the termination is for the convenience of the Agency, the Agency shall compensate Vendor for work or materials fully and adequately provided through the effective date of termination. No amount shall be paid for unperformed work or materials not provided, including anticipated profit. Vendor shall provide documentation deemed adequate by the Agency to show the work actually completed or materials provided by Vendor prior to the effective date of termination. This contract shall terminate on the effective date of the Notice of Termination.
 - (ii) Termination for Cause. If Vendor fails to perform pursuant to the terms of this contract, the Agency shall provide written notice to Vendor specifying the default (“Notice of Default”). If Vendor does not cure such default within ten (10) calendar days of receipt of Notice of Default, the Agency may terminate this contract for cause. If Vendor fails to cure a default as set forth above, the Agency may, by written notice to Vendor, terminate this contract for cause, in whole or in part, and specifying the effective date thereof (“Notice of Termination for Cause”). If the termination is for cause, Vendor shall be compensated for that portion of the work or materials provided which has been fully and adequately completed and accepted by the Agency as of the date the Agency provides the Notice of Termination. In such case, the Agency shall have the right to take whatever steps it deems necessary to complete the

project and correct Vendor's deficiencies and charge the cost thereof to Vendor, who shall be liable for the full cost of the Agency's corrective action, including reasonable overhead, profit and attorneys' fees.

(iii) Reimbursement; Damages. The Agency shall be entitled to reimbursement for any compensation paid in excess of work rendered or materials provided and shall be entitled to withhold compensation for defective work or other damages caused by Vendor's performance of the work.

(iv) Additional Termination Provisions. Upon receipt of a Notice of Termination, either for cause or for convenience, Vendor shall promptly discontinue the work unless the Notice directs to the contrary. Vendor shall deliver to the Agency and transfer title (if necessary) to all provided materials and completed work, and work in progress including drafts, documents, plans, forms, maps, products, graphics, computer programs and reports. The rights and remedies of the parties provided in this Section are in addition to any other rights and remedies provided by law or under this contract. Vendor acknowledges the Agency's right to terminate this contract with or without cause as provided in this Section, and hereby waives any and all claims for damages that might arise from the Agency's termination of this contract. The Agency shall not be liable for any costs other than the charges or portions thereof which are specified herein. Vendor shall not be entitled to payment for unperformed work or materials not provided, and shall not be entitled to damages or compensation for termination of work or supply of materials. If Agency terminates this contract for cause, and it is later determined that the termination for cause was wrongful, the termination shall automatically be converted to and treated as a termination for convenience. In such event, Vendor shall be entitled to receive only the amounts payable under this Section, and Vendor specifically waives any claim for any other amounts or damages, including, but not limited to, any claim for consequential damages or lost profits. The rights and remedies of the Agency provided in this Section shall not be exclusive and are in addition to any other rights and remedies provided by law, equity or under this contract including, but not limited to, the right to specific performance.

(B) Appendix II to Part 200 (C) – Equal Employment Opportunity: Except as otherwise provided under 41 C.F.R. Part 60, Vendor shall comply with the following equal opportunity clause, in accordance with Executive Order 11246 of September 24, 1965 entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967 and implementation regulations at 41 C.F.R. Chapter 60:

(i) Vendor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. Vendor will take affirmative action to insure that applicants are employed and that employees are treated equally during employment, without regard to race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment upgrading, demotion, transfer, recruitment, or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship. Vendor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Agency setting forth the provisions of this nondiscrimination clause.

- (ii) Vendor will, in all solicitations or advertisements for employees placed by or on behalf of Vendor, state that all qualified applicants will receive consideration for employment without regard to their race, color, religion, sex, or national origin.
- (iii) Vendor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with Vendor's legal duty to furnish information.
- (iv) Vendor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (v) Vendor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (vi) Vendor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (vii) In the event of Vendor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of Sept. 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- (viii) Vendor will include the provisions of paragraphs (i) through (viii) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will *be* binding upon each subcontractor or vendor. Vendor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: *Provided, however,* that in the event Vendor becomes involved in, or is threatened with, litigation with a

subcontractor or vendor as a result of such direction, Vendor may request the United States to enter into such litigation to protect the interests of the United States.

- (C) Appendix II to Part 200 (D) – Davis-Bacon Act; Copeland Act: Not applicable to this contract.
- (D) Appendix II to Part 200 (E) – Contract Work Hours and Safety Standards Act:
- (i) If this contract is in excess of \$100,000 and involves the employment of mechanics or laborers, Vendor shall comply with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. Part 5). Under 40 U.S.C. 3702, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
 - (ii) No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
 - (iii) In the event of any violation of the clause set forth in paragraph (ii) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (ii) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (ii) of this section.
 - (iv) The Agency shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the Vendor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (iii) of this section.

- (v) The Vendor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (ii) through (v) of this Section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The Contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (ii) through (v) of this Section.

(E) Appendix II to Part 200 (F) – Rights to Inventions Made Under a Contract or Agreement:

- (i) If the Federal award meets the definition of “funding agreement” under 37 C.F.R. § 401.2(a) and the non-Federal entity wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the non-Federal entity must comply with the requirements of 37 C.F.R. Part 401 (Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements), and any implementing regulations issued by the Agency.
- (ii) The regulation at 37 C.F.R. § 401.2(a) currently defines “funding agreement” as any contract, grant, or cooperative agreement entered into between any Federal agency, other than the Tennessee Valley Authority, and any contractor for the performance of experimental, developmental, or research work funded in whole or in part by the Federal government. This term also includes any assignment, substitution of parties, or subcontract of any type entered into for the performance of experimental, developmental, or research work under a funding agreement as defined in the first sentence of this paragraph.
- (iii) This requirement does not apply to the Public Assistance, Hazard Mitigation Grant Program, Fire Management Assistance Grant Program, Crisis Counseling Assistance and Training Grant Program, Disaster Case Management Grant Program, and Federal Assistance to Individuals and Households – Other Needs Assistance Grant Program, as FEMA awards under these programs do not meet the definition of “funding agreement.”

(F) Appendix II to Part 200 (G) – Clean Air Act and Federal Water Pollution Control Act: If this contract is in excess of \$150,000, Vendor shall comply with all applicable standards, orders, or requirements issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387).

- (i) Pursuant to the Clean Air Act, (1) Vendor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq., (2) Vendor agrees to report each violation to the Agency and understands and agrees that the Agency will, in turn, report each violation as required to assure notification to the Federal awarding agency and the appropriate Environmental Protection Agency Regional Office, and (3) Vendor agrees to include these requirements in each subcontract exceeding \$150,000.
- (ii) Pursuant to the Federal Water Pollution Control Act, (1) Vendor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq., (2) Vendor agrees to report each violation to the Agency and understands and agrees that the Agency will, in turn, report each violation

as required to assure notification to the Federal awarding agency and the appropriate Environmental Protection Agency Regional Office, and (3) Vendor agrees to include these requirements in each subcontract exceeding \$150,000.

- (G) Appendix II to Part 200 (H) – Debarment and Suspension: A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 C.F.R. part 1986 Comp., p. 189) and 12689 (3 C.F.R. part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.
- (i) This contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such Vendor is required to verify that none of the Vendor, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).
 - (ii) Vendor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.
 - (iii) This certification is a material representation of fact relied upon by Agency. If it is later determined that Vendor did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the Agency, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.
 - (iv) Vendor warrants that it is not debarred, suspended, or otherwise excluded from or ineligible for participation in any federal programs. Vendor also agrees to verify that all subcontractors performing work under this contract are not debarred, disqualified, or otherwise prohibited from participation in accordance with the requirements above. Vendor further agrees to notify the Agency in writing immediately if Vendor or its subcontractors are not in compliance during the term of this contract.
- (H) Appendix II to Part 200 (I) – Byrd Anti-Lobbying Act: If this contract is in excess of \$100,000, Vendor shall have submitted and filed the required certification pursuant to the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1353). If at any time during the contract term funding exceeds \$100,000.00, Vendor shall file with the Agency the Federal Standard Form LLL titled “Disclosure Form to Report Lobbying.” Vendors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient.
- (I) Appendix II to Part 200 (J) – Procurement of Recovered Materials:

- (i) Vendor shall comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement.
- (ii) In the performance of this contract, the Vendor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired: Competitively within a timeframe providing for compliance with the contract performance schedule; Meeting contract performance requirements; or At a reasonable price.
- (iii) Information about this requirement, along with the list of EPA-designate items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.

5. MISCELLANEOUS PROVISIONS

- (A) The Vendor shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA preapproval.
- (B) This is an acknowledgement that FEMA financial assistance will be used to fund the contract only. The Vendor will comply with all applicable federal law, regulations, executive orders, FEMA policies, procedures, and directives.
- (C) Vendor acknowledges that 31 U.S.C. Chapter 38 (Administrative Remedies for False Claims and Statements) applies to the Vendor's actions pertaining to this contract.
- (D) The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the Agency, Vendor, any subcontractors or any other party pertaining to any matter resulting from the contract.
- (E) General and Administrative Expenses And Profit For Time And Materials Contracts/Amendments.
 - (i) General and administrative expenses shall be negotiated and must conform to the Cost Principles.
 - (ii) Profit shall be negotiated as a separate element of the cost. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the Vendor, the Vendor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.
 - (iii) Any agreement, amendment or change order for work performed on a time and materials basis shall include a ceiling price that Vendor exceeds at its own risk.

CITY COUNCIL AGENDA REPORT



TO: MAYOR INSCORE AND MEMBERS OF THE CITY COUNCIL

FROM: ERIC WIER, CITY MANAGER

BY: LINDA LEAVER, FINANCE DIRECTOR

DATE: AUGUST 3, 2020

SUBJECT: QUARTERLY CASH AND INVESTMENTS REPORT AS OF JUNE 30, 2020

RECOMMENDATION

- Receive and file quarterly cash and investments report as of June 30, 2020

BACKGROUND

California Government Code Section 53600 requires timely reporting of local agency investment transactions and portfolio to the agency's legislative body. The Government Finance Officers Association's (GFOA) best practice recommendation is for local agencies to periodically report cash and investments to the governing body. Per the City of Crescent City Investment Policy (last adopted on January 6, 2020), the City Treasurer shall provide the City Council and City Manager an investment report at least quarterly and within 30 days of the quarter end. This is that report for the quarter ending June 30, 2020. (The LAIF quarterly report was not available in time for this report to be prepared for the second Council meeting in July.)

ITEM ANALYSIS

Below is a summary of the City's cash and investments as of June 30, 2020 (general ledger balances). These totals do not include fiduciary funds that are held by other entities (e.g. trust account held by PARS for the City's OPEB liability).

Account		Balance
Petty Cash		1,300
Bank Accounts		
US Bank Main	284,740	
US Bank Payroll	-	
US Bank Savings (CDBG Program Income)	14,217	
US Bank Housing Authority	136,064	
US Bank Sewer Fund Capital Reserve	59,118	
US Bank Water Fund Debt Service Reserve	350,242	844,381
Investment (Pooled Funds)		
Local Agency Investment Fund (at FMV)		13,485,725
Total Cash and Investments		14,331,406

- **Cash**

- **Petty Cash**

The City maintains petty cash in various departments for change drawers and incidental purchases.

Location/Purpose	Amount
Administration - Petty Cash	300
Swimming Pool - Change Drawer	150
RV Park - Change Drawer	350
Utility Billing - Change Drawers	500
Total	1,300

- **Bank Accounts**

Amounts listed are general ledger amounts and reflect activity through June 30, 2020. These amounts include checks that have been written but not yet presented to the bank (outstanding checks) and deposits that have been made but not yet recorded by the bank (deposits in transit). The general ledger balance reflects the City's balances more accurately than does the bank statement of the same date. Transactions are recorded by finance staff during various reconciliation processes which may not all be complete as of the writing of this report. Any final updates are not anticipated to be significant.

- US Bank Main – This is the City's checking account. All cash receipts and accounts payable are processed through this account. Balances fluctuate based on activity and cash flow needs. When excess funds accumulate, they are transferred to LAIF. When additional funds are required to meet immediate

needs, they are transferred from LAIF into the main checking account.

- US Bank Payroll – This is a Zero Balance Account (ZBA). When payroll expenditures (direct deposits, checks, and wire transfers) are presented to the bank, the amount of the expenditure is automatically transferred from the main checking account into the payroll account.
- US Bank Savings (CDBG Program Income) – The California Department of Housing and Community Development (HCD), which administers our Community Development Block Grant (CDBG) strongly suggests using a separate, interest-bearing bank account for Program Income. Interest earned on Program Income is also qualified as Program Income.
- US Bank Housing Authority – This account is used to receive funding from the Federal Department of Housing and Urban Development (HUD). Housing Assistance Payments are made from this account. The amount allowed by HUD for administrative costs is periodically transferred into the City's main checking account and allocated for costs within the Housing Authority Fund.
- US Bank Sewer Fund Capital Reserve – This account was required under the terms of the State Revolving Fund loan. Over a period of 10 years, the City was required to set aside \$2,187,700 as a capital reserve. The balance in this account represents the first three years' contributions plus interest. In October 2017, the City successfully negotiated a contract amendment to the SRF loan, removing the Capital Reserve Requirement. The majority of funds previously held in this account were transferred to the Sewer Fund for an authorized project (\$600,000 for mem pulse). The remaining balance is held until needed for a project.
- US Bank Water Fund Debt Service Reserve – This account is required under the terms of the Safe Drinking Water loan. The funds will only be available to make the debt service payment should the Water Fund be unable to make payments from its operating account. The debt service reserve will be held in this account until the loan is paid off in 2024. The balance in this account is one year's debt service plus interest.

- **Pooled Cash**

With the exception of restricted bank accounts (US Bank Savings, US Bank Housing Authority, US Bank Sewer Fund Capital Reserve, and US Bank Water Fund Debt Service Reserve), the City's cash and investment resources are pooled. The pooling of cash and investments provides several advantages, including better physical custody and control, enhanced investment opportunities, and ease of operations. It also simplifies custody, collection, and disbursements.

It is important to note that the City's pooled resources include fiduciary, grant, and capital project funds as well as the City's major operating funds. The cash and investment totals represent balances as of a specific date and do not necessarily represent amounts available for future appropriations.

- **Investments**

- **Local Agency Investment Fund (LAIF)**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 and managed by the Treasurer of the State of California. Cash is pooled with cash from state-wide local agencies and invested. Each agency has its own account within the pool. Each participating agency has a maximum account limit of \$75 million, with no minimum balance, and is permitted to make up to 15 transactions per month. Investments in LAIF are available upon demand, although 24-hour notice is required for withdrawals of \$10 million or more. More information about LAIF can be found at their website: <http://www.treasurer.ca.gov/pmia-laif/laif.asp>.

- **Current Investment Portfolio**

The City's investment portfolio at this time is 100% in LAIF.

- **Individual Transactions During Quarter**

LAIF Transactions		
4/15/2020 Deposit	61,214	Interest earned Jan - Mar 2020
5/29/2020 Deposit	750,000	Transfer accumulated cash to LAIF

- **Individual Securities Held**

N/A

- **Realized and Unrealized Gains/Losses and Market Value**

Although the City does not hold any securities with a maturity over one year, the City does recognize a Fair Market Value (FMV) adjustment for its investment in LAIF, consistent with GASB 72. The FMV adjustment is calculated quarterly, and the adjustment as of June 30, 2020 was an unrealized gain of \$65,928.71. There is no actual (realized) gain or loss unless or until the portfolio is sold.

- **Return on Investments**

The quarterly earnings rate in LAIF as of June 30, 2020 was 1.36%. Crescent City's Investment Policy specifies the two-year Treasury note as a benchmark, to be used for reference purposes only. The daily treasury yield for two-year notes on June 30, 2020 was 0.16%.

LAIF administrative cost as of March 31, 2020 was 0.36% of earnings. As of the writing of this report, the June cost was not yet available. By law, LAIF administrative costs may not exceed 5% of the quarterly earnings of the fund, unless the 13-week Daily Treasury Bill on the last day of the fiscal year is below 1%, in which case administrative costs may not exceed 8% of quarterly earnings for the subsequent fiscal year.

- **Percentage of Portfolio**

- 100% LAIF

- **Compliance Statement**

The City's investment portfolio as of June 30, 2020 is in compliance with the City's Investment Policy and is meeting the policy objectives of (1) safety, (2) liquidity, and (3) yield.

FISCAL ANALYSIS

Preparation of this report is informational in nature and has no direct fiscal impact.

STRATEGIC PLAN ASSESSMENT

This report is consistent with Strategic Plan Goal 3(B) to "Maintain responsible fiscal management and accountability."

ATTACHMENTS

1. None

Staff review:


CM

Dr Rehwaldt Update on COVID-19

Economic Resiliency Update



CITY COUNCIL AGENDA REPORT

TO: MAYOR INSCORE AND MEMBERS OF THE CITY COUNCIL

FROM: ERIC WIER, CITY MANAGER

BY: MARTHA D. RICE, CITY ATTORNEY

DATE: AUGUST 3, 2020

SUBJECT: NOVEMBER 2020 GENERAL SALES TAX BALLOT MEASURE

RECOMMENDATION

- Hear staff report
- Receive public comment
- Consider and take the following actions:
 1. Approve and Adopt Resolution No. 2020-66, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY CALLING FOR AN ELECTION TO BE HELD ON NOVEMBER 3, 2020 TO PRESENT TO VOTERS A MEASURE TO LEVY A GENERAL TRANSACTIONS AND USE TAX OF ONE PERCENT AND REQUESTING THE DEL NORTE COUNTY BOARD OF SUPERVISORS TO ALLOW THE ELECTION TO BE CONSOLIDATED WITH THE STATEWIDE GENERAL ELECTION OF THAT SAME DATE
 2. Appoint two members of the Council to serve on ballot measure arguments ad hoc committee
 3. Approve an amendment to the professional services agreement with Planwest Partners, Inc. for additional ballot measure support
 4. Approve and Adopt Resolution No. 2020-67, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING THE FISCAL YEAR 2020-21 BUDGET OF THE CITY OF CRESCENT CITY

BACKGROUND

On November 21, 2019, the City Council of the City of Crescent City and the Crescent Fire Protection District Board jointly approved the Ten-year Financial Master Plan for

Crescent City Fire & Rescue. The plan identified the historic, current, and future service delivery costs and available funding necessary to maintain and improve the level of community-based fire and rescue services into the future. The plan identified service delivery costs individually for each parent agency, the City of Crescent City and the Crescent Fire Protection District, respectively, including capital improvement needs, governance, operational, and administrative needs. Additionally, identification of revenue sufficiency and recommendations for revenue generation was provided. Some recommendations were able to move forward as they are presently funded in the current budget, such as the Fire Chief recruitment. Other recommendations within the plan are dependent upon increased revenue and will not be implemented until such time as sufficient revenue is secured. With the approval of the plan, Phase 1 was completed.

Based on the funding needs and recommendations identified in the 10-year Financial Master Plan (Phase 1), Phase 2 of the plan aims at implementing new revenue measures for CCFR's parent agencies. The City has historically supported fire service through its General Fund but will need to secure additional funding to implement the master plan. The most common sources of funding would be either a special assessment or sales tax measure. To assist with this effort, Planwest Partners assembled a team with experience in public opinion research to specifically address community priorities, including ballot and revenue measure feasibility. On December 16, 2019 the Council authorized an amendment to the existing agreement and budget adjustment in the amount of \$25,614 to complete this scope of work referred to as Phase 2A. The scope of Phase 2A was to poll City voters to assess the feasibility of a November 2020 ballot measure to increase revenue through a local sales tax. Based on the results of the polling, City staff and Planwest Partners would work together to determine whether a ballot measure would be supported by the community. If the community was supportive, staff would bring another amendment to the City Council to continue working with Planwest Partners to engage in community education and outreach in conjunction with a revenue measure to be placed on the November 2020 ballot.

In addition to the needs of the Fire Department, the City worked with the Crescent City Police Officers Association to develop a long-term staffing plan to provide for a sergeant assigned to every shift, additional patrol officers to ensure adequate coverage, and a detective position. The City Council approved the phased staffing plan at the January 6, 2020 meeting. The initial phase of adding two sergeant positions has been completed, but the remaining phases cannot be implemented until additional funding is secured.

In January of 2020, City staff was contacted by the County of Del Norte's Chief Administrative Officer (CAO), inquiring about the City's efforts. He stated the County also has the need for a general tax measure, which would focus primarily on public safety needs as well as other general fund needs. The CAO proposed a joint polling effort to assess the community's support for a County-wide tax measure. On March 2, 2020 the City Council approved an agreement authorizing this joint effort with Del Norte County.

The timing of the community polling was originally scheduled to be completed by the end of April. However, the COVID-19 public health emergency delayed the project.

The public health emergency also forced the City to close the municipal swimming pool due to the Governor's executive order in March (Order No. N-33-20). However, as the emergency has progressed, it is clear that the health emergency is also creating a fiscal emergency. The City's General Fund relies heavily on sales tax and TOT to provide essential services, including approximately \$400,000 in operational costs for the municipal pool. These revenues are expected to be significantly impacted by the health emergency and recession. As a result, the City Council voted to keep the swimming pool closed until revenues are able to support reopening. This closure has already impacted the safety and wellness of the community due to the cancellation of all summer swimming lessons, physical therapy and aquatic exercise for elderly and disabled community members.

In addition to the current financial impact, the Fred Endert Municipal Swimming Pool 10-Year Operations Master Plan in 2019 identified critical improvements and repairs to the facility that needed but have not been able to be budgeted due to the limited resources in the General Fund. If these recommendations are not addressed within the coming years it is foreseeable that there would need to be additional closures to offset operational costs or due to mechanical failure. Prolonged closure due either economic impact of the pandemic or repairs results in the inability for the pool to offer therapeutic services, critical water safety trainings for maritime workers, annual District wide 4th grade swimming lessons and water safety lessons.

In addition, the City's streets have been in need of repair for many years without sufficient revenues to do so. SB1 was approved by voters in 2016 to increase the revenues available for streets and roads. These funds have helped the City move several projects forward, including the design of the Front Street and C Street storm drain project currently underway, crack seal of several areas, and initial survey work to prepare for a repair on K Street. Portions of SB1 funding (called RMRA) can only be used on designated Council approved projects. Currently because Crescent City has a relatively small population of City residents, we only have approximately \$100,000 per year of RMRA funds to fund projects and the City street maintenance needs are much greater than this funding can support. A simple pavement overlay of a City block including the required pedestrian ADA (Americans with Disabilities Act) improvements has an estimated average cost of over \$200,000. The City has over 400 blocks of pavement to maintain. Thus, the City has had to strategically utilize this funding to attempt leveraging other grant funding sources to complete larger road maintenance projects. Simply put SB1 funding is not enough and additional revenues would allow the City to greatly expand its repair and maintenance efforts.

A general sales tax (technically called a Transactions and Use Tax) would provide additional revenue for the City's General Fund, which supports all of these services and more.

Planwest Partners's subconsultant, Godbe Research, completed the community polling in early June and reported the results to the City Council at a public meeting held on June

24, 2020. The polling results showed slightly more favorable community support for an independent City measure over a County-wide measure. The polling results combined with the uncertainties and the complications of a revenue-sharing agreement, led the Council to direct staff to begin the process to place a City-only general sales tax measure on the November 2020 ballot.

ITEM ANALYSIS

1. Ballot Measure Resolution / Appointment of Ad Hoc Committee

The ballot measure proposes a 1.0% sales tax on all items subject to state sales tax within the City limits. It is important to note that items such as groceries and prescriptions are *not* subject to state sales tax and, therefore, would not have any additional cost imposed by this tax.

The ballot measure is expected to generate approximately \$1.3 million annually in additional General Fund revenue. This measure will be used to support essential General Fund services including, but not limited to:

- Implementation of the Crescent City Fire and Rescue Master Plan, creating a sustainable fire department
- Implementation of the police department staffing plan to ensure proper supervisory staffing and patrol officers on every shift.
- Additional revenue to reestablish sustainable operational services of the Fred Endert Municipal Pool, which provides the community with critical water-related health and safety services (swimming lessons, exercise, recreation, physical therapy)
- Local street maintenance – fixing potholes, resurfacing streets, installing and repairing sidewalks

If the measure is passed by the voters, the tax will be paid by all users of essential City services, not just City residents. Because this community is economically dependent upon tourism, we have to have the infrastructure to support a higher level of activity than is generated solely by City residents. City emergency response services (police and fire) serve all who live in and visit our town. In addition, City streets and sidewalks are used and enjoyed (when they are in good repair) by City residents, visitors, and tourists alike.

Another key element of the measure is transparency. The draft ordinance includes independent annual audits of tax revenues and expenditures as well as a citizen's oversight committee. The proposed language in the ordinance is as follows:

3.30.140 Oversight Committee.

A seven-member oversight committee will be created and meet annually to review and publically report on the expenditure of revenues generated by the tax imposed by this Ordinance. The committee will include the City Manager or designee, the City Finance Director or designee, and five residents of the City. Resident

members of the committee will be appointed to two-year terms by the Mayor and confirmed by the City Council. The City Manager and City Finance Director will serve as non-voting members of the committee.

3.30.150 Independent Annual Audit.

The proceeds of the tax imposed by this Ordinance, as well as the expenditures thereof, will be audited annually by an independent accounting firm.

At a special meeting held on July 14, the City Council reviewed the draft sales tax ordinance. At a regular meeting held on July 20, the City Council introduced the sales tax ordinance. It is that introduced Ordinance that will be presented to the residents of Crescent City for a vote on November 3, 2020. In order to place this measure on the November ballot, the City Council must adopt the attached resolution, which includes the ballot title, the ballot question, as well as other procedural requirements. The resolution provides that the City's ballot measure argument and rebuttal will be written by an ad hoc committee. The appointment of the ad hoc committee is one of the actions requested in this staff report. The City Clerk will submit all required ballot measure documents to the County Elections Official no later than August 7, 2020. The schedule includes:

- August 7: deliver ballot measure materials to County Elections Official
- August 11: deadline to file arguments for or against the measure
- August 13: deadline to file Impartial Analysis of City Attorney
- August 21: deadline to file rebuttal arguments

2. Amendment to Planwest Partners, Inc. Professional Services Agreement

During early polling efforts, the City residents polled were in support of the ballot measure. However, Godbe Research strongly recommend hiring additional ballot measure support to be able to inform the community of the measure and what it means to them. On July 14, the City Council approved Amendment No. 3 to the Planwest Partners, Inc. professional services agreement for Phase 2B, which is for the recommended ballot measure support. The scope of work generally includes tasks to build consensus within the community and a strong, transparent measure. To effectively accomplish this goal, Planwest Partners is teaming with TBWBH Props and Measures, a strategy and communications consulting firm specializing in developing revenue measures for the ballot and implementing informational communication strategies. They have been a part of passing over 430 successful bond and tax measures in California and have an over 90% success rate. Due to the importance of this tax measure to the City and its future financial stability, the City Council indicated that it was willing to spend a little more money on ballot measure support if it were available. In response, Planwest Partners has proposed a contract amendment to include greater ballot measure support (digital media outreach) in the amount of \$6,000. Staff recommends approving this amendment.

FISCAL ANALYSIS

Election costs for the ballot measure are estimated to be an additional \$5,000 - \$7,000. The City currently has \$9,300 budgeted for election costs, necessitating a budget increase of \$6,300. The additional cost for the Planwest Partners, Inc. amendment is \$6,000. The budget amendment before the Council tonight is in the amount of \$12,300 which includes both of these costs.

STRATEGIC PLAN ASSESSMENT

This action supports Strategic Plan Goal 1, "Support quality services, community safety, and health to enhance the quality of life and experience of our residents and visitors," and Goal 1C, "Empower and utilize Police, Fire, and Public Works departments to make Crescent City one of the safest cities in the United States."

ATTACHMENTS

1. Resolution No. 2020-66, Placing a City Sales Tax Measure on the Ballot
2. Planwest Partners, Inc. Amendment #4 to Professional Services Agreement
3. Resolution No. 2020-67, Amending the FY 2020-21 Budget
4. City Attorney Memo Regarding Public Resources and Ballot Measures

STAFF REVIEW:



CM

RESOLUTION NO. 2020-66

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY CALLING FOR AN ELECTION TO BE HELD ON NOVEMBER 3, 2020 TO PRESENT TO VOTERS A MEASURE TO LEVY A GENERAL TRANSACTIONS AND USE TAX OF ONE PERCENT AND REQUESTING THE DEL NORTE COUNTY BOARD OF SUPERVISORS TO ALLOW THE ELECTION TO BE CONSOLIDATED WITH THE STATEWIDE GENERAL ELECTION OF THAT SAME DATE

WHEREAS, on November 6, 1996, the voters of the State of California approved Proposition 218 (California Constitution, articles XIII C and XIII D), an amendment to the California Constitution requiring that all general taxes which are imposed, extended or increased must be approved by a majority vote of the electorate; and

WHEREAS, California Revenue and Taxation Code Section 7285.9 authorizes the City of Crescent City (the "City") to levy a one percent general transactions and use tax by ordinance following approval by two-thirds of the City Council and a simple majority of the qualified electors of the City voting in an election on the issue; and

WHEREAS, the levying of a transactions and use tax of one percent would not cause the overall transactions and use tax in the City to exceed two percent in accordance with California Revenue and Taxation Code Section 7251.1; and

WHEREAS, the City is dedicated to providing high quality public safety services, promoting economic development and resiliency, and maintaining local streets and sidewalks; and

WHEREAS, over the past decade, the City's revenues have not kept pace with the growing costs of providing essential city services to local residents, which has been exacerbated by the recent pandemic; and

WHEREAS, despite being fiscally conservative and proactively cutting the costs, the City is projecting a \$500,000 deficit, putting many city services at risk; and

WHEREAS, there has been an increase in emergency services calls over the past five years, and staffing for our fire and police has not been sufficient to keep up with the demand; and

WHEREAS, there is a great need to fix damaged sidewalks and curbs and repair roads to keep our safe and serve our residents for years to come; and

WHEREAS, due to COVID-19 the City had to make the tough decision to close the Fred Endert Municipal Pool, which supports the health and well-being of our entire community, the economic downturn may mean it cannot reopen until sufficient funding is available to help support ongoing costs; and

WHEREAS, in order to ensure the City’s fiscal stability, an additional revenue source is required that spreads the cost of essential public safety services and municipal infrastructure more equitably across the population it serves; and

WHEREAS, the City Council desires to place a local funding measure on the ballot to provide a stable source of revenue to maintain the City’s infrastructure and services; and

WHEREAS, many recipients and potential recipients of the City’s services are non-resident employees, travelers, and visitors who are consumers of good and services in Crescent City, but not property owners in Crescent City; and

WHEREAS, California Elections Code Section 9222 authorizes the City Council to submit to the voters a proposition of for the enactment of any ordinance at an election held not less than 88 days after the date of the order of the election; and

WHEREAS, the November 3, 2020 election (“Election”) is a regularly scheduled general election for members of the City Council; and

WHEREAS, the City Council wishes to call the Election and place a general transactions and use tax measure on the ballot.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Crescent City, California, as follows:

- 1. **Findings.** The City Council finds that the preceding recitals are true and correct.
- 2. **Call for General Municipal Election.** Pursuant to the laws of the State of California applicable to general law cities, the City Council of the City of Crescent City hereby calls and orders to be held in the City of Crescent City, California a general municipal election to be held on November 3, 2020 for the purpose of presenting voters with a proposed transactions and use (sales) tax measure in order to fund general municipal infrastructure and services. If approved the tax would be administered by the California Department of Tax and Fee Administration.
- 3. **Submission of Measure.** Pursuant to Revenue & Taxation Code Section 7285.9, Election Code Section 9222 and Government Code Section 53724, the City Council hereby orders the following question regarding the adoption of a local general transactions and use (sales) tax ordinance to be submitted to the voters at the general municipal election called for November 3, 2020:

<p>ESSENTIAL CITY SERVICES MEASURE</p> <p>To support and maintain local emergency rescue services, including volunteer fire, medical aid and police response; improve</p>	<p>YES _____</p>
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<p>staffing, training and equipment for fire and police departments; repair potholes and maintain streets/sidewalks; support community health/wellness by funding city pool operations; and other general city services; shall the City of Crescent City's measure establishing a one-cent sales tax be adopted, providing \$1,300,000 annually for essential city services until ended by voters, with citizen oversight, audits, and all funds controlled locally?</p>	<p>NO _____</p>
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4. **Voter Approval.** This measure requires the approval of the majority (50% + 1) of votes cast.
5. **Ordinance.** The Ordinance being submitted to the voters pursuant to Section 3 of this Resolution is Crescent City Ordinance No. 824, a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference.
6. **Full Text of the Measure.** The full text of Ordinance No. 824, enacting a one percent transactions and use (sales) tax to fund Crescent City essential services will be available at no cost, from the City Clerk's office or on the City's website: www.crescentcity.org. A statement about how to obtain the full text of the Ordinance will be included in the Voter Information Pamphlet below the Impartial Analysis.
7. **Conduct of Election.** In all particulars not recited in this Resolution, the election is to be held and conducted as provided by law for holding municipal elections. The Clerk of the County of Del Norte, State of California, is hereby requested to perform all acts necessary to ensure the election is conducted in conformance with this Resolution and the California Elections Code.
8. **Impartial Analysis.** Pursuant to California Elections Code Section 9280, the City Council hereby authorizes, instructs, and directs City Attorney to prepare an impartial analysis of the measure, not to exceed 500 words in length, showing the effect of the measure on the existing law and the operation of the measure, and transmit such impartial analysis to the City Clerk within ten (10) days following the adoption of this Resolution.
9. **Consolidation.** The City Council hereby requests the Board of Supervisors of the County of Del Norte to consolidate the Election with the statewide general election to be held on November 3, 2020. The cost of including the measure and consolidating the election with November 3, 2020 General Election is to be paid by the City per Government Code Section 53724(d) and the Election Cost Allocation Plan attached hereto as Exhibit "B" and incorporated herein by reference.

- 10. Notice of Election.** In accordance with Elections Code Section 12111, the City Clerk is hereby authorized and directed to cause notice of the measure to be published once in The Triplicate, a newspaper of general circulation in the of Crescent City.
- 11. Ballot Arguments.** Arguments for and against the Measure may be submitted to the City Clerk in accordance with Elections Code Sections 9280, et seq. Arguments in favor of or against the Measure are limited to 300 words and must be filed with the City Clerk on or before August 11, 2020. Rebuttal arguments are limited to 250 words and must be filed with the City Clerk on or before August 21, 2020.
- 12. Ad Hoc Committee.** The Mayor may appoint, and the Council must confirm the appointment, of two members of the City Council to an ad hoc committee for the purpose of drafting an argument in favor of the Measure and a rebuttal to the selected argument against the Measure.
- 13. Certification and Filing with County.** The City Clerk is hereby directed to file with the Board of Supervisors and the County Clerk of Del Norte County certified copies of this Resolution.
- 14. CEQA Findings.** The City Council hereby finds and determines that the Measure relates to organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment, and therefore is not a project within the meaning of the California Environmental Quality Act (“CEQA”) and the State CEQA Guidelines, section 15378(b)(5).
- 15. Severability.** The provisions of this Resolution are severable and if any provision of this Resolution is held invalid, that provision is to be severed from the Resolution and the remainder of this Resolution is to continue in full force and effect, and will not be affected by such invalidity.

APPROVED and ADOPTED at a regular meeting of the City Council of the City of Crescent City held on the 3rd day of August, 2020, by the following polled vote, which is no less than a two-thirds vote of all members of the Council as required by Revenue and Taxation Code Section 7285.9:

AYES:
NOES:
ABSENT:
ABSTAIN:

Blake Inscore, Mayor

Robin Patch, City Clerk

EXHIBIT A

ORDINANCE NO. 824

**AN ORDINANCE OF THE CITY COUNCIL AND THE PEOPLE OF THE CITY OF
CRESCENT CITY ADDING CHAPTER 3.30 TO TITLE 3 OF THE CRESCENT CITY
MUNICIPAL CODE IMPOSING A TRANSACTIONS AND USE TAX TO BE
ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE
ADMINISTRATION**

NOW, THEREFORE, the City Council and the People of the City of Crescent City, State of California, do ordain as follows:

SECTION 1

The Crescent City Municipal Code is amended by adding Chapter 3.30, Transactions and Use Tax, to Title 3, Revenue and Finance, as follows:

TITLE 3 – REVENUE AND FINANCE

CHAPTER 3.30 – TRANSACTIONS AND USE TAX

3.30.010 Title.

This chapter will be known as the “Crescent City Transactions and Use Tax Ordinance” and referred to herein as “this Ordinance.”

3.30.020 Operative Date.

"Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this Ordinance, the date of such adoption being as set forth below.

3.30.030 Purpose.

This Ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

- A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance which shall be operative if a majority of the

electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

- B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.
- C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration in administering and collecting the California State Sales and Use Taxes.
- D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this Ordinance.

3.30.040 Contract with State.

Prior to the operative date, the City must contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the City has not contracted with the California Department of Tax and Fee Administration prior to the operative date, it must nevertheless so contract and in such a case the operative date will be the first day of the first calendar quarter following the execution of such a contract.

3.30.050 Transactions Tax Rate.

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of 1.0% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this Ordinance.

3.30.060 Place of Sale.

For the purposes of this Ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated will be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

3.30.070 Use Tax Rate.

An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of this Ordinance for storage, use or other consumption in said territory at the rate of 1.0% of the sales price of the property. The sales price includes delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

3.30.080 Adoption of Provisions of State Law.

Except as otherwise provided in this Ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this Ordinance as though fully set forth herein.

3.30.090 Limitations on Adoption of State Law and Collection of Use Taxes.

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

- A. Wherever the State of California is named or referred to as the taxing agency, the name of this City is to be substituted therefor. However, the substitution will not be made when:
 1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Treasury, or the Constitution of the State of California;

2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this Ordinance.
 3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:
 - a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;
 - b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.
 4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.
- B. The word "City" is to be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.
1. "A retailer engaged in business in the District" also includes any retailer that, in the preceding calendar year or the current calendar year, has total combined sales of tangible personal property in this state or for delivery in the State by the retailer and all persons related to the retailer that exceeds five hundred thousand dollars (\$500,000). For purposes of this section, a person is related to another person if both persons are related to each other pursuant to Section 267(b) of Title 26 of the United States Code and the regulations thereunder.

3.30.100 Permit Not Required.

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, then an additional transactor's permit is not required by this Ordinance.

3.30.110 Exemptions and Exclusions.

- A. There will be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

- B. There are exempted from the computation of the amount of transactions tax the gross receipts from:
 - 1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

 - 2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City will be satisfied:
 - a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

 - b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this Ordinance.
 4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this Ordinance.
 5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property will be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
- C. There are exempted from the use tax imposed by this Ordinance, the storage, use or other consumption in this City of tangible personal property:
1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.
 2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.
 3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this Ordinance.
 4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this Ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
 6. Except as provided in subparagraph (7), a retailer engaged in business in the City will not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.
 7. "A retailer engaged in business in the City" also includes any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer will be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.
- D. Any person subject to use tax under this Ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

3.30.120 Amendments.

All amendments subsequent to the effective date of this Ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, will automatically become a part of this Ordinance, provided however, that no such amendment will operate so as to affect the rate of tax imposed by this Ordinance.

3.30.130 Enjoining of Collection Forbidden.

No injunction or writ of mandate or other legal or equitable process may issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this Ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

3.30.140 Oversight Committee.

A seven-member oversight committee will be created and meet annually to review and publically report on the expenditure of revenues generated by the tax imposed by this Ordinance. The committee will include the City Manager or designee, the City Finance Director or designee, and five residents of the City. Resident members of the committee will be appointed to two-year terms by the Mayor and confirmed by the City Council. The City Manager and City Finance Director will serve as non-voting members of the committee.

3.30.150 Independent Annual Audit.

The proceeds of the tax imposed by this Ordinance, as well as the expenditures thereof, will be audited annually by an independent accounting firm.

3.30.160 Severability.

If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid by a court of competent jurisdiction, then the remainder of the Ordinance and the application of such provision to other persons or circumstances will not be affected thereby.

3.30.170 Effective Date.

This Ordinance relates to the levying and collecting of the City transactions and use tax and will take effect immediately upon its approval by the voters.

3.30.180 Termination Date. The authority to levy the tax imposed by this Ordinance will expire upon repeal by the voters of the City of Crescent City.

SECTION 2

This Ordinance will be effective only if a majority of votes cast on the measure at an election to be called for such purpose vote to approve the Ordinance. The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance upon certification by the City Council of the results of the election approving this Ordinance.

INTRODUCED at a regular meeting of the City Council of the City of Crescent City held on the 20th day of July, 2020 by the following polled vote:

AYES: Mayor Inscore, Mayor Pro Tem Kime, Councilmembers Greenough, Fallman, Wright

NOES: None.

ABSENT: None.

ABSTAIN: None.

ATTEST:

Robin Patch, City Clerk

PASSED and ADOPTED by the People of the City of Crescent City on the _____ day of November, 2020.

Blake Inscore, Mayor

ATTEST:

Robin Patch, City Clerk

EXHIBIT B



DEL NORTE COUNTY – ELECTION COST ALLOCATION

CATEGORY I: DIRECT AGENCY COSTS

These are costs which can be specifically attributed to a particular entity and no other, and only involve costs which that entity incurred simply because of their presence on the ballot.

CATEGORY I: COSTS

- A. Legal Publications
- B. Candidate Filing Forms
- C. Signature Verification
- D. Computer Programming (needed for each district)
- E. Sample, Official and Absentee Ballot Printing (needed for each district)
- F. Other

CATEGORY II: GENERAL COSTS OF THE ELECTION

These are costs of the election, which would have been incurred regardless of the number of jurisdictions on the ballot and will be divided equally between the County of Del Norte (if applicable), and other local entities or special districts on the ballot.

CATEGORY II; COSTS

- A. Postage
- B. Rent of Polling Places
- C. Poll Workers Salaries
- D. Sample Ballot Labeling
- E. Data Processing Run Charges
- F. Computer Programming (needed for each election)
- G. Election Employees Salary
- H. Precinct Supplies
- I. Delivery of Election Equipment
- J. Sample, Official and Absentee Ballot Printing (needed for each election)
- K. Election Equipment Lease

CATEGORY III: INDIRECT COSTS OF THE ELECTION

These are costs that are indirectly incurred because of the election. The costs are divided between the County of Del Norte (if applicable) and other local entities or special districts on the ballot, based on the number of voter decisions each entity has.

CATEGORY III: COSTS

- | | |
|------------------------------|----------------------------|
| A. Phone Charges | D. Mileage |
| B. General Election Supplies | E. Election Dept. Overhead |
| C. In House Printing | F. Other |

**AMENDMENT NO. 4
TO AGREEMENT FOR PROFESSIONAL SERVICES
WITH PLANWEST PARTNERS, INC.**

This Amendment No. 4 (this "Amendment") to the agreement for professional services entered into by and between the City of Crescent City and Planwest Partners, Inc. dated the 24th day of September, 2018 for the preparation of a 10-Year Financial Master Plan for Crescent City Fire and Rescue (the "Agreement") amends the scope of services to add \$6,000 in digital media outreach services as part of Phase 2B. The Agreement has been previously amended on December 16, 2019 (Amendment No. 1), on March 2, 2020 (Amendment No. 2), and on July 14, 2020 (Amendment No. 3).

The Agreement, as amended, is amended as follows:

1. SCOPE OF SERVICES. Phase 2B of the scope of services is amended to include those services described in Exhibit A.
2. COMPENSATION. Compensation to be paid to CONSULTANT for its Phase 2B work is increased to the not-to-exceed amount of Thirty-Nine Thousand Nine Hundred Dollars (\$39,900.00), as set forth in Exhibit C, attached hereto and incorporated herein by this reference.
3. OTHER PROVISIONS. All other terms and conditions of the Agreement remain in full force and effect and apply to this Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed this 3rd day of August, 2020 at Crescent City, California.

CITY OF CRESCENT CITY

PLANWEST PARTNERS, INC.

By: Eric Wier, City Manager

By: Colette Santsche

Its: Senior Planner/Partner

EXHIBIT A: SCOPE OF SERVICES

The scope of services for Phase 2B is amended to include the following additional services:

- Digital Media display ads for 75 days (\$2500)
- Digital Video ads (15/30 seconds long) for 50 days (\$3500)

EXHIBIT C: COMPENSATION

		Planwest	TBWBH	SUB-TOTAL LABOR COST	SUB-TOTAL MATERIALS COST	TOTAL COST
		C. Santsche	J. Kummer			
		\$106	Flat Rate			
PW	Project Coordination	25		\$2,650	\$0	\$2,650
TBWBH	Informational Services	0	\$16,000	\$16,000	\$21,250	\$37,250
TOTAL LABOR COST		\$2,650	\$16,000	\$18,650	\$21,250	\$39,900

RESOLUTION NO. 2020-67

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING
THE FISCAL YEAR 2020-21 BUDGET OF THE CITY OF CRESCENT CITY**

WHEREAS, the budget for the fiscal year beginning July 1, 2020, as submitted by the City Manager, was reviewed by the City Council and a public hearing was held thereon the 22nd day of June 2020; and

WHEREAS, the City Council adopted said budget and has the authority to amend said budget from time to time; and

WHEREAS, the City Council has adopted a resolution placing a measure for a local sales tax on the November 3, 2020 ballot, which will increase the City's election costs; and

WHEREAS, the City Council has approved an amendment to the Planwest Partners, Inc.; and

WHEREAS, these expenditures require an amendment to the adopted budget.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AS FOLLOWS:

That the Fiscal Year 2020-21 City of Crescent City Annual Budget is hereby amended and appropriated in the amounts identified below:

Fund	Revenue Increase (Decrease)	Expenditure Increase (Decrease)
General Fund	\$0	\$12,300

APPROVED and ADOPTED and made effective the same day at a regular meeting of the City Council of the City of Crescent City held on the 3rd day of August, 2020, by the following polled vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Blake Inscore, Mayor

ATTEST:

Robin Patch, City Clerk

BLACK RICE & LUNA LLP

Robert N. Black, Partner
rblack@blackriceluna.com

Attorneys at Law
The McNulty House
710 H Street
Crescent City, CA 95531


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Autumn E. Luna, Partner
aluna@blackriceluna.com

Andre L. Carpenter, Office Manager
acarpenter@blackriceluna.com

Michael T. Taney, Associate
mtaney@blackriceluna.com

TO: CRESCENT CITY PUBLIC OFFICIALS AND EMPLOYEES

BY: MARTHA D. RICE, CITY ATTORNEY 

DT: AUGUST 3, 2020

BALLOT MEASURE ACTIVITIES AND PUBLIC RESOURCES

➤ TWO BASIC RULES:

1. Public resources **may not** be used for ballot measure **campaign activities**.
2. Public resources **may** be used for **informational activities**.

❖ Campaign activities/materials include:

- Producing/disseminating materials that expressly advocate for the passage or defeat of a measure in an election.
- Producing/disseminating materials *when taken as a whole in context*, unambiguously urge a particular result in an election -- including:
 - Traditional campaign material or campaign activity such as bumper stickers, billboards, door-to-door canvassing, or other mass media advertising including, but not limited to television, electronic media or radio spots; or
 - Is not simply a fair presentation of facts serving only an informational purpose (style, tenor, and timing of the publication is examined) – *gray area of the law*

❖ Informational activities/materials include:

- Producing materials that serve an informational purpose and disseminating them through the City's normal channels of communication (example: FAQ posted on website / Facebook Page).
- Providing information upon request from the public about the ballot measure and its effect on the City.

❖ Public resources **may** be used to:

- Place a measure on the ballot.

Phone: 707-464-7637

Fax: 707-464-7647

- Prepare an objective and fact-based analysis on the effect of a ballot measure on the City and City services.
- Distribute that analysis through regular City communications channels (posting on website, social media pages).
- Adopt a position on the measure, as long as that position is taken at an open meeting where all voices have the opportunity to be heard.
- Respond to inquiries about the ballot measure and its effect on the City.
- Employees and elected officials may speak to interested public and private organizations upon invitation and communicate the City's position on the ballot measure and the effect it will have on the City at a meeting of said organization.

❖ **Public officials/employees must not:**

- Engage in campaign activities while on City time or using City resources (it is okay to engage during unpaid breaks such as lunch break).
- Use City resources (including office equipment, supplies, staff time, vehicles or public funds) to engage in advocacy-related activities, including producing campaign-type materials or performing campaign tasks.
- Use public funds to pay for campaign-related expenses (for example television or radio advertising, bumper stickers, and signs) or make campaign contributions.
- Use City computers or email address for campaign communication activities.
- Use City communication channels to distribute campaign materials (for example internal mail system, City bulletin boards or the City's email or intranet systems).
- Post links to campaign websites on the City's website.
- Give preference to campaign-related requests to use City facilities.
- Wear public agency uniforms while participating in advocacy activities.

❖ **BEST PRACTICES:**

- Make sure all employees and officials are aware of these legal restrictions.
- Use a tag line that makes clear that restrictions against using public resources for campaign materials have been observed (for example, "NOT PRODUCED OR DISTRIBUTED WITH PUBLIC RESOURCES").



CITY COUNCIL AGENDA REPORT

TO: MAYOR INSCORE AND MEMBERS OF THE CITY COUNCIL

FROM: ERIC WIER, CITY MANAGER

BY: LINDA LEAVER, FINANCE DIRECTOR

DATE: AUGUST 3, 2020

SUBJECT: 2019-2020 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) APPLICATION

RECOMMENDATION

- Receive staff report
- Receive public comment
- Consider and take the following actions:
 1. Approve and authorize the City Manager to execute a subrecipient agreement with Arcata Economic Development Corporation (AEDC)
 2. Approve and authorize the City Manager to execute professional services agreement with North Coast Small Business Development Center (SBDC)

BACKGROUND

The Community Development Block Grant (CDBG) program is a federally funded program through the Department of Housing and Urban Development (HUD). The principle objective of CDBG is the development of viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for persons of low- and moderate-income.

As a non-entitlement jurisdiction (cities with population less than 50,000 and counties with populations less than 200,000), Crescent City applies for CDBG program funding through the State Department of Housing and Community Development (HCD). HCD receives funding from the federal government and releases a Notice of Funding Availability (NOFA) to invite applications from jurisdictions within California. The most recent NOFA was released on January 21, 2020 with approximately \$60 million in funding to be awarded.

The Council initially discussed applying for a business loan program at the May 18, 2020 meeting and directed staff to begin preparations for an application when the NOFA amendment was issued. That amendment was issued by HCD on June 19, 2020, and

staff brought a project back to the Council at the July 6, 2020 meeting. At that meeting, Council approved a professional services agreement with Claggett Wolfe Associates to complete the grant application on behalf of the City and to administer the program if the application is successful. The Council also approved a Memorandum of Understanding with Del Norte County to allow the business loan program to be offered to businesses in both incorporated and unincorporated areas of the county.

ITEM ANALYSIS

The next step in developing the proposed business loan program is to secure additional professional services. The program will be structured as follows:

- Claggett Wolfe Associates will develop the Program Guidelines that will govern the program. A draft of the guidelines is attached to this report. However, the guidelines will not be finalized until after the grant is awarded and HCD provides input on the guidelines. At that time, the final draft will be brought back to the City Council for adoption.
- Claggett Wolfe Associates will work with AEDC and City staff to establish a Loan Advisory Committee that will approve/deny all loan applications. Loan Advisory Committee members will be approved by Council resolution.
- Claggett Wolfe Associates will advertise the program to eligible businesses within the county and receive their initial applications.
- Applicants will be connected with SBDC to help them complete the application package and all required documentation. If the business needs assistance in meeting eligibility requirements (for example, if the business does not have monthly financial statements), SBDC will assist them. Claggett Wolfe Associates will assist SBDC in the CDBG-required elements such as documentation required as per the Program Guidelines including income certification and other CDBG compliance requirements (for example, documentation of no Conflict of Interest or appearance on Federal Debarred list).
- Once the applications are complete, they will be submitted to AEDC for their independent review. AEDC will perform underwriting, present each loan application to be approved or denied by the Loan Advisory Committee, prepare loan documents and closing for approved loans, and handle the disbursement of funds. Claggett Wolfe will assist AEDC during the loan term to ensure CDBG requirements are met (such as job retention or job creation).
- SBDC will provide monthly technical assistance to the businesses during the term of the loan, to help them meet the requirements of the loan program. Claggett Wolfe Associates will assist SBDC to ensure all CDBG requirements are met.
- Claggett Wolfe Associates will maintain CDBG records on the program and complete reporting requirements.

AEDC was selected as a subrecipient based on their expertise and availability to participate in the program. Subrecipient agreements are allowed for government agencies

and/or nonprofits. The subrecipient must track the exact costs of the specific program and request reimbursement from the City. The subrecipient is required to follow all CDBG guidelines and is monitored for compliance by the City throughout the grant program.

SDBC was selected as a professional services consultant for this program through a request for proposals. Although the City requested proposals from multiple firms and discussed the project with three firms, SDBC was the only one to submit a proposal. Their estimated costs were found to be reasonable, and they are experienced and well qualified to provide the technical assistance services.

Staff recommends the City Council take the following actions:

1. Approve and authorize the City Manager to execute a subrecipient agreement with Arcata Economic Development Corporation for underwriting and loan management. The payment terms are on a time and materials basis to reimburse AEDC for their costs, with a not-to-exceed amount of \$250,000.
2. Approve and authorize the City Manager to execute a professional services agreement with North Coast Small Business Development Center for technical assistance. The payment terms are on a time and materials basis, with a not-to-exceed amount of \$60,000.

Since this type of program is new for the City, and HCD is still making changes to their requirements and guidelines, the exact amounts that will be needed for these services is difficult to estimate. On the advice of our consultant, Chuck Wolfe, the agreements are structured with not-to-exceed amounts of \$250,000 for AEDC and \$60,000 for SBDC. Only the actual, necessary costs will be charged, and Mr. Wolfe will monitor both agreements throughout the project. If the City is successful in launching the program and obtains additional funding through HCD to expand the program, these not-to-exceed amounts will allow the City to continue uninterrupted. If the program does not require this level of service, the amounts will not be fully used.

Staff will continue to work with Claggett Wolfe Associates to complete the application and submit to HCD as soon as possible. These applications are funded on a first-come, first-served basis so long as the application meets the eligibility requirements.

FISCAL ANALYSIS

If the grant application is successful, the entire program including staff time will be funded through the grant. The application is requesting the maximum amount of \$500,000 and no local match is required. HCD has stated that if the program is successful and able to spend down funds quickly, more funding may be made available.

CDBG funds are on a reimbursement basis. The subrecipient or consultant responsible for providing the service will invoice the City periodically, and the City will pay the subrecipient or consultant and then submit a reimbursement request to HCD. HCD typically reimburses the City approximately 30 days after the reimbursement request has been submitted.

The cost of Mr. Wolfe of Claggett Wolfe Associates preparing the grant application has been funded through a grant from The California Endowment.

STRATEGIC PLAN ASSESSMENT

This action supports the following Strategic Plan goals:

- Goal 1: Support quality services, community safety, and health to enhance the quality of life and experience of our residents and visitors
- Goal 1(A): Enhance collaboration with other agencies and the community to better aid the public
- Goal 1(E): Target economic development improvements that provide additional benefit by enhancing the quality of life for residents
- Goal 2: Promote a thriving local economy
- Goal 2(D): Collaborate with other jurisdictions and non-profits to maximize regional effectiveness and amplify funding opportunities
- Goal 2(E): Create an environment that is conducive to attracting and retaining strong, sustainable businesses that reflect community needs and culture
- Goal 2(F)(1): Streamline services that support new, existing, and prospective businesses
- Goal 2(F)(9): Expand on the success of grant funding by maximizing utilization of opportunities with corresponding community needs

ATTACHMENTS

1. Subrecipient Agreement with Arcata Economic Development Corporation
2. Professional Services Agreement with North Coast Small Business Development Center
3. Draft Program Guidelines

Staff review:



CM

**SUBRECIPIENT AGREEMENT
AGREEMENT BETWEEN THE CITY OF CRESCENT CITY
AND
ARCATA ECONOMIC DEVELOPMENT CORPORATION
FOR
UNDERWRITING AND FUND MANAGEMENT SERVICES
IN SUPPORT OF THE CRESCENT CITY BUSINESS ASSISTANCE PROGRAM**

This subrecipient agreement (herein called the "Agreement"), entered as of the date set forth below by and between the City of Crescent City, a California municipal corporation (herein called the "GRANTEE") and Arcata Economic Development Corporation, a California nonprofit corporation (herein called the "SUBRECIPIENT").

WHEREAS, the GRANTEE has applied for and anticipates receiving funds from the United States Government under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383; and

WHEREAS, the GRANTEE wishes to engage the SUBRECIPIENT to assist the GRANTEE in utilizing such funds.

NOW THEREFORE, the parties agree as follows:

I. FUNDING AVAILABILITY AND USE

A. Contingent on funding

The terms of this Agreement are valid and enforceable only to the extent to which funds are made available to the GRANTEE by the United States Government and the State of California for the purposes of the Community Development Block Grant Program.

B. Limitation on Use of Funds

Grant funds may be used only for the activities described in this Agreement and any properly executed amendment thereto. Funds found to have been expended improperly or for which sufficient documentation is not available must be repaid by the SUBRECIPIENT to the GRANTEE.

II. SCOPE OF SERVICE

A. Activities

The SUBRECIPIENT will be responsible for administering Underwriting and Fund Management services, using CDBG grant funding under the 2020 CDBG NOFA in a manner satisfactory to the GRANTEE and consistent with any standards required as a condition of providing these funds. Such program will include the following activities eligible under the Community Development Block Grant Program:

1. Loan Underwriting Services

- I. Review all loan applications.
 - a. Determine if there is an acceptable amount of risk.
 - b. Assess the borrower's ability to meet all CDBG requirements of the loan based on the Program Guidelines established by the Program Operator.
 - c. Deny any applications that do not meet the qualifications
- II. Prepare all necessary loan documents.

2. Fund Management Services

- I. Manage fund disbursements
 - a. Manage FF&E disbursements upon submission of invoices/receipts with payment to vendor or business if proof of payment is provided and working capital disbursements as an advance for each month based on pro forma projections and/or actual need based on the assessment outlined in the loan application.
- II. Loan servicing
- III. Portfolio management

3. Recordkeeping

- I. Document all expenses (i.e. time by staff person, hourly rate, total staffing cost and itemized expenses) for each applicant and submit documentation monthly with invoices.

4. Fundraising

No costs or expenditures including but not limited to staff costs, supplies, advertising or other operating costs associated with fundraising activities may be charged to the grant.

B. National Objectives

The SUBRECIPIENT certifies that the activities carried out with funds provided under this Agreement will meet one or more of the CDBG program's National Objectives – (1) benefit low/moderate income persons; (2) aid in the prevention or elimination of slums or blight; (3) meet community development needs having a particular urgency – as defined in 24 CFR Part 570.208.

C. Levels of Accomplishment

In addition to the normal administrative services required as part of this Agreement, the SUBRECIPIENT agrees to provide the following levels of program services:

Underwriting and fund management services as part of the business assistance program designed to benefit Low/Moderate Income individuals meeting the requirements of the Department of Housing and Community Development.

D. Reporting Requirements

The City will report all accomplishments under the program. The GRANTEE will provide all information required for each program recipient to ensure proper reporting on all funds expended. Information is due 15 days prior to the end of each quarter.

E. Performance Monitoring

The GRANTEE will monitor the performance of the SUBRECIPIENT against goals and performance standards required herein. Such monitoring will include, but not be limited to, annual on-site monitoring visits and quarterly desk audits. Substandard performance as determined by the GRANTEE will constitute non-compliance with this Agreement. If action to correct such substandard performance is not taken by the SUBRECIPIENT within a reasonable period of time after being noticed by the GRANTEE, contract suspension or termination procedures will be initiated.

III. **TIME OF PERFORMANCE**

Services of the SUBRECIPIENT will start on the date of contract execution and will remain in effect until:

- A. if the grant is awarded, one month before the end of the CITY'S CDBG expenditure deadline.
- B. if the grant is not awarded, upon notification of non-approval of CITY application.

IV. **BUDGET**

A. Grant Expenditures

SUBRECIPIENT may only expend grant funds in support of the approved activities contained in this Agreement in accordance with the following general budget:

Underwriting and Fund Management	Not to Exceed \$250,000.00
----------------------------------	----------------------------

Any amendments to this budget must be approved in writing by the GRANTEE and the SUBRECIPIENT.

B. Subrecipient Leverage

Leverage is not required under this Agreement.

C. Indirect Costs

Indirect costs may not be charged without prior written consent of the GRANTEE and State CDBG program staff and must be consistent with the conditions of Paragraph VIII (C) (2) of this Agreement. In addition, the GRANTEE may require a more detailed budget breakdown than the one contained herein, and the SUBRECIPIENT must provide such supplementary budget information in a timely fashion in the form and content prescribed by the GRANTEE.

V. PAYMENT

It is expressly agreed and understood that the total to be paid by the GRANTEE under this Agreement shall not exceed Two Hundred and Fifty Thousand Dollars (\$250,000.00). Drawdowns for the payment of eligible expenses will be made against the line item budgets specified in Paragraph IV and in accordance with performance.

Payments may be contingent upon certification of the SUBRECIPIENT'S financial management system in accordance with the standards specified in 2 CFR Part 200 hereto made part of this Agreement by this reference.

VI. NOTICES

Communication and details concerning this Agreement will be directed to the following representatives or their designees. Email communication may be used for informal communication but is not accepted as formal communication. All formal communication must be submitted in writing and directed as follows:

GRANTEE:

Linda Leaver, Finance Director
City of Crescent City
377 J. Street
Crescent City, CA 95531
Phone: (707) 464-7483
Fax: (707) 465-4405
Email: lleaver@crescentcity.org

SUBRECIPIENT:

Ross Welch
Arcata Economic Development Corp
707 K Street
Eureka, CA 95501
Phone: (707) 798-6132
Email: ross@aedc1.org

VII. General Conditions

A. General Compliance

The SUBRECIPIENT agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)). The SUBRECIPIENT also agrees to comply with all other applicable Federal, State and local regulations and policies governing the funds provided under this Agreement. The SUBRECIPIENT further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

B. Independent Contractor

Nothing contained in this Agreement is intended to, or may be construed in any manner, as creating or establishing a relationship of employer/employee between the parties. The SUBRECIPIENT will at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The GRANTEE will be exempt from payments of all Unemployment Compensation, FUCA, retirement, life and/or medical insurance and Workers' Compensation Insurance as the SUBRECIPIENT is an independent contractor.

C. Hold Harmless

The SUBRECIPIENT must hold harmless, defend and indemnify the GRANTEE from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the SUBRECIPIENT'S performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The SUBRECIPIENT must provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement.

E. Insurance and Bonding

The SUBRECIPIENT must carry sufficient insurance coverage to protect Agreement assets from loss due to theft, fraud and/or undue physical damage, and as a minimum must purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the GRANTEE.

The SUBRECIPIENT must also comply with the bonding and insurance requirements as outlined in 2 CFR Part 200.

F. GRANTEE Recognition

The SUBRECIPIENT will ensure recognition of the role of the grantor agency in providing services through this Agreement. All activities, facilities, and items utilized pursuant to this Agreement will be prominently labeled as to funding source. In addition, the SUBRECIPIENT will include a reference to the support provided here in in all publications made possible with funds made available under this Agreement.

G. Amendments

The GRANTEE or SUBRECIPIENT may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of both organizations, and approved by the GRANTEE'S governing body. Such amendments may not invalidate this Agreement, nor relieve or release the GRANTEE or SUBRECIPIENT from its obligation under this Agreement.

The GRANTEE may, in its discretion, amend this Agreement to conform with Federal, State or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both GRANTEE and SUBRECIPIENT.

H. Suspension or Termination

Either party may terminate this Agreement at any time by giving written notice to the other party of such termination and specifying the effective date thereof at least 30 days before the effective date of such termination. Partial termination of the

Scope of Services in Paragraph II(A) above may only be undertaken with the prior approval of the GRANTEE. In the event of any termination for convenience, all finished or unfinished documents, data, studies, surveys, maps, models, photographs, reports or other materials prepared by the SUBRECIPIENT under this Agreement will, at the option of the GRANTEE, become the property of the GRANTEE, and the SUBRECIPIENT will be entitled to receive just and equitable compensation for any satisfactory work completed on such documents or material prior to the termination.

The GRANTEE may also suspend or terminate this Agreement, in whole or part, if the SUBRECIPIENT materially fails to comply with the terms of this Agreement, or with any of the rules, regulations or provisions referred to herein; and the GRANTEE may declare the SUBRECIPIENT ineligible for any further participation in the GRANTEE'S contracts, in addition to the other remedies as provided by law. In the event there is probable cause to believe the SUBRECIPIENT is in noncompliance with any applicable rules or regulations, the GRANTEE may withhold up to fifteen (15) percent of said contract funds until such time the SUBRECIPIENT is found to be in compliance by the GRANTEE, or is otherwise adjudicated to be in compliance.

VIII. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The SUBRECIPIENT agrees to comply with 2 CFR Part 200 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

The SUBRECIPIENT will administer the program in conformance with Cost Principles for Non-Profit Organizations, or Cost Principles for Educational Institutions, as applicable and outlined in 2 CFR Part 200. The principles must be applied for all costs incurred whether charged on a direct or indirect basis. 2 CFR Part 200 is hereto made part of this Agreement by this reference.

B. Documentation and Record-Keeping

1. Records to be Maintained

The SUBRECIPIENT must maintain all records required by the Federal regulations specified in 24 CFR Part 570.506, hereto made part of this Agreement by reference, which are pertinent to the activities to be funded under this Agreement. Such records include but are not limited to:

- a. Records providing a full description of each activity undertaken;

- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG Program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition of improvements, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- f. Financial records as required by 24 CFR Part 570.502, hereto made part of this Agreement by reference and compliance with 2CFR Part 200; and
- g. Other records necessary to document compliance with Subpart K of 24 CFR 570, hereto made part of this Agreement by reference.

2. Retention

The SUBRECIPIENT must retain all records pertinent to expenditures incurred under this Agreement for a period of five (5) years after the grant contract has been closed by the State of California Department of Housing and Community Development and HUD. Records for non-expendable property acquired with funds under this Agreement must be retained for five (5) years after final payment has been received. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the five-year period, then such records must be retained until completion of the actions and resolution of all issues or expiration of the five-year period whichever occurs later. All original documents required to support the CDBG program and National Objectives must be provided to the GRANTEE at the end of the grant period. The SUBRECIPIENT will provide all documentation requested by the GRANTEE to comply with any audit during or after the closeout of the grant.

3. Client Data

The SUBRECIPIENT must maintain clients' data demonstrating client eligibility for services provided. Such data includes, but is not limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such data will be collected and reported in compliance with CDBG program requirements as outlined under Section II (D): Reporting Requirements and will be made available to GRANTEE monitors or their designees for review upon request.

4. Disclosure

The SUBRECIPIENT understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the GRANTEE'S or SUBRECIPIENT'S responsibility with respect to services provided under this Agreement, is prohibited by State and Federal law unless written consent is

obtained from such person receiving services and in the case of a minor, that of the responsible parent/guardian.

5. Property Records

The SUBRECIPIENT must maintain real property inventory records that clearly identify properties purchased, improved or sold. Properties retained must continue to meet the eligibility criteria and conform with the "Changes in Use" restrictions specified in 24 CFR 570.503(b)(8), as applicable, and hereto made part of this Agreement by this reference.

6. Closeouts

The SUBRECIPIENT'S obligation to the GRANTEE does not end until all closeout requirements have been completed and State monitoring has occurred and been cleared. Activities during this closeout period include, but are not limited to the following: making final payments, disposing of program assets (including return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the GRANTEE), determining the custodianship of all records, and availability of staff for monitoring and monitoring clearance process.

7. Audits and Inspections

All SUBRECIPIENT records with respect to any matters covered by this Agreement will be made available to the GRANTEE, grantor agency, their designee or the Federal Government, at any time during normal business hours, as often as the GRANTEE or grantor agency deems necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the SUBRECIPIENT within 30 days after receipt by the SUBRECIPIENT. Failure of the SUBRECIPIENT to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments. The SUBRECIPIENT hereby agrees to have an annual agency audit conducted by an outside auditor in accordance with generally accepted accounting practices and, as applicable per 2 CFR Part 200. A copy of the annual agency audit must be provided to the GRANTEE within 30 days of completion.

C. Reporting and Payment Procedures

1. Program Income

Arcata Economic Development Corporation will not produce Program Income and is not subject to the provisions thereof.

2. Indirect Costs

Indirect costs are not allowed without prior written approval of the GRANTEE and the State CDBG program staff. If indirect costs are determined to be essential to the delivery of program services, the SUBRECIPIENT will

develop an indirect cost allocation plan for determining the appropriate share of administrative costs and shall submit such plan to the GRANTEE for approval, in a form specified by the GRANTEE.

3. Payment Procedures

The GRANTEE will pay to the SUBRECIPIENT funds available under this Agreement based upon information submitted by the SUBRECIPIENT and consistent with any approved budget and GRANTEE policy concerning payments. With the exception of certain advances, payments will be made for eligible expenses actually incurred by the SUBRECIPIENT and not to exceed actual cash requirements. Payments will be adjusted by the GRANTEE in accordance with advance fund and program income balances (if applicable) available in the SUBRECIPIENT accounts. In addition, the GRANTEE reserves the right to liquidate funds available under this Agreement for costs incurred by the GRANTEE on behalf of the SUBRECIPIENT.

4. Payment Procedures

The SUBRECIPIENT will submit regular Progress Reports to the GRANTEE in form, content, and frequency as required by the GRANTEE.

D. Procurement

1. Compliance

The SUBRECIPIENT must: (1) comply with current GRANTEE policy concerning the purchase of equipment and procurement of professional services; and, (2) maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income (if applicable), program income generated by the sale of assets purchased with grant funds, etc.) shall revert to the GRANTEE upon termination of the Agreement.

2. Travel

The SUBRECIPIENT must obtain written approval from the GRANTEE for any travel outside Del Norte County with funds provided under this Agreement, excluding any travel to the SUBRECIPIENT'S home office location in Humboldt County.

IX. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING ELEMENT

The SUBRECIPIENT agrees to comply with: (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606 (c) governing the Residential Antidisplacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the

requirements of 6570.606(d) governing optional relocation policies as determined by the GRANTEE. The SUBRECIPIENT must provide relocation assistance to persons (families, individuals, businesses, non-profit organizations, and farms) that are displaced as a direct result of acquisition, rehabilitation, demolition, or conversion for a CDBG assisted project. The SUBRECIPIENT also agrees to comply with applicable GRANTEE ordinances, resolutions, and policies concerning the displacement of persons from their residences.

X. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The SUBRECIPIENT agrees to comply with local and State Civil Rights ordinances and with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title 1 of the Housing and Community Development Act of 1974 as amended, Section 50 of the Rehabilitation Act of 1973, the American with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11374 and 12086.

2. Nondiscrimination

The SUBRECIPIENT agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable provisions in Section 109 of the Housing and Community development Act of 1974 as amended are still applicable as well.

3. Land Covenants

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P. L. 88-352) and 24 CFR 570.601 and 570.602. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement, the SUBRECIPIENT must cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the GRANTEE and the United States are beneficiaries of and entitled to enforce such covenants. The SUBRECIPIENT, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

4. Section 504

The SUBRECIPIENT agrees to comply with all Federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29

U.S.C. 794), which prohibits discrimination against the individuals with disabilities or handicaps in any Federally assisted program. The GRANTEE will provide the SUBRECIPIENT with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

B. Affirmative Action

1. Approved Plan

The SUBRECIPIENT agrees that it will be committed to carry out pursuant to the GRANTEE'S specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1966. The GRANTEE will provide Affirmative Action guidelines to the SUBRECIPIENT to assist in the formulation of such program. The SUBRECIPIENT will submit a plan for an Affirmative Action Program for approval prior to the award of funds.

2. Women- and Minority-Owned Businesses (W/MBE)

The SUBRECIPIENT will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in this Agreement, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The SUBRECIPIENT may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. Access to Records

The SUBRECIPIENT must furnish and cause each of its own SUBRECIPIENTS or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the GRANTEE, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

4. Notifications

The SUBRECIPIENT will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of the SUBRECIPIENTS commitments hereunder, and will post copies of the notice in conspicuous places available to employees and applicants for employment.

5. Subcontract Provisions

The SUBRECIPIENT must include the provisions of Paragraphs X.A, Civil Rights, and X.B, Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own SUBRECIPIENTS or subcontractors.

C. Employment Restrictions

1. Prohibited Activity

The SUBRECIPIENT is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; and nepotism activities.

2. Labor Standards (If Applicable)

The SUBRECIPIENT agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.) and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The SUBRECIPIENT agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 et seq.) and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. The SUBRECIPIENT must maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation will be made available to the GRANTEE for review upon request.

The SUBRECIPIENT agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of \$2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided under this Agreement, must comply with Federal requirements adopted by the GRANTEE pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the SUBRECIPIENT of its obligation, if any, to require payment of the higher wage. The SUBRECIPIENT must cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

3. "Section 3" Clause

a. Compliance

Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR Part 135, and all applicable rules and orders issued hereunder prior to the execution of this Agreement, will be a condition of the Federal financial assistance provided under this Agreement and binding upon the GRANTEE, the SUBRECIPIENT and any of the SUBRECIPIENT'S sub-recipients and subcontractors. Failure to fulfill these requirements shall subject the GRANTEE, the SUBRECIPIENT and any of the SUBRECIPIENT'S sub-recipients and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The SUBRECIPIENT certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.

The SUBRECIPIENT further agrees to comply with these "Section 3" requirements and to include the following language in all subcontracts executed under this Agreement:

"The work to be performed under this Agreement is a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701). Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located."

The SUBRECIPIENT further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to low- and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low- and very low-income residents within the service area or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs.

The SUBRECIPIENT certifies and agrees that no contractual or other legal incapacity exists that would prevent compliance with these requirements.

b. Notifications

The SUBRECIPIENT agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker's representative of its commitments under this Section 3 clause and to post copies of the notice in conspicuous places available to employees and applicants for employment or training.

c. Subcontracts

The SUBRECIPIENT will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. The SUBRECIPIENT will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

D. Conduct

1. Assignability

The SUBRECIPIENT may not assign or transfer any interest in this Agreement without the prior written consent of the GRANTEE thereto; provided, however, that claims for money due or to become due to the SUBRECIPIENT from the GRANTEE under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer must be furnished promptly to the GRANTEE.

2. Subcontracts

a. Approvals

The SUBRECIPIENT may not enter into any subcontracts with any agency or individual in the performance of this Agreement without the written consent of the GRANTEE prior to the execution of such agreement.

b. Monitoring

The SUBRECIPIENT will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts will be

summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

c. Content

The SUBRECIPIENT will cause all of the provisions of this Agreement in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

d. Selection Process

The SUBRECIPIENT will undertake to ensure that all subcontracts let in the performance of this Agreement are awarded on a fair and open competition basis in accordance with applicable procurement requirements. Executed copies of all subcontracts must be forwarded to the GRANTEE along with documentation concerning the selection process.

3. Hatch Act

The SUBRECIPIENT agrees that no funds provided, nor personnel employed under this Agreement, will be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

4. Conflict of Interest

The SUBRECIPIENT agrees to abide by the provisions of 24 CFR 84.42 with respect to conflicts of interest, and covenants that it presently has no financial interest and will not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement. The SUBRECIPIENT further covenants that in the performance of this Agreement no person having such a financial interest will be employed or trained by the SUBRECIPIENT hereunder. These conflicts of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the GRANTEE, or of any designated public agencies or sub-recipients that are receiving funding under the State CDBG program

5. Lobbying

The SUBRECIPIENT hereby certifies that:

- a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal,

amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

- b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
- c. It will require that the language of paragraph (d) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all SUBRECIPIENTS shall certify and disclose accordingly:
- d. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

6. Copyright

If this Agreement results in any copyrightable material or inventions, the GRANTEE and/or grantor agency reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

7. Religious Activities

The SUBRECIPIENT agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

XI. ENVIRONMENTAL CONDITIONS

A. Air and Water

The SUBRECIPIENT agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:

1. Clean Air Act, 42 U.S.C. § 7401, et seq.;
2. Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251, et seq., as amended, § 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said

Section 114 and Section 308 of the Act, and all regulations and guidelines issued thereunder;

3. Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.

B. Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the SUBRECIPIENT will assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

C. Lead-Based Paint

The SUBRECIPIENT agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement will be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification must point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

D. Historic Preservation

The SUBRECIPIENT agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this Agreement.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, state, or local historic property list.

XII. STATE OF CALIFORNIA GENERAL TERMS AND CONDITIONS

SUBRECIPIENT will comply with the State of California General Terms and Conditions GTC 610, which is contained in Attachment A attached hereto made part of this Agreement by this reference.

XIII. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement will not be affected thereby and all other parts of this Agreement will remain in full force and effect.

XIV. WAIVER

The GRANTEE'S failure to act with respect to a breach by the SUBRECIPIENT does not waive its right to act with respect to subsequent or similar breaches. The failure of the GRANTEE to exercise or enforce any right or provision does not constitute a waiver of such right or provision.

XV. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the GRANTEE and the SUBRECIPIENT for the use of funds received under this Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the GRANTEE and the SUBRECIPIENT with respect to this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the last date written below.

CITY OF CRESCENT CITY:

BY: _____
Eric Wier, City Manager

DATE: _____

ATTEST: _____
Robin Patch, City Clerk

ARCATA EDC

BY: _____
Ross Welch, Executive Director

DATE: _____

**CITY OF CRESCENT CITY
AGREEMENT FOR PROFESSIONAL SERVICES**

This agreement for professional services ("Agreement") is hereby entered into this 3rd day of August, 2020 by and between the City of Crescent City, a California municipal corporation ("CITY"), and Humboldt State University Sponsored Programs Foundation's North Coast Small Business Development Center, a California nonprofit organization ("CONSULTANT"), for the purpose of utilizing Community Development Block Grant funds anticipated to be awarded to the CITY for the provision of technical assistance services to Del Norte County residents and businesses located within Del Norte County.

RECITALS

WHEREAS, the CITY intends to apply for 2019-2020 Community Development Block Grant (CDBG) program funding for an Economic Development Business Assistance Loan Program through the State Department of Housing and Community Development (HCD); and

WHEREAS, CITY has determined it is necessary and desirable to secure certain technical and professional services; and

WHEREAS, the scope of work for said service (hereinafter "Project") is attached hereto as Exhibit "A" and is hereby incorporated by reference; and

WHEREAS, CONSULTANT is qualified and willing to provide such services pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, IT IS AGREED by and between CITY and CONSULTANT as follows:

AGREEMENT

- 1. INCORPORATION OF RECITALS.** The recitals set forth above, and all defined terms set forth in such recitals and in the introductory paragraph preceding the recitals, are hereby incorporated into this Agreement as if set forth herein in full.
- 2. SCOPE OF SERVICES.**
 - 2.1. SERVICES TO BE PERFORMED.** Subject to policy direction and approvals as CITY through its staff may determine from time to time, CONSULTANT will perform the services set forth in Exhibit "A" attached hereto and incorporated herein by reference.
 - 2.2. SCHEDULE FOR PERFORMANCE.** CONSULTANT must perform the services identified in Exhibit A as expeditiously as is consistent with generally accepted standards of professional skill and care and the orderly progress of work per the requirements of the Department of Housing and Community Development CDBG Program. All work must be performed by one month prior to the grant expenditure deadline.

- 2.3. STANDARD OF QUALITY.** All services performed by CONSULTANT under this Agreement must be in accordance with all applicable legal requirements and must meet the standard of quality ordinarily to be expected of competent professionals in CONSULTANT'S field of expertise.
- 2.4. COMPLIANCE WITH LAWS.** CONSULTANT must comply with all applicable federal, state, and local laws, codes, ordinances, regulations, orders, and decrees. CONSULTANT represents and warrants to CITY that CONSULTANT will, at its own cost and expense, keep in effect or obtain at all times during the term of this Agreement any licenses, permits, insurance and approvals that are legally required for CONSULTANT to practice its profession or are necessary and incident to the lawful prosecution of the services it performs under this Agreement.
- 2.5. PERSONNEL.** CONSULTANT agrees to assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services pursuant to this Agreement. Failure to assign such competent personnel will constitute grounds for termination of this Agreement by CITY.
- 2.6. REPORTING.** Consultant must provide regular reports to the Program Operator regarding work performed for each loan applicant/recipient as per the Scope of Work presented in Exhibit A. Grantee reports to be submitted to granting agency must be provided to the Program Operator in a reasonable time to allow for review and corrections prior to submittal to the granting agency in compliance as follows:

CONSULTANT must provide monthly Financial Status Reports, Semi-Annual Progress Reports, and Annual Performance Reports per forms and instructions provided by CITY. Such reports are due no later than the thirtieth (30th) day of each month following the end of the prior month. Invoices submitted for services are to coincide with the period of the Financial Status Report and shall include the following information:

- a. List of clients served by the program. Individual invoices for services may identify clients by code numbers, so long as a separate key identifying client names to code numbers is provided.
 - b. Activities in which clients participated.
 - c. Fee for services pursuant to the schedule.
 - d. Other information as may be mutually agreed upon or required by CDBG.
- 2.7. STATE CONTRACTS.** CITY intends to apply for 2019-2020 Community Development Block Grant (CDBG) funding. If the CITY is successfully awarded CDBG funding under the 2019-2020 allocation, the terms of the CITY'S contract with the State will be automatically become a part of the terms of this Agreement.

3. COMPENSATION.

- 3.1. SCHEDULE OF PAYMENT.** The compensation to be paid by CITY to CONSULTANT for the services rendered hereunder will be as specified in Exhibit "B" attached hereto and incorporated herein by this reference. It is expressly agreed and understood and the total to be paid by CITY under this Agreement is not to exceed Sixty Thousand Dollars (\$60,000.00).
- 3.2. ADDITIONAL SERVICES.** CITY will make no payment to CONSULTANT for any extra, further, or additional services unless such services and payment have been mutually agreed to and this Agreement has been formally amended in accordance with Section 7.
- 3.3. INVOICING AND PAYMENT.** CONSULTANT must submit monthly invoices based on work completed. CITY will pay CONSULTANT within 30 days of receipt of CONSULTANT's invoice. If there is a dispute as to one or more line items on the invoice, CITY will pay the undisputed portion within 30 days of receipt. The parties will exercise good faith and diligence in the resolution of any disputed invoice amounts and CITY will pay promptly upon resolution of the dispute.
- 4. ACTIVITY PRODUCT REVIEW.** CONSULTANT must provide CITY with copies of each participant's progress for activities described in Exhibit "A". Upon completion of each activity/task as defined in Exhibit "A", CONSULTANT must be available to meet with CITY. If additional review and/or revision is required by CITY, CITY will conduct reviews in a timely manner.
- 5. TERM OF AGREEMENT.** This Agreement is effective as of the date CONSULTANT is notified by CITY that CDBG has funded the Project and will remain in effect until:
- (a) One month before the end of the CITY's CDBG expenditure deadline, unless earlier terminated pursuant to Section 6.
 - (b) If the grant is not awarded, upon notification of non-approval of the CITY's application.
- 6. EARLY TERMINATION.**
- 6.1 WRITTEN NOTICE.** CITY and CONSULTANT each have the right to terminate this Agreement for any reason, at any time, by serving upon the other party thirty (30) calendar days' advance written notice of termination. The notice is to be delivered and addressed as set forth in Section 11 of this Agreement.
- 6.2 DELIVERY OF WRITINGS.** If CITY or CONSULTANT issues a notice of termination, CONSULTANT must deliver to CITY copies of all writings, whether or not completed, which were prepared by CONSULTANT, its employees, or its subcontractors, if any, pursuant to this Agreement. The term "writings" includes, but is not limited to, handwriting, typewriting, computer files and records, drawings, blueprints, printing, photostating, photographs, and every other means of recording

upon any tangible thing, any form of communication or representation, including letters, words, pictures, sounds, symbols, or combinations thereof.

- 6.3 PAYMENT FOR SERVICES RENDERED.** If CITY issues a notice of termination, CONSULTANT will be entitled to receive compensation for all services rendered prior to the effective date of termination plus reasonable termination expenses, including the cost of completing analysis, records and reports necessary to document job status at the time of termination. If CONSULTANT issues a notice of termination, CONSULTANT will be entitled to receive compensation for all services rendered prior to the effective date of termination., however, CONSULTANT will be responsible for any additional costs attributable to the termination, including the cost of CONSULTANT completing analysis, records and reports necessary to document job status at the time of termination.
- 7. AMENDMENTS.** Modifications or amendments to the terms of this Agreement must be in writing and executed by both parties to be valid and enforceable. State approval is required for any Amendments.
- 8. NONDISCLOSURE OF CONFIDENTIAL INFORMATION.** Except as required by law, CONSULTANT must not, either during or after the term of this Agreement, disclose to any third party any confidential information relative to the work of CITY without the prior written consent of CITY. Confidential information is that information which CITY identifies as confidential at the time of disclosure.
- 9. DISCLOSURE.** CONSULTANT must provide CITY with full disclosure of any other clients that it is currently serving in Del Norte County, including a brief description of the nature of the work being performed. If CONSULTANT initiates service to new clients within Del Norte County during the term of this agreement, CONSULTANT must disclose such service to CITY. CONSULTANT may be excused from this disclosure requirement if the client demands confidentiality and the work does not present a conflict of interest for CONSULTANT.
- 10. INDEPENDENT CONTRACTOR.** In the performance of the services in this Agreement, CONSULTANT is an independent contractor and is not an agent or employee of CITY. CONSULTANT, its officers, employees, agents, and subcontractors, if any, have no power to bind or commit CITY to any decision or course of action, and must not represent to any person or business that they have such power. CONSULTANT has the right to exercise full control of the supervision of the services and over the employment, direction, compensation, and discharge of all persons assisting CONSULTANT in the performance of said service hereunder. CONSULTANT is solely responsible for all matters relating to the payment of its employees, including compliance with social security and income tax withholding, workers' compensation insurance, and all other regulations governing such matters.

11. NOTICE.

11.1 DELIVERY. Any notices or other communications to be given to either party under this Agreement must be in writing, delivered to the addresses set forth below, and will be effective, as follows:

- (a) by personal delivery, effective upon receipt by the addressee;
- (b) by facsimile, effective upon receipt by the addressee, so long as a copy is provided by certified U.S. mail, return receipt requested, postmarked the same day as the facsimile;
- (c) by certified U.S. mail, return receipt requested, effective 72 hours after deposit in the mail.

IF TO CITY:	IF TO CONSULTANT:
City of Crescent City Attn: City Manager 377 J Street Crescent City, CA 95531 Phone: (707) 464-7483 FAX: (707) 465-1719 Email: ewier@crescentcity.org	North Coast SBDC Leila Roberts, Director 1080 Mason Mall, Suite 8 Crescent City, CA 95531 Phone: (707) 464-2168 FAX: Email: leila@northcoastsbdc.org

11.2 CHANGE OF ADDRESS. Either party may change its address for notices by complying with the notice procedures in this Section.

12. OWNERSHIP OF MATERIALS. Except for CONSULTANT’s pre-existing property, CITY and CONSULTANT both shall have a royalty-free, exclusive, and irrevocable license to reproduce, publish, use, and to authorize others to do so, all original writings, sound recordings, pictorial reproductions, drawings, computer programs, and other works of similar nature produced in the course of or under this Agreement. CONSULTANT agrees to deliver a reproducible copy of such documents and materials to the CITY on completion of the services required in this Agreement. The term "writings" in this Section has the same definition as provided in Section 6.2. Reuse of work products by CITY for any purpose other than that intended under this agreement will be at CITY’s sole risk.

13. DUTIES OF THE CITY. The CITY must provide the CONSULTANT with all program files, records, and information pertinent to services to be performed hereunder. The CITY is responsible for monitoring CONSULTANT for conformity with grant requirements and must promptly notify CONSULTANT of any fault or defect in the performance of CONSULTANT’S services hereunder.

14. BINDING AGREEMENT. This Agreement binds the successors of CITY and CONSULTANT in the same manner as if they were expressly named herein.

15. WAIVER. Waiver by either party of any default, breach, or condition precedent may not be construed as a waiver of any other default, breach, or condition precedent or any other right under this Agreement. The failure of either party at any time to require performance by the

other party of any provision hereof will not affect in any way the right to require such performance at a later time.

16. NONDISCRIMINATION.

16.1 COMPLIANCE. CONSULTANT must comply with all federal and state anti-discrimination and civil rights laws. CONSULTANT must not discriminate in the conduct of the work under this Agreement against any employee, applicant for employment, or volunteer because of race, color, creed, religion, national origin, ancestry, sex, gender (including pregnancy, childbirth, breastfeeding or related medical conditions, gender identity, gender expression, age (40 and above), marital status, sexual orientation, denial of family and medical care leave, medical condition, genetic information, physical or mental disability (including HIV and AIDS), military or veteran status, denial of pregnancy disability leave or reasonable accommodation.

16.2 POSTING. CONSULTANT must post in conspicuous places, available to all employees and applicants for employment, notices that CONSULTANT will provide an atmosphere for employees, clients, and volunteers that is free from harassment or discrimination on the bases set forth above.

17. INSURANCE.

17.1 REQUIRED COVERAGE. CONSULTANT, at its sole cost and expense, must obtain and maintain in full force and effect throughout the entire term of this Agreement the following described insurance coverage with insurers authorized to conduct business in the State of California and with a current A.M. Best's rating of no less than A:VII, unless otherwise approved by CITY.

	POLICY TYPE	MINIMUM COVERAGE LIMITS
(a)	Workers' Compensation	Per California Law
(b)	Employer's Liability	\$1,000,000 per accident for BI/Disease
(c)	Automobile Liability ISO Form # CA 0001	\$1,000,000 per accident for BI/PD, for all owned, non-owned and hired vehicles
(d)	Commercial General Liability ISO Form # CG 00 01	\$1,000,000 per occurrence for BI/PD, products and completed operations, personal and advertising injury; \$2,000,000 aggregate
(e)	Professional Liability (E&O)	\$1,000,000 per occurrence or claim; \$2,000,000 aggregate

- 17.2 ADDITIONAL INSURED STATUS.** CITY, its elected and appointed officials, employees, agents and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of CONSULTANT including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the CONSULTANT'S insurance.
- 17.3 PRIMARY COVERAGE.** For any claims related to this Project, the CONSULTANT'S insurance coverage will be primary insurance as respects CITY, its elected and appointed officials, employees, agents and volunteers. Any insurance or self-insurance maintained by CITY, its elected and appointed officials, employees, agents or volunteers will be in excess of the CONSULTANT'S insurance and will not contribute with it.
- 17.4 NOTICE OF CANCELLATION.** Each insurance policy required by this Agreement must be endorsed to state that coverage may not be cancelled except after giving CITY prior written notice to CITY.
- 17.5 WAIVER OF SUBROGATION.** CONSULTANT hereby grants CITY a waiver of any right to subrogation which any insurer of said CONSULTANT may acquire against CITY by virtue of the payment of any loss under such insurance. CONSULTANT agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not CITY has received a waiver of subrogation endorsement from the insurer.
- 17.6 SELF-INSURED RETENTIONS.** Self-insured retentions must be declared to and approved by CITY. CITY may require CONSULTANT to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language must provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or CITY.
- 17.7 CLAIMS-MADE POLICIES.** If any of the required policies provide coverage on a claims-made basis, then: (a) the retroactive date must be shown and must be before the commencement of work; (b) insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the work; and (c) if coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the commencement of work, then CONSULTANT must purchase "extended reporting" coverage for a minimum of five (5) years after completion of the work.
- 17.8 VERIFICATION OF COVERAGE.** CONSULTANT must provide with Certificates of Insurance for all required coverages as well as Declarations and applicable Endorsement Pages prior to commencement of work. However, failure to obtain the required documents prior to the commencement of work will not operate to waive CONSULTANT's obligation to provide them at any time thereafter when

requested. CITY reserves the right to demand complete, certified copies of all required insurance policies, including endorsements, required by the specifications, at any time.

17.9 SUBCONTRACTORS. CONSULTANT must require and verify that all subcontractors, if any, maintain insurance meeting all of the requirements stated herein. CONSULTANT must ensure that CITY, its elected and appointed officials, employees, agents and volunteers are additional insureds on all policies as required herein.

17.10 LACK OF COVERAGE. In the event that any required policy is canceled prior to the completion of the Project and CONSULTANT does not furnish a new Certificate of Insurance prior to cancellation, CITY may obtain the required insurance and deduct the premium(s) from contract monies due to CONSULTANT.

18. WORKERS' COMPENSATION.

18.1 COVENANT TO PROVIDE. CONSULTANT warrants that it is aware of the provisions of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code. CONSULTANT further agrees that it will comply with such provisions before commencing the performance of the work under this Agreement.

18.2 WAIVER OF SUBROGATION. CONSULTANT and CONSULTANT'S insurance company agree to waive all rights of subrogation against CITY, its elected or appointed officials, agents, and employees for losses paid under CONSULTANT'S workers' compensation insurance policy which arise from the work performed by CONSULTANT for CITY.

19. GENERAL PROVISIONS.

19.1 INDEMNIFICATION OF CITY. CONSULTANT agrees to indemnify, defend and save harmless CITY, its elected and appointed officers, agents, employees, and volunteers from any and all claims and losses, whatsoever, accruing or resulting to any person or other legal entity who may be injured or damaged resulting from any wrongful acts, errors and omissions, or negligence of CONSULTANT, its agents and employees, pertaining to the performance of this Agreement. CONSULTANT'S liability arising out of the performance of its obligations hereunder will be limited to the fees paid by CITY to CONSULTANT for services contemplated by this Agreement. This liability limitation does not apply to claims made by any third party, nor does it apply in the event of the willful misconduct or gross negligence of CONSULTANT, its principals, employees or agents.

19.2 INDEMNIFICATION OF CONSULTANT. CITY agrees to indemnify, defend and save harmless CONSULTANT, its principals, officers, agents, employees, and volunteers from any and all claims and losses, whatsoever, accruing or resulting to any person or other legal entity who may be injured or damaged resulting from any

wrongful acts or the sole negligence of CITY, its agents and employees, pertaining to CITY's performance of duties under this Agreement.

19.3 CONFLICT OF INTEREST. CONSULTANT must exercise reasonable care and diligence to prevent any actions or conditions which could result in a conflict with CITY's interest. CONSULTANT must immediately notify CITY of any and all violations of this Section upon becoming aware of such violation.

19.4 TIME OF THE ESSENCE. CONSULTANT understands and agrees that time is of the essence in the completion of the work and services described herein.

19.5 SEVERABILITY. If a court of competent jurisdiction or subsequent preemptive legislation holds or renders any of the provisions of this Agreement unenforceable or invalid, the validity and enforceability of the remaining provisions, or portions thereof, will not be affected.

19.6 GOVERNING LAW AND CHOICE OF FORUM. This Agreement must be administered and interpreted under California law as written by both parties. Any litigation arising from this Agreement must be brought in the Superior Court of California, in and for Del Norte County.

19.7 COSTS AND ATTORNEYS' FEES. If either party commences any legal action against the other party arising out of this Agreement or the performance thereof, the prevailing party in such action will be entitled to recover its reasonable litigation expenses, including court costs, expert witness fees, discovery expenses, and attorneys' fees.

19.8 NO ASSIGNMENT. This Agreement and any amendments hereto are not assignable by CONSULTANT either voluntarily or by operation of law without the prior written consent of CITY. Any attempt to assign this Agreement will be legally void.

19.9 INTEGRATION. This Agreement constitutes the entire agreement of the parties and supersedes and prior negotiations, agreements, understandings, representations or statements.

20. MISCELLANEOUS PROVISIONS.

20.1 REVIEW AND RETENTION OF RECORDS. CONSULTANT must maintain and make available for inspection by the City and its auditors accurate records of all of its costs, disbursements and receipts with respect to any work under this Agreement. Such inspections may be made during regular office hours at any time until five (5) years after the final payments under this Agreement are made to CONSULTANT, or the resolution of any audits or lawsuits, whichever is later. At the end of the Agreement all documents and recipient files will be forwarded to the CITY.

20.2 OTHER FEDERAL AND STATE REGULATIONS. CONSULTANT must comply with all applicable Federal and State overlay requirements imposed upon CITY as part of CDBG award.

20.3 OTHER INSURANCE REQUIREMENTS. CONSULTANT must maintain, if legally required, unemployment and disability insurance reasonable to compensate for injuries or damages related to the activities of this Agreement.

20.4 STATE AND FEDERAL MONITORING. The State of California, the U.S. Department of Housing and Urban Development, the Comptroller General of the United States, the Office of the Inspector General, or any of their duly authorized representatives, must be allowed access to any books, documents, papers, and records of CONSULTANT or any subcontractor which are directly pertinent to this Agreement, for the purpose of making audit, examination, excerpts, and transcriptions from such records including, but not limited to, contracts, invoices, materials, payrolls, records of personnel, conditions of employment and any other data relating to matters covered by this Agreement. Such access must be granted at any time during normal business hours and as often as deemed necessary by the requesting party.

21. AUTHORIZATION TO EXECUTE. The signatories to this Agreement hereby represent and warrant that they have been duly authorized to legally bind and execute this Agreement on behalf of their respective parties.

Executed by CITY and CONSULTANT on this _____ day of _____, 20_____.

CITY OF CRESCENT CITY

**CONSULTANT: HSU SPF
Fed. I.D. # 94-6050071**

By: Eric Wier, City Manager

DocuSigned by:
Kacie Flynn

By: Kacie Flynn, Executive Director, HSUSPF

ATTEST:

DocuSigned by:
Kristin Johnson

By: Kristin Johnson, Director, NCSBDC

Robin Patch, City Clerk

APPROVED AS TO FORM:

Martha D. Rice, City Attorney

EXHIBITS

The following exhibits are attached hereto and incorporated herein by reference:

- Exhibit A- Scope of Services
- Exhibit B- Compensation

EXHIBIT A

SCOPE OF SERVICES

City of Crescent City CDBG Economic Development BAP Scope of Work

North Coast SBDC will work in close coordination with Program Operator to define the consulting and training services required to prepare applicants to both successfully apply for funding and to effectively operate their business.

A. Pre-Loan Technical Assistance:

North Coast SBDC proposes to secure approval from Program Operator and deliver proposed “Pre-Loan Technical Assistance” services to 10-20 applicant businesses within pre-agreed time and cost estimates. These include:

1. Collaborating with the Program Operator and underwriter to design appropriate loan packaging processes and documentation.
2. Signing up loan applicants as North Coast Small Business Development Center clients and assessing their business needs and loan readiness, including gaps where additional technical assistance services may be warranted to assist the applicant in completing a CDBG compliant loan package.
3. Coordinating with Program Operator to define a client/applicant Scope of Work for the technical assistance services required, which includes an estimate of the time and costs required to provide the services.
4. Working with applicants to assemble accurate and high-quality loan application packages, including business plans and financial projections.

B. Post-Loan Assistance and Monitoring:

North Coast SBDC will deliver “Post-Loan Technical Assistance” services to applicants with guidance and oversight from the Program Operator and within pre-agreed time and cost estimates. These include some or all of the following program activities:

1. Review of financial performance of loan recipient against financial projections.
2. Identify any business needs and provide support (i.e., counseling, specialty training or other services) as needed to assist loan recipients effectively use loan funding, sustain operations and retain/create the proposed jobs in conformance with CDBG requirements.

C. Tracking, Compliance, and Monitoring

For every applicant, North Coast SBDC will employ its existing tools and processes to ensure appropriate pre-approval sign-offs, along with careful tracking by time, cost, and services

provided. The Center's – and its fiscal host's – client services database, employee time tracking system, invoicing, cost reconciliation, and contractual compliance processes are already set up to facilitate this.

Specifically:

1. North Coast SBDC will implement all services with a focus on CDBG compliance where 51% or the jobs retained or created are filled by or made available to low-to-moderate income (LMI) individuals. Therefore North Coast SBDC will collect, report against, and maintain in a secure location all required CDBG client documentation for CDBG reporting. This information will include, but not be limited to, income eligibility for jobs created or retained, geographic eligibility, and demographic data (ethnicity/race, gender, veteran status, single parenthood, etc.) for every program participant using the CDBG Self-Certification of Income forms & other CDBG Part 5 Income Verification, as necessary, utilizing processes outlined by the California Department of Housing and Community Development.
2. Every new CDBG loan applicant will formally become a SBDC client, which will allow the SBDC to use its client services database (Neoserra.com) to manage detailed, confidential tracking of clients' business data, permission sign-offs for client service scopes of work, services provided (including every quarter hour of business consulting and every training attended), hours and sources of funding for each service type, and progress milestones. All non-client program coordination and logistics activities performed by SBDC staff will also be documented in the Center's client services database (by hours, funding source, and type of activity) as well as its fiscal host's biweekly employee time tracking system, by hours and funding source.
3. The Center already has systems and processes in place to provide monthly invoices with backup details regarding program coordination and client services provided. Note that the Center will secure the written permission of client's participating in the CDBG supported program to insure that it can provide data containing identifiable client information to the Program Director and the City.
4. Finally, as part of its contract with the Small Business Administration, North Coast SBDC also monitors and publicly reports a number of indicators of economic impact for all clients in aggregate, including the following key mileposts:
 - Businesses started
 - Businesses purchased/sold
 - Jobs created/retained
 - Increases in sales, year on year
 - Loans or investments (owner or outside)
 - Narrative Client Success Stories

EXHIBIT B
COMPENSATION

Costs

Work will be performed on a time and expense basis with a total not to exceed \$60,000. Staffing and rates are highlighted below.

A. Coordination & Oversight – over entire three-year grant period

ROLE	Rate/Hr.
Center Director: Program Design and Oversight (projecting 20 hours program design + 2 hours/month)	\$100
Center Coordinator: Client Service Logistics, Financial and Service Data Management (projecting 2 hours/month)	\$55
Virtual training & consulting infrastructure (Zoom)	Pro Bono

B. Client Service Delivery

ROLE	Rate/Hr.
Domain Expert: Pre- and post-loan consulting services provided by individuals with specialized business skills in relevant industry sector(s)	\$150
Case Manager: Pre- and post-loan client coordination, document collection and client progress tracking in collaboration with Program Operator	\$85
Instructor: Customized one-on-one or small group training for CDBG loan recipients	\$75

DRAFT

Crescent City/Del Norte County

Community Development Block Grant
(CDBG)

Business Assistance Loan Program
Guidelines

July 2020

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CRESCENT CITY – DEL NORTE COUNTY
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
BUSINESS ASSISTANCE LOAN PROGRAM GUIDELINES

1.0 INTRODUCTION

The City of Crescent City here after called “Lender” has established a Business Assistance Loan Program, hereafter called the “BALP”. The BALP is designed to stimulate economic growth and retain and/or create jobs that will improve the living conditions of residents in the community. The BALP provides affordable non-conventional financing to eligible businesses and development projects that result in the retention and/or creation of jobs, 51% of which will be filled by individuals from Low-to-Moderate Income (LMI) households where LMI is calculated as up to 80% of area median income (AMI) as published by HUD for the most recent fiscal year. The BALP guidelines that follow have been formally adopted by the Lender and approved by the state CDBG program.

2.0 BUSINESS ASSISTANCE LOAN PROGRAM OVERVIEW

2.1 Program Operator

The Lender will secure the services of a qualified program operator here after called “the Operator”. The Operator will work on behalf of the Lender to coordinate and assist with the program activities of the TA Provider and the Loan Administrator as defined in Sections 2.2 and 2.3.

2.2 Technical Assistance Provider

The Lender will secure the services of a qualified technical assistance provider here after called “the TA Provider”. In general, the TA Provide will work collaboratively with the Operator to market the BALP and accept and collect and package required CDBG and other loan documents. The TA Provider will also work with the Operator to monitor borrower performance and CDBG compliance following receipt of loan funds.

2.2 Loan Administrator

The Lender will secure the services of a qualified loan administrator here after called “the Administrator” who has experience in business lending and is familiar with state CDBG requirements. The Administrator’s detailed scope of services will be negotiated and included in a formal agreement for services executed between the Lender and Administrator. In general, the Administrator will underwrite and recommend approval of loans, ensure proper loan closing and disbursement of funds, maintain loan files and fiscal records and support the Operator and Lender’s staff in administering the state grants and program income used to fund this BALP. The Administrator, in collaboration with the Operator, will follow and ensure compliance with these guidelines.

2.3 BALP Service Area

Financing under the BALP is available to all eligible businesses located in the jurisdictional limits of the Lender and, through agreement, to all eligible businesses located in the jurisdictional limits of Del Norte County. These CDBG funds may not be used in urban areas that receive CDBG funds annually from the federal Department of Housing and Urban Development (HUD) entitlement program or for businesses located on tribal lands that receive CDBG funds annually from the federal HUD Indian

Community Development Block Grant Program.

2.4 Source of BALP Funds

The BALP is capitalized with CDBG funds provided by HUD to the State of California Department of Housing and Community Development, here after called “the Department”. CDBG funds are federal funds and as such have a number of federal requirements that must be met, as described below. CDBG funds come to the Lender from two sources: (1) Department grant awards to the Lender that are administered under a state grant contract; and (2) loan funds repaid from previous CDBG activities (grant and program income loans), called CDBG program income funds, administered under a Lender adopted and Department approved Revolving Loan Fund (RLF). Repayments of principal and interest for loans originated under the BALP will be returned to the RLF less the 17% allowed to be used for General & Administrative expenses. All funds returned to the RLF will be re-loaned out again in accordance with these Program Guidelines to other eligible businesses and development projects.

2.5 Eligible and Ineligible Loan Applicants

Eligible Loan Applicants with Loan Repayment Terms

Eligible BALP Loan applicants, here after call “Borrower” must fall into one of the following two categories:

- Businesses
 - Existing creditworthy businesses 51% or more owned and operated by a U.S. Citizen(s) or permanent legal resident(s). The business must be established to operate legally in the State of California [e.g., registration with the CA Secretary of State and/or the County of Del Norte as a “Doing Business As” (DBA) Fictitious Business Names Statement (FBNS)] with a valid City of Crescent City Business License (if applicable). A FBNS will be required for all businesses.
 - The creditworthiness determination will also include an assessment of the creditworthiness of any owners with a 20% or greater ownership interest.
 - The business must have:
 - Required local, state and federal permits.
 - Proper insurance for current and proposed business activities.
 - Be operating out of a location with zoning that allows for current and proposed business activities.
 - An existing commercial lease with renewal options that extend, at a minimum, to the month and year designated as the final month and year of the loan agreement. A home-based business must have a comparable mortgage, lease or rental agreement that extends, at a minimum, to the same period required for a commercial lease.

NOTE: If a Borrower is relocating to the City of Crescent City or Del Norte County or is a new startup business and does not have proper permits, licenses, leases or insurance at the time of application, then these items can be made a condition of funding the loan.

- Startup creditworthy businesses 51% or more owned and operated by a U.S. Citizen(s) or permanent legal resident(s). The business must be established to operate legally in the State of California [e.g., registration with the CA Secretary of State and/or the County of Del Norte as a

“Doing Business As” (DBA) Fictitious Business Names Statement (FBNS)] with a valid City of Crescent City Business License (if applicable). A FBNS will be required for all businesses.

- The creditworthiness determination will also include an assessment of the creditworthiness of any owners with a 20% or greater ownership interest.
- The business must have:
 - Required local, state and federal permits.
 - Proper insurance for current and proposed business activities.
 - Be operating out of a location with zoning that allows for current and proposed business activities.

If a qualified Borrower is a new startup business and does not have proper licenses, leases or insurance, then these items can be made a condition of funding the loan.

- Existing or startup creditworthy businesses that provide goods or services to a predominately low-to-moderate income area (LMA) and meet the
- Developers – as defined as a commercial developers or commercial property owners that has property (or plans to purchase property) they want to build on or existing commercial space they need to fill with tenants. CDBG funds can be used for tenant improvements to help fill the project’s space(s). Funds can also be provided as a loan or a grant when used to pay for off-site infrastructure costs associated with new construction development project or for improvements to off-site public infrastructure required for the development project to conform to current building codes. For these projects, the following must be underwritten in accordance with these guidelines:
 - The commercial developer and/or the commercial property owner (the “Developer”).
 - All other partners in the development project with a 20% or greater ownership interest in the project.
 - All other businesses in which the Developer has a 20% or greater ownership interest and may have a material impact on the creditworthiness of the Developer or the development project.
 - All owners of the development company with a 20% or greater ownership interest as individuals unless the development company has sufficient creditworthiness to mitigate the risk to the Lender and securitize the loan to insure repayment and to insure that CDBG National Objective and Public Benefit requirements will be achieved.
 - All tenant businesses that will be responsible for creating or retaining the required number of retained or created jobs as defined in Section 3.

NOTE: If a Borrower owns 20% or more of the building that houses the business under a separate legal entity from the Borrower’s business, the Borrower will be treated as both a business and a developer during the underwriting process.

Eligible Loan Applicants with Forgivable Loan Terms

Eligible BALP Forgivable Loan applicants, here after called “Borrower Eligible for Loan Forgiveness” must meet the following criteria:

- Be an existing business with less than 25 full-time equivalent (FTE) employees prior to March 1,

2020 and in imminent danger of financial distress as a result of the disaster that will result in the loss of existing jobs, 51% are held by LMI individuals.

- Have been profitable or breakeven in 2019 (excluding non-cash expenses such as depreciation and amortization).
- Be in operation since January 1, 2019 and be able to provide a federal business tax return for 2019 (with all schedules) or appropriate federal personal tax returns for 2019 with appropriate business related schedules and forms (e.g., Schedules C, D, E, SE, 1, 1099's, etc.).
- Be an existing business with a previous history of creditworthiness that is 51% or more owned and operated by a U.S. Citizen(s) or permanent legal resident(s)
- The creditworthiness determination will also include an assessment of the previous creditworthiness of any owners with a 20% or greater ownership interest.
- Be able to provide Year-to-Date (YTD) financial statements through February 29, 2020 including (P&L statement, A/P Aging Report, A/R Aging Report, Debt Schedule).
- Have or develop the capacity to generate monthly financial statements (i.e., P&L Statement, A/P Aging Report, A/R Aging Report, Debt Schedule) following receipt of the loan.
- The business must be established to operate legally in the State of California [e.g., registration with the CA Secretary of State and/or the County of Del Norte as a "Doing Business As" (DBA) Fictitious Business Names Statement (FBNS)] with a valid City of Crescent City Business License (if applicable). A FBNS will be required for all businesses.
- The business must have:
 - Required local, state and federal permits.
 - Proper insurance for current and proposed business activities.
 - Be operating out of a location with zoning that allows for current and proposed business activities.
 - An existing commercial lease with renewal options that extend, at a minimum, to the month and year designated as the final month and year of the loan agreement. A home-based business must have a comparable mortgage, lease or rental agreement that extends, at a minimum, to the same period required for a commercial lease.
 - NOTE: If a Borrower is an existing relocating to the City of Crescent City or Del Norte County or is a new startup business and does not have proper permits, licenses, leases or insurance at the time of application, then these items can be made a condition of funding the loan.

Ineligible Loan Applicants

Ineligible BALP Loan applicants include those businesses for which any of the following are true:

- The business and/or business owners with a 20% business ownership interest have liens or pending lawsuits that may have an adverse impact on the financial viability of the business.
- The business's physical place of business is located outside of the jurisdictional boundaries of Del Norte County.

- The business’s physical place of business is located on tribal lands.
- The business or any one of its principals is on the Federal debarred list.
- The business or any of its principals have defaulted on any Federal debt.
- The business or any of its principals have a relationship with the Lender that violates CDBG Conflict of Interest guidelines.
- The business’ goods or services involve the distribution, sale or use of cannabis or products containing cannabis or cannabis derivatives.
- The business is involved in a business activity prohibited by CDBG regulations (e.g., private golf club).

3.0 CDBG PROGRAM REQUIREMENTS

3.1 Eligible Uses of Funds for Loans with Repayment Terms

The uses of BALP funds are restricted to eligible uses as approved by the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Program and the Department’s CDBG Guidelines.

Loan proceeds may be used to cover the following eligible costs:

- Purchase of real property, when it provides positive cash flow for the business.
- Purchase of an existing business, including documented value of good will.
- Rehabilitation of leased or owned real property subject to Federal and State prevailing wage requirements (including engineering and architectural services and local permits or fees).
- Purchase of furniture, fixtures and equipment (FF&E) – including manufacturing equipment. NOTE: FF&E may trigger Federal and State prevailing wage requirements if installation is a significant part of the total cost of the FF&E. Examples might include the construction of a permanent outdoor structure or the installation of an additional “built on site” walk in cooler.
- Working capital and inventory.
- Relocation grant for persons displaced due to the funding of the project.
- Refinancing of existing debt when the refinancing complies with HUD CDBG underwriting guidelines (see Section 3.5) and is done in conjunction with financing other eligible costs.
 - Required off-site public improvements subject to Federal and State of CA prevailing wage requirements (including engineering and architectural and local permits or fees).

Loan funds will be disbursed as per the terms outlined in Section 7.

3.2 Eligible Uses of Funds for Loans with Forgivable Loan Terms

The uses of BALP funds for loans with forgivable loan terms are restricted to eligible uses as approved by the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Program and the Department’s CDBG Guidelines.

Loan proceeds may be used to cover the following eligible costs:

- Operating Expenses (OE) and Working Capital (W/C) as defined below:
 - OE includes primary expenses including, but not limited to, payroll, insurance, lease payments and utilities.
 - W/C is any additional capital needs (e.g., inventory) with the amount to be net of OE.
 - The amount of OE and W/C needs presented in the pro forma financial and cash flow statements must reflect amounts per month that are supported by pre disaster financial information (e.g., monthly financial statements or Year End business tax returns).
- Purchase of furniture, fixtures and equipment (FF&E) to support the business’ needs to re-open and/or operate as a result of the disaster. FF&E purchases that will trigger Federal or State prevailing wage requirements will be considered on a case-by-case basis. NOTE: FF&E may trigger Federal and State prevailing wage requirements if installation is a significant part of the total cost of the FF&E. Examples might include the construction of a permanent outdoor structure or the installation of an additional “built on site” walk in cooler.
- Refinancing of some forms of existing short-term debt when the refinancing complies with HUD CDBG underwriting guidelines (see Section 3.5), is done in conjunction with financing other eligible costs and contributes to the business’ ability to sustain operations and retain the required number of CDBG eligible jobs. NOTE: Examples of short-term debt that may be refinanced could include high interest credit cards or short-term loans from on-line lenders where the business can provide supporting documentation that clearly demonstrates that funds were used for eligible business purchases and expenses).

Loan funds will be disbursed as per the terms outlined in Section 7.

3.3 Ineligible Uses of Funds

BALP funds for loans with loan forgiveness terms must be compliant with CDBG regulations and **CANNOT** be used to cover the items listed below. These funds also **CANNOT** be used to cover operating and working capital expenses or FF&E purchases that are covered by other funding sources or insurance payments. Funding from other sources must be fully expended prior to expended loan funds that cover “gaps” not funded by these other sources (i.e., there will be no duplication of funds).

BALP funds for loans with either repayment terms or loan forgiveness terms must be compliant with CDBG regulations and **CANNOT** be used to cover the following:

- Research and development expenses for products or services that are not ready for sale. This is defined as products or services that are at the prototyping, product testing and marketing testing stages of development.
- Reimbursement of Borrower expenses incurred prior to loan approval by Lender and Department.
- Reimbursement of Borrower expenses incurred prior to clearance of HUD Part 58 NEPA.

NOTE: Borrower actions such as initiating site improvements, construction/rehabilitation, entering into agreements with contractors or vendors and other actions to be paid for with BALP funds prior to HUD Part 58 NEPA environmental clearance will be considered a “choice limiting action” and will preclude the Lender from making a BALP loan to Borrower. Borrower’s clearance of State of California CEQA does not exempt the Borrower from HUD Part 58 NEPA and the Borrower will take steps necessary to avoid a “choice limiting action” that will terminate the loan application.

- Loan amounts that exceed CDBG Public Benefit criteria as defined in Section 3.4.
- Projects that do not meet Federal CDBG underwriting criteria as defined in Section 3.5.
- Businesses that are not generating sufficient positive cash flows to provide reasonable assurance of loan repayment or that do not agree in writing to the terms of forgiveness established by the Lender and the Department.
- Speculative investments (e.g., use of loan proceeds as an equity investment in another venture or an investment in a publicly traded business).
- Use of loan funds for other businesses owned by the Borrower or any other owners of the business.
- Acquisition of land for which the specific proposed purpose has not yet been identified.
- Projects involving speculative development (e.g., construction/rehabilitation of real property without a tenant that will allow the project to meet CDBG National Objective and Public Benefit requirements.).
- Assistance to professional sports teams.
- Assistance to privately-owned recreational facilities that serve a pre-dominantly higher income clientele, where the recreational benefit to users or members outweighs employment or other benefits to low- and moderate-income individuals.
- Project costs associated with residential housing developments (i.e., mixed used developments) including the construction or rehabilitation of primarily residential real property or the construction or rehabilitation of Borrower-occupied residential real property not directly associated with the operation of the business.
- Cash payments of any kind made directly to the assisted business owner(s) in the form of wages, draws or debt repayment from loan proceeds.
- Construction/rehabilitation of buildings or portions thereof, used for the general conduct of government.
- Businesses whose principal service is the conducting of political activities.
- The relocation of a business where the relocation violates CDBG regulations as defined in Section 105, Anti-Pirating Rule.
- Working capital for nonprofit businesses.

3.4 Loan Requirements – CDBG National Objectives

Borrowers must have a project that meets the following CDBG National Objective:

- Creation or retention of Full-Time-Equivalent (FTE) jobs, where 51% of the jobs are filled by individuals who household income qualified them as low-to-moderate (LMI) individuals. NOTE: one (1) FTE is associated with a position of 1,750 hours worked annually or four (4) aggregated Part-Time positions of at least 438 hours worked annually that, in aggregate, total 1,750 or greater hours worked annually. Seasonal positions will be evaluated on a case-by-case basis and must conform to the CDBG regulations that pertain to seasonal positions. To meet this requirement, a third party designated by the Lender must certify family income levels of newly hired or retained

employees.

For Example: If the project will create or retain 10 FTE jobs, six (6) must be filled by LMI individuals. If only four (4) of the jobs are filled by LMI individuals, the total FTE job count for the purposed project would be reduced to seven (7) FTEs. This lower FTE job count would be used to insure the loan meets the CDBG Public Benefit requirements presented in Section 3.3. below.

In order to meet this requirement:

- Borrower must agree to work with the Lender or Lender’s Agent to complete and submit to the Lender or the Lender’s Agent a current HCD Business Assistance Project Self-Certification of Income for Community Development Block Grant (CDBG) Funded Activities Form (Self-Certification Form) for each employee. The Self-Certification Form must be completed and signed prior to hiring new employees or retaining existing employees to determine the employee’s household income level in order to validate compliance with the U.S. Department of Housing and Urban Development (HUD) CDBG Program requirement that a minimum of 51% of new or retained FTE employees associated with the Project shall, in aggregate, be in the low-moderate income category as published by HUD. Lender and Lender’s Agent shall maintain the information as confidential and disseminate only to the State of California or United States Government employees authorized to receive it. The Lender and Lender’s Agent may disclose any such information to the extent required by applicable laws or regulations or by any subpoena or similar legal process.
- Borrower must agree upon written request, to provide the Lender or Lender’s Agent access to and the right to examine all records, books, papers, or documents constituting payroll records (excluding Social Security Numbers), needed to determine job creation at Tenant’s Project location including employee name, title, monthly and annual hours, and wages/salary for the purposes of validating retained and/or created FTE positions. Lender and Lender’s Agent may, at the request of the Borrower, agree to review all provided information at the Borrower’s location. Lender and Lender’s Agent shall maintain the information as confidential and disseminate only to the State of California or United States Government employees authorized to receive it. The Lender and Lender’s Agent may disclose any such information to the extent required by applicable laws or regulations or by any subpoena or similar legal process.
- The Lender will include appropriate job creation or retention language in accordance with the above requirements in the BALP loan documents.

NOTE: Failure to meet the job creation/retention requirements will put the loan into “technical default”. The Lender or the Lender’s Agent will work with the Borrower, to the extent practicable, to remedy this “technical default”. If necessary, the Lender will take appropriate action to remedy this “technical default”. Action may include, but not limited to, the restructure of the loan agreement or the repayment of loan proceeds.

- Prevention or elimination of slums and blight where the BALP funded project will address one or more of the conditions which contributed to the deterioration of the area.
- Meets an urgent need associated with federally recognized disasters as defined by FEMA where existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.

- Provides goods or services needed by, and affordable to, LMI residents. NOTE: The applicant’s primary market area for its goods and service is the local neighborhood where the neighborhood is predominantly residential and where 51% of the neighborhood’s residents are LMI individuals.

3.5 Loan Requirements – CDBG Public Benefit

All eligible project activities funded under the BALP must meet a minimum CDBG “Public Benefit Standard” as described in the Act, section 104(b)(17) and federal regulations; 24 CFR Part 570.483(f)(g). BALP applicants must have a project where the project costs and the loan program operating costs, in aggregate will not exceed \$35,000 per FTE job created or retained, where 51% of the jobs are filled by LMI individuals.

NOTE: Individuals hired prior to loan approval by the Lender and HCD **CANNOT** be considered when determining the project’s ability to meet the CDBG Public Benefit requirement outlined above.

3.6 Loan Requirements – CDBG and BALP Underwriting Criteria for Loans with Repayment Terms

CDBG Underwriting Criteria

Eligible BALP applicants for loans with repayment terms are underwritten in accordance with the following CDBG underwriting criteria.

- Project costs are reasonable as evidenced by 3rd party cost estimates (e.g., vendor quotes, copy of online search, etc.). In addition, all project costs are eligible per federal regulations and HCD guidelines.
- All sources of project financing are committed. This may include:
 - Borrower or other private funds (proof of funds availability such as bank statements and a signed letter indicating that the funds will be contributed to the project are required).
 - A detailed letter of interest from a financial institution outlining the loan amount, loan term, interest rate, collateral requirements, loan-to-value ratio, debt service coverage ratio (DSCR), etc. will be required for the underwriting process.
 - An approval letter from another government, nonprofit or other business or infrastructure financing program.

NOTE: A formal, signed commitment letter from the financial institution with the same loan amount, loan terms, interest rate, collateral requirements, loan-to-value ratio, DSCR, etc. will be required before BALP funds will be released.

- To the extent practicable, BALP funds are not substituted for non-Federal financial support.
- The project is financially feasible as defined below:
 - The market analysis supports the sales projections.
 - The management team has the capacity to execute the business plan and meet the pro forma financial projections (i.e., sales revenues, COGS, operating expenses and profitability).
 - The creditworthiness of owners with a 20% or greater interest or any member of the management team with check writing authority.
 - The pro forma financial projections:

- Are in line with industry averages or the Borrower’s past performance (or experience in other ventures if a Borrower is a startup).
 - Clearly demonstrate that the Borrower will generate sufficient income (i.e., additional income for an existing business) to create/retain the projected number of jobs.
 - Demonstrate that the business will meet the (DSCR) required by other lenders and the BALP.
- To the extent practicable, the return on owner’s equity invested in the project will not be unreasonably high.
 - To the extent practicable, BALP funds will be disbursed on a pro-rata basis with other project financing.

The BALP underwriting process will require much of the same documentation to that requested by private commercial lenders (e.g., proof of equity contributions, historic business financial statements and tax returns, historic personal financial statements and tax returns, personal credit reports, financial projections, collateral, and DSCR). However, the following additional (or more detailed) information may be required due to the CDBG underwriting criteria outlined above and willingness of the BALP to consider higher risk deals in exchange for the project meeting the CDBG National Objective and Public Benefit requirements outlined above:

- A detailed breakdown in the pro forma financial showing a line items showing:
 - Salaries/wage, employment taxes and benefit expenses for existing employees.
 - Salaries/wage, employment taxes and benefit expenses for the new employees that will be hired to meet the job creation requirements outlined in Sections 3.3 and 3.4. These expenses should be entered to show the month in which each new employee will be hired and should align with the Job Tracking Form submitted with the Borrower’s application.
- A history of the business and brief bios of each of the key members of the management (e.g., CEO, CFO, CTO, etc.) and operating team (e.g., Production Manager, Sales Manager, etc.).
- An expanded market analysis for a startup business (i.e., less than 2 years old), a business seeking financing to launch a new product or service, a business seeking to enter a new “untested” market, a business seeking financing based on the retention of existing jobs, or any other circumstance where a more detailed market analysis is needed to mitigate the risk associated with the loan request.
- A summary of owner’s equity invested in the businesses prior to the current request for financing (i.e., amount, date and source) and a summary of owner’s equity “to be” invested as part of this request for financing.
- A timeline outlining when funds from each source of financing will be expended (including BALP and non-BALP sources).

BALP Underwriting Criteria

Eligible BALP applicants are underwritten in accordance with the following BALP underwriting criteria.

- Business is located within the jurisdictional boundaries of Del Norte County.

- Financial Ratios:
 - DSCR – an aggregate DSCR of no lower than 1.1 (includes an aggregate of the DSCR for all BALP and non-BALP debt financing).
 - Debt-to-Equity – 5:1 or lower.
 - Loan-to-Value – 100% or lower for new equipment or 3rd party verified value of real property and used equipment purchased with BALP funds.
 - Net Income (after taxes and interest) sufficient to meet DSCR requirements outlined above. Net Income is to be calculated
- CDBG underwriting can be more flexible in some instances depending on the business and amounts requested. The terms of the loan are typically more favorable than conventional commercial lenders with lower interest rates and longer terms for repayment. These more favorable terms must be balanced by the Borrower and Lender with the requirements to create jobs and meet other CDBG program requirements. The Administrator will work closely with the eligible businesses to ensure they understand the requirements of the BALP and the benefits of participating.

3.7 Loan Requirements – CDBG and BALP Underwriting Criteria for Loans with Forgiveness Terms

CDBG Underwriting Criteria

Eligible BALP applicants for loans with forgiveness terms are underwritten in accordance with the following CDBG underwriting criteria.

- Project costs are reasonable as evidenced by 3rd party cost estimates (e.g., vendor quotes, copy of online search, etc.). In addition, all project costs are eligible per federal regulations and HCD guidelines.
- All sources of project financing are committed to support the pro forma financial projections that demonstrate that, with BALP funds, the business is likely to continue operations and retain the projected number of jobs (51% of which are filled by LMI individuals or, if lost due to normal turnover, will be may available to LMI individuals). This may include:
 - Borrower or other private funds (proof of funds availability such as bank statements and a signed letter indicating that the funds will be contributed to the project are required).
 - A detailed letter of interest from a financial institution outlining the loan amount, loan term, interest rate, collateral requirements, loan-to-value ratio, debt service coverage ratio (DSCR), etc. will be required for the underwriting process.
 - An approval letter from another government, nonprofit or other business or infrastructure financing program.

NOTE: A formal, signed commitment letter from the financial institution with the same loan amount, loan terms, interest rate, collateral requirements, loan-to-value ratio, DSCR, etc. will be required before BALP funds will be released.

- To the extent practicable, BALP funds are not substituted for non-Federal financial support.
- BALP funds will not result in a duplication of benefits provided by other disaster funding sources

such as the SBA Paycheck Protection Program or Economic Injury Disaster Loans (i.e., receipt of funds for the same purpose where the total assistance received for that purpose is more than the total need for assistance).

- The project is financially feasible as defined below:
 - Pre-disaster sales from 2019 supports pro forma sales projections.
 - The management team has the capacity to execute the business plan and meet the pro forma financial projections (i.e., sales revenues, COGS, operating expenses and profitability).
 - The historic creditworthiness of owners with a 20% or greater interest or any member of the management team with check writing authority.
 - The pro forma financial projections:
 - Are in line with the business' previous financial performance and reflect anticipated market conditions.
 - Clearly demonstrate that the Borrower will generate sufficient income to retain the projected number of jobs.
 - Demonstrate that the business will meet the (DSCR) required by other lenders.
 - Demonstrate that the business will generate sufficient revenue to provide the salaries, wages or draws needed by the owner(s) to cover their personal expenses.
- As BALP loans with forgiveness terms will be limited to business in imminent danger of financial failure that will result in the loss of jobs, underwriting will not include an assessment of the return on owner's equity invested in the project.
- As BALP loans with forgiveness terms will be limited to business in imminent danger of financial failure that will result in the loss of jobs, underwriting will not include an assessment of the disbursement of BALP funds on a pro-rata basis with other project financing.

The BALP underwriting process for loans with forgiveness terms will require documentation to assess the ability of the business to sustain operations (e.g., documentation on other debt, historic business financial statements and tax returns for 2019, historic personal financial statements and tax returns for 2019, personal credit reports, financial projections and DSCR). However, the following additional (or more detailed) information may be required due to the CDBG underwriting criteria outlined above and willingness of the BALP to consider higher risk deals in exchange for the project meeting the CDBG National Objective and Public Benefit requirements outlined above:

- A detailed breakdown in the pro forma financial showing a line items showing:
 - Salaries/wage, employment taxes and benefit expenses for existing employees with a breakdown for those employees that will be retained with the assistance from the BALP loan and should align with the Job Tracking Form submitted with the Borrower's application.
- A history of the business and brief bios of each of the key members of the management (e.g., CEO, CFO, CTO, etc.) and operating team (e.g., Production Manager, Sales Manager, etc.).
- A summary of the market(s) served and any adjustments to accommodate for disaster related impacts.

- A schedule of owner’s equity invested in the businesses and any new debt incurred after March 1, 2020 (the debt summary should include the name of the source, the amount borrowed, loan terms, interest rate, current balance, etc.).
- A timeline outlining when funds from each source of financing will be expended (including BALP and non-BALP sources).

BALP Underwriting Criteria

Eligible BALP applicants for loans with forgiveness are underwritten in accordance with the following BALP underwriting criteria.

- Business is located within the jurisdictional boundaries of Del Norte.
- Financial Ratios:
 - DSCR – an aggregate DSCR of no lower than 1.0 (includes an aggregate of the DSCR for all non-BALP debt financing).
 - Net Income (after taxes and interest) sufficient to meet DSCR requirements outlined above.
- The Administrator will work closely with the eligible businesses to ensure they understand the requirements of the BALP and the benefits of participating.

3.8 Other Federal Requirements

There are a number of other federal laws and requirements that are triggered by use of CDBG funding. The Lender will provide oversight while the Operator, in collaboration with the Administrator, will take the lead and ensure compliance with these other CDBG regulations in conformance with standards set by the HUD. Impacts these federal regulations will have on a proposed project will be explained to the Borrower at the time of loan application.

National Environmental Policy Act (NEPA) regulations require an Environmental Review Record (ERR) to be submitted for each project / business funded with CDBG monies prior to award or approval of funds. The Lender is required to complete the proper NEPA review along with any state review under the California Environmental Quality Act (CEQA). The ERR level of review is based on the type of project proposed and ALL aggregated activities to be undertaken. The Operator or the Administrator may complete the ERR for the Lender but the Lender must sign and take legal responsibility for the review. State CDBG staff must review and approve the ERR prior to loan approval or moving forward with the project.

Applicants will be informed of any additional time required for loan processing due to the NEPA review. The ERR will be done as soon as the Administrator determines that the project is eligible for funding. No costs will be charged to the Borrower for this process. Once an application is submitted no activities can be done on the project until completion of the ERR as this would be a choice limiting action under NEPA regulations.

Davis Bacon Federal Prevailing Wage Compliance is required when CDBG funding is used to pay for construction costs or equipment installation costs in excess of 11% of the total equipment cost. This can add additional costs to projects that require CDBG funds for construction (for example: equipment installation or tenant improvements). In addition, state prevailing wage may be triggered in the use of CDBG funding. The Operator, working in collaboration with the TA Provider and Administrator, will

work with businesses to ensure funded businesses and projects are in compliance and disclose any additional time or work required due to the HUD federal prevailing wage regulations and federal procurement standards. Any additional costs resulting from this regulation will be incorporated into the business loan and subsidized with the CDBG funds.

Acquisition and Relocation laws may be triggered when using CDBG funds (24 CFR 570.606).

Acquisition laws, both federal and state, must be followed when CDBG funds are used to assist in the purchase of real property. In the same way, federal and state relocation laws apply whenever there may be displacement of a person or business because of the use of CDBG funding. Loan processing staff will work with loan applicants to ensure the business is in compliance with any state or federal acquisition /relocation laws triggered by the project. Applicants will be informed of any additional time or costs or administrative work required due to acquisition or relocation regulations.

All businesses who wish to receive funds under this BALP will be required to obtain a DUNS number. The DUNS number is free and can be obtained online at <https://www.dnb.com/duns-number.html>. In addition, prior to funding, the Lender will require that each business be checked to confirm they are not on the federal debarred contractors list. HUD also requires that the Department and the Lender collect certain income and demographic data from the business and any new hires resulting from the investment of CDBG funds. This information will be gathered by the Operator working in collaboration with the TA Provider. Applicants will be required to obtain all proper licenses and insurance to operate legally in the community.

Using CDBG Program Income (PI) funds first is required. Lender must always use local PI on hand for the same activity first prior to drawing down funds from a state open grant. If the Lender has local CDBG program income funds on hand in a business assistance revolving loan account, then the Lender must expend local program income first to fund a loan prior to requesting open grant funds from the Department.

3.9 Required Loan Review

To be determined once Department establishes loan review guidelines including Lender Loan Certification guidelines and loan limits.

4.0 LOAN PROCESSING AND APPROVAL

4.1 Program Marketing

BALP marketing will be conducted by the Operator in collaboration with the TA Provider and Lender staff. The designated staff for the Operator and TA Provider may arrange local media coverage with ads in local papers. Marketing brochures may be distributed to local chamber of commerce and business networking organizations. Presentations may be scheduled for rotary and real estate organizations in the area. Local commercial lenders will be contacted and information will be provided. Flyers may be sent to all local business owners in the Program's service area. Lender staff will work closely with the Operator and TA Provider to ensure maximum outreach and Program education takes place in the service area and applicants received the same information regarding the Program and are processed in accordance with these locally adopted Program guidelines.

4.2 Fair Lending Compliance

The BALP will be implemented in ways consistent with the Lender's commitment to fair lending laws. No person or business shall be excluded from participation in, denied the benefit of, or be subjected to

discrimination under any program or activity funded in whole or in part with BALP funds on the basis of his or her religion or religious affiliation, age, race, color, ancestry, national origin, sex, marital status, familial status (number or ages of children), physical or mental disability, sexual orientation, or other arbitrary cause. All personal information of loan applicants will be kept confidential.

4.3 BALP Loan Advisory Committee

The Loan Advisory Committee (LAC) will be made up of an odd number of persons. The Lender's staff will work with the Operator and Administrator to seek LAC members to volunteer for this committee. Once selected, members will be approved by City Council resolution. The LAC members can be from local financial institutions, the Lender, or other interested parties who have the professional capacity to review and evaluate commercial loans. It is the intent of the Lender and Administrator to utilize the services of the LAC for all CDBG Financing Programs involving loans to businesses.

The LAC will review and approve/deny each application submitted to the LAC by the Administrator. All approvals will include a determination that the loan complies with these Loan Program Guidelines including all CDBG requirements. The resulting loan approval documents will be submitted along with a completed Department Loan Certification Form to the Lender's CDBG Authorized Representative for signature. The Department Loan Certification Form will be submitted to the Department for final approval before closing the loan. LAC meetings will be scheduled by Lender in coordination with the Operator and Administrator staff once a loan has been underwritten and is ready for review and approval. LAC members are responsible for reviewing each loan application funding proposals and making recommendations to the Lender. The LAC may request additional information and/or include contingencies for final approval and loan closing.

4.4 Loan Application Process

Loan applications for loans with repayment terms will be processed on a first come, first served basis. Loan applications for loans with forgiveness terms will also be processed on a first come, first served basis unless the pool of eligible applicants exceeds the BALP funding available. If the pool exceeds available funding, applicants will be selected using a lottery type system.

The Operator, working with the TA Provider, will provide applicants with an application and checklists for the appropriate type of loan desired (i.e., loan with repayment terms or loan with forgiveness terms). The Operator, working with the TA Provider, will accept loan applications and review them for initial eligibility. Applications that do not meet basic requirements of the Program will be returned with an explanation of requirements needing to be met. Applications that do meet basic eligibility requirements will be sent instructions with requests for additional information. The Operator and/or the TA Provider may also meet with the business owners and visit the site of the business based on the loan amount and the anticipated risk associated with the loan.

Loan files will be set up as applications are received and proper information gathered. The Operator and/or TA Provider will pay a visit to the businesses location and meet personally with the owner(s). Technical assistance will be provided as needed to help the business provide proper information for loan underwriting. The business will be required to provide proper financial information and agree to have credit checks conducted as part of loan processing. The Operator and/or TA Provider may provide sample financial forms (balance / cash flow sheets, profit and loss, personal financial statements, pro formas), but in no instance will the Administrator's staff or Lender's staff fill out financial forms for applicant. The applicant will work with the TA Provider to engage the

individuals/resources needed to assist applicants in producing proper financial statements, a formal business plan, a market study or accounting classes as needed.

Loan applicants are responsible for providing accurate and timely information to the Operator and TA Provider as part of the loan process. This includes disclosing any other businesses owners that have 20% or more interest. All the owners of the business owning 20% or more interest in the business must provide proper financial information. Borrower(s) will be required to provide sources of security, if appropriate, that the Lender can lien. Borrower(s) will provide financial information from the past performance of the business with explanations of special circumstances of past performance. Owner(s) must provide information on equity invested in the business to date and any current assets available for equity investment into the project. Borrower will be required to determine future income projections for the business that are reasonable and in line with past trends of the business. If the loan applicant does not provide required information and documentation to the Operator and/or the TA Provider in a timely fashion, then any delays in the loan approval process is not the responsibility of the Lender, the Operator, the TA Provider or the Administrator.

Once the Operator and/or the TA Provider has packaged the loan the package will be submitted to the Administrator for underwriting to determine if a Borrower is eligible for a loan under these guidelines. If a determination is made that the Borrower is eligible, the Administrator will prepare a credit memo and Department Loan Certification Form for presentation to the Loan Advisory Committee for approval and subsequent submittal to the Department for approval. Once the loan is approved by the LAC and the Department then loan documents can be drawn for loan closing.

4.5 Loan Applicant Confidentiality

Persons serving as the Operator, TA Provider, Administrator, Lender and LAC for this BALP must not disclose any of the Borrower's personal confidential information obtained as part of loan approval process. All confidential information of businesses may only be disclosed to persons required to view the information as part of loan review and approval. All personal and business confidential information of loan applicants will be kept in a secure storage facility and not be available to persons outside of the Program. If the Lender, Operator, TA Provider, Administrator or Department receive a request for public records for a loan applicant, then only non-confidential information, as verified by legal counsel, will be provided.

4.6 Applicant Dispute Resolution/Appeals Procedure

Any business applying for assistance through this CDBG program has the right to appeal if their application is denied. The appeal must be made in writing to the Administrator and the Lender. The LAC will schedule a meeting for the appeal to be heard. If the application is denied a second time, then the person may ask to have their appeal presented to the Lender's governing body for a final decision.

The Administrator, in collaboration with the Operator, is responsible to the Lender to ensure that the BALP is implemented in compliance with state and federal regulations. In addition, loans must be underwritten in accordance with proper Program guidelines in a timely and responsible manner. This includes developing accurate and professional files, work write-ups and contract documents. The Operator will work in collaboration with the TA Provider and Administrator to ensure the funded activities are completed and the jobs are created in accordance with federal regulations.

4.7 No Conflict of Interest Allowed

In accordance with Title 24, Section 570.611 of the Code of Federal Regulations, no member of the governing body and no official, employee or agent of the local government, nor any other person who exercises policy or decision-making responsibilities (including members of the loan committee and officers, employees, and agents of the loan committee, the Operator, the TA Provider, the Administrator, contractors and similar agencies) in connection with the planning and implementation of the CDBG program will be eligible for this program, or directly or indirectly receive financial benefit from this program. Exceptions to this policy can be made only after public disclosure and formal approval by the governing body and authorized in writing by Lender's legal counsel. In the event representatives from the financial community on the LAC have a separate financial interest (excluding regular checking and savings accounts) in a loan applicant, such member may not participate in the loan review process for that particular applicant.

4.8 Exceptions/Special Circumstances

Exceptions are defined as any action, which would depart from policy and procedures stated in the guidelines. For example, if the cost of rehabilitation for critical code deficiencies exceeds 100% of the after-rehabilitation value of the property, the LAC can, on a case-by-case basis, accept a partially secured loan.

The Lender or its agent may initiate consideration of an exceptional or special circumstance. A report on the situation must be prepared. This report will contain a narrative, including the staff's recommended course of action and any written or verbal information supplied by the applicant. The Loan Advisory Committee will then make a determination on the exceptional/special circumstances request at a regular or special meeting.

Loan payments may, on a case-by-case basis, be deferred for a period of time to allow a startup or expansion of a business to take place. This payment deferral determination is made by the Administrator based on the breakeven point of the business in the future and the ability of the owner to pay themselves for their efforts.

4.9 General Loan Closing Process – CDBG Drawdown Process

Upon approval by the Department, the Administrator and Lender will prepare for the loan closing. The Borrower will sign all the necessary documents and agreements. The Lender will utilize RLF Program Income or request a drawdown of CDBG funds from the Department. The Administrator will prepare the loan closing documents; prepare title and lien searches, and UCC-1 filings, if appropriate. Lender's legal counsel will review all agreements and documents, as necessary. Escrow companies may be used to close loans and secure liens. Additional detail provided in Section 7.

5.0 DESCRIPTION OF LOANS

5.1 Determination of Loan Amount

BALP loans will not exceed the allowable limits established by the Department. The forgivable amount of a BALP loan will be determined on a case-by-case basis but will not exceed \$20,000 per job retained up to a maximum forgivable amount of \$100,000.

Loan amounts will be determined based on the ability of the business to service the new CDBG loan payment, and the reasonableness of the costs to be paid by CDBG. If there are not sufficient CDBG funds for the project, then the program Operator and Administrator can assist in locating other public

or private funding to leverage CDBG funding.

5.2 Determination of Loan Term

The loan term will be tied directly to what is being funded and what security is being pledged for the loan. If a business only wants operating capital, then the term of the loan is normally five to seven years. If a business wants to pay for equipment and supplies, then the term of the loan can be extended out to 10 years. If the loan is for real property improvements, then the term will be determined on a case-by-case basis based on the amount of the loan and the use of loan proceeds. Staff will confirm that the proper term is given based on the use of the funds and the nature of the collateral being provided.

The minimum term for loan forgiveness will be three (3) months with loan terms established on a case-by-case basis up to a maximum of 12 months.

5.3 Determination of Loan Interest Rate

Loan interest rates for loans with repayment terms will be determined at the time of loan underwriting by the Administrator and finalized in concurrence with these program guidelines and the Loan Advisory Committee. This rate will, to the extent practicable, comply with CDBG underwriting guidelines that will prevent undue enrichment to a private for-profit business or business owner(s). Factors that will be considered when setting the interest rate include: (1) the amount of equity the business brings into the proposed project; (2) the ability of business to service the loan; (3) the rate of return the Borrower will receive with a lower interest rate; and (4) the credit risk factors and management experience of Borrower. By allowing the interest rate to be determined on a case-by-case basis, the Lender can tailor the loans under this Program to meet the needs of different businesses in the community.

Loan interest rates for loans with forgiveness terms will be zero percent (0%) for the specified term of the loan. If the Borrower fails to meet the terms of forgiveness, the loan interest rate will convert to the rate established at the time of loan underwriting.

5.4 Loan Processing Fees

The CDBG program provides administration funds to pay for loan processing costs. No direct loan fees will be charged to the Borrower. There will be no pre-payment penalty on the loans under this Program.

6.0 LOAN UNDERWRITING STANDARDS

6.1 Initial Loan Evaluation

Each project / business will be evaluated based on how it has performed in the past and its future financial forecasts. Upon receipt of a loan application, the Administrator will analyze various eligibility factors including but not limited to the following:

- Will the project meet a CDBG national objective?
- Are the costs to be paid CDBG eligible?
- Are the business and all owners credit worthy?
- Do they have good “character” (pay bills on time, collect on time)?
- If a startup, does business have management capacity?

- Does startup have solid business plan and document market demand?
- Does the business have financial expertise to expand or start up?
- Is the owner able to get conventional bank financing, if not, why not?
- Was the business financially viable in the past (net income covers debt)?
- Are there reasonable financial assumptions for future viability/success?
- Is there collateral available to secure the loan funds?

By collecting enough initial application information from the Borrower(s) to answer the above list of questions, the Operator and Administrator will have a good sense of how strong a Borrower is and how successful they will be if given a CDBG loan. Most of this information is verbally collected at the initial site visit with the owner. By meeting the Borrower and asking these questions the Operator, TA Provider and/or Administrator will determine what additional information/documentation needs to be collected to provide a clear picture of how CDBG funds can be used to assist the applicant. These questions demonstrate the need for CDBG funds.

After the initial review the Administrator will collect the proper information required for loan underwriting. The required documentation is listed in the CDBG Business Loan BALP Application included in the loan BALP loan application checklist for both loans with repayment terms and loans with forgiveness terms **[list to be developed upon receipt of Department guidelines]**. The amount of documentation and detailed underwriting is based on size of the loan, the type of business (existing or start up) and the type of loan to be secured. Additional documentation may be required to clarify special circumstances of the business. Below are some to the basic underwriting requirements for a typical loan applicant.

6.2 Personal and Business Credit Requirements

Third party credit reports will be obtained for each applicant, including all owners of the business with 20 percent or more interest.

Most credit reporting services will provide credit scores. For this program, the assessment of the credit score will take into consideration a range of factors such as business seasonality, past payment history of key expenses (e.g., rent), etc., although a score of 550 and above will generally be considered good credit. If no credit scores are available or if the score is considered deficient, then a narrative must be summarized by the Administrator to give a justification for making a determination of good or bad credit.

6.3 Personal and Business Financial Information

Personal financial statements will be required for each person who owns 20% or more of the business. Financial statements need to show all assets and liabilities of the person. In addition to these statements, federal tax return statements with all schedules for owners and the business for one more of the previous years will be required to give a historic perspective of income. The number of previous years requested will be determined at the time of application and take into consideration the size, purpose and terms of the loan as well as recent economic conditions (e.g., disasters) that may have either impacted the business or triggered the need for an expedited underwriting process.

For the business, historic financial statements will be required. These will consist of previous years'

balance sheets and cash flow statements. The number of previous years requested will align with the request for previous year's federal tax returns. To the extent practicable, these statements will be provided by the person responsible for doing the bookkeeping and finance management for the business. However, the applicant may be referred to an independent no-cost business assistance provider such as the Small Business Development Center (SBDC) to assist them in preparing these documents. Based on these financial statements, the Lender can develop ratios for debt service and payment history, etc. that are commensurate to the loan risk and the CDBG regulatory allowances associated with CDBG-eligible microenterprise assistance.

The business will also need to provide future projected financials. These will consist of pro formas showing projected revenue and costs for the business on a monthly basis for each fiscal year, for a minimum of two years or until the business reaches financial breakeven. Startups may be requested to provide financial projections beyond financial breakeven to accommodate the uncertainties associated with the financial performance of new businesses. These pro formas need to be completed in Microsoft Excel format or equivalent and include the business projections with the proposed CDBG financing. As the applicant is an CDBG-eligible microenterprise, pro forma financials that include non-CDBG financing will not be required.

Combined debt coverage ratio on the project with proposed CDBG financing will not be less than 1.0 for existing business and 1.1 for startups.

A project sources and uses form must be provided to show what funding is required to complete the proposed loan activity. This form will show the owner's equity as well as private bank financing and any other investments from other sources. The sources and uses form gives a clear idea of what costs the CDBG loan will cover and its information must be reflected in the pro formas as described above.

The information in these financial statements, along with any back-up documentation required, will allow the Administrator to prepare the project's underwriting analysis. This analysis will include both the conventional lending underwriting and HUD-required underwriting.

6.4 Collateral Requirements

Loans under this Program will, to the extent practicable, be collateralized using normal commercial lending standards [NOTE: collateral for loans with forgiveness terms will be determine on a case-by-case basis and may be waived due to the objectives of this program]. Collateral coverage will be assessed based on assets available as security and the level at which they have already been pledged as collateral. CDBG funding is typically in a subordinate position to banks and other lenders. It is the goal of the BALP to get the best lien position possible to ensure loan repayments. Types of collateral may include:

- UCC liens on machinery, equipment, or other fixtures purchased with BALP loan funds;
- Lease assignments, as appropriate;
- Personal and business guarantees, as appropriate; and
- Life insurance and other collateral, as appropriate.

Appraisal of assets may be required as part of determining how to obtain the best lien positions for the CDBG loan. Lender acknowledges that CDBG-eligible microenterprises may lack the collateral necessary to secure the loan. As a result, the loan-to-value ratio on collateral will be determined on a

case-by-case basis by the Administrator and the Lender's LAC.

6.5 Business Experience and Management Capacity

The Operator and/or TA Provider will obtain resumes and management histories to show the experience of business owners and their staff, if appropriate, in the type of business for which the loan will be provided, or in a comparable type of business where the experience will translate to the current business being considered for a loan. This will be most important with startup businesses or with applicants that wish to use CDBG funds to purchase an existing business that is closing.

7.0 LOAN CLOSING

7.1 Commitment Letter:

Once the loan request has been approved by the LAC, a commitment letter outlining the terms and conditions of the loan approval will be prepared and provided to the loan applicant. The commitment letter will contain detailed information on the amount, rate, term, repayment, collateral and conditions. Once acceptance of the terms and conditions has been received and final approval is received from the Department, preparation for loan closing will begin. A Loan Closing Checklist will be utilized to determine the necessary steps to be followed as well as to ensure timely closing and securitization of collateral. These steps include, but are not limited to, the initiation of any necessary lien searches, entity verification, ordering of appraisals (if applicable) and county filings. The checklist will be utilized as a broad guideline; certain circumstances may require more detailed oversight (i.e., business purchase).

7.2 Loan Documentation:

Loan documents will be drawn as appropriate using LaserPro or similar documents for the type of loan and the collateral being pledged, including appropriate CDBG federal overlay and other program requirements. If the Borrower is other than a sole proprietorship, the entity documents must be reviewed to determine who is authorized to execute documents and agreements on behalf of the entity. Any questions regarding which documents are required to properly document and collateralize a loan will be referred to an attorney for review and legal advice. The Borrower, or its representative, will be required to sign all the necessary documents and agreements.

7.3 Loan Disbursement – Loans with Repayment Terms:

Loan disbursement will take place only after all conditions have been met, loan documents executed and collateral secured. Prior to any loan disbursements, all security pledges (i.e., deed of trust, UCC-1) positions must be verified. Loan disbursement(s) will be prepared according to the terms of loan approval. The procedure for loan disbursement will vary depending upon the purpose of the loan funding. Regardless of the purpose, all requests for disbursement must be authorized by the Borrower, or its authorized representative. If, for example, the loan was for equipment purchase, loan disbursement will be made to the equipment vendor based upon a verified invoice or reimbursement based upon a verified paid invoice. Once the invoice is verified, a loan disbursement form will be completed. The Administrator must approve all disbursements.

7.4 Loan Disbursement – Loans with Forgiveness Terms:

Loan disbursement for loans with forgiveness terms will take place only after all conditions have been met and loan documents executed. The procedure for loan disbursement will vary depending upon the purpose of the loan funding as outlined below:

- Operating Expenses and Working Capital – to be disbursed at the beginning of each month in an amount that aligns with the monthly pro forma financials provided by the Borrower during the application process and updated as necessary prior to loan closing.
- Furniture, Fixtures & Equipment – to be paid directly to the vendor upon receipt of a valid invoice or to be paid to the borrower upon receipt of a valid invoice and proof of payment (e.g., cancelled check or paid credit card bill)

The Administrator will must approve all disbursements and will rely on the Operator and/or TA Provider to provide information on the sustained viability of the business prior to disbursing monthly Operating Expense and/or Working Capital advances.

8.0 LOAN MONITORING AND COMPLIANCE FILES

8.1 Loan Monitoring and Compliance Files – Loans with Repayment Terms

Following closing, monitoring files will be set up. Two separate physical and/or electronic loan files shall be maintained. The first is the legal file which holds all the original executed loan documentation. This electronic and/or physical file shall be kept in Lender’s or Administrator’s fireproof vault or cloud-based backup for safekeeping. At a minimum the legal file shall include (if applicable):

- Note
- Loan Agreement with required CDBG language
- Deed of Trust
- General Security Agreement
- Personal Guaranty
- Corporate Guaranty
- Subordinate Agreement
- Life Insurance Policy and Agreement
- Hazard Insurance Policy and Agreement
- General Resolution
- Certificate of Secretary
- Opinion of Counsel
- Inter-creditor Agreement
- Documentation of Site Control (i.e., lease, deed of trust, etc.)

The second is a credit file which will contain the day-to-day administrative records of the loan. The credit file will include, at a minimum, the loan application and financial information associated with the application, loan memorandum, Lender LAC recommendation, disbursement records, reports of site visits, updated financial information provided by the Borrower, CDBG compliance data and other routine information related to the loan.

Application information should include the following as appropriate:

- Loan Disbursement Schedule
- Map verifying borrower is physically located within program boundaries
- Documentation of compliance with federal acquisition requirements, if appropriate (e.g., land purchase)
- Documentation of compliance with federal debarred requirements
- Copy of CDBG NEPA documents including Authorization to Use Grant Funds, if required (Original to be maintained in Lender’s Environmental Review Records file)
- Copy of Documentation to determine Cost Reasonableness
- Documentation to support National Objective/Public Benefit requirements (e.g., job retention - show clear and objective evidence that jobs will be lost without CDBG assistance, job creation – pro forma financials supporting new jobs, etc.)
- Signed CDBG Documents
 - Loan Certification Form
 - Job Tracking Form (demonstrating CDBG compliance with LMI job creation/retention)
 - No Conflict of Interest Certification
 - No Job Anti-Pirating Certification
 - Income Certification forms (including Part 5 documentation if required)

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- Corporate Guaranty
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 - No Conflict of Interest Certification
 - No Job Anti-Pirating Certification
 - Income Certification forms (including Part 5 documentation if required)

9.0 LOAN SERVICING – LOANS WITH REPAYMENT TERMS

9.1 Loan Servicing Agent:

BALP loan repayments will be collected by the Administrator or designated loan servicing agent via electronic bank transfer directly into Lender's CDBG Program Income Revolving Loan Fund account or other appropriate CDBG Program Income Account as designated by Lender and approved by the Department. Repayment may also be collected via check which will be processed in accordance with the Lender's CDBG financial procedures. Payment for loan servicing will be done using the funds as allowed under Department Guidelines. The Lender's Administrator or loan servicing agent will provide itemized accounts of each open loan balance and payments received in accordance with their sources of funding (i.e., open grant or program income). This information will allow the Lender to complete Program Income reporting to the Department.

Once the loan is closed, Administrator will monitor the loan to maintain the loan records in compliance with the Program objectives and CDBG guidelines. Administrator will monitor the on-going operations of the loan recipient through review of financial information and performance reports during the term of the loan. Administrator's staff will serve as the direct liaison between the Borrower and Lender.

9.2 Loan Servicing Procedures:

Once the loan is closed, the Borrower is entered into a loan servicing system.

- Loans will have loan payment schedules calculated so that all BALP loan payments are due on the 1st day of the month with late fees assessed after the 10th day of the month (any deviation in interest due can be collected at closing). Monthly loan servicing reports will be generated as a tickler system to alert Administrator to the required servicing responsibilities for the month. These reports will be generated the day following the payment due date (the 2nd of the month) and again the day after the grace period has passed (on the 11th of the month). The report format will include the expiration dates on file for insurance policies, UCC filing continuation dates, property tax status (if applicable), status of CDBG reports, status of financial reports; including Federal tax returns and the maturity date of the loan. At a minimum, an annual servicing letter will be sent to the Borrower requesting submission of copies of their Federal tax returns, financial statements and job reports and any other items that may require updating. At a minimum, site visits will be conducted annually with a site visit form completed and retained.

A servicing system will be maintained with a file for each borrower and contain copies of the most recent insurance certificate, job report and any UCC-1 filing(s) for the loan.

9.3 Ongoing Monitoring:

Upon receipt of the financial information requested for servicing and ongoing loan monitoring, the Administrator will perform an analysis to determine the ongoing financial health of the business and the principals. This analysis will include a comparison to the projections and/or pro forma statements utilized at the time of loan approval as a measurement of the business's achievement of the anticipated revenues and expenses. Any significant variances will be reported to the LAC for further direction.

10.0 LOAN SERVICING – LOANS WITH FORGIVENESS TERMS

10.1 Loan Servicing Agent:

Loan servicing will be conducted by the Operator and/or TA Provider in collaboration with the Administrator and Lender.

10.2 Loan Servicing and Document Collections Procedures:

Once the loan is closed, the Borrower is entered into a forgivable loan servicing system. BALP loan with forgiveness terms will be serviced as follows:

- Operator and/or TA Provider to secure evidence of purchase and payment for FF&E purchased with BALP funds for review and comparison to loan application documents and budgets to validate cost reasonableness and CDBG compliance (e.g., NEPA, Prevailing Wage, etc.). If in noncompliance, Operator to work with Administrator and Lender to determine if corrective action required and implement corrective action if necessary.
- Borrower to provide the following to the Operator and/or TA Provider for review by the 15th of the

month following the close of the previous month:

- P&L and Balance Sheet or a P&L, A/P Aging and A/R Aging statements.
- An updated Debt Schedule.
- Payroll records.

Once the loan is closed, the Operator and Administrator will monitor the loan to maintain the loan records in compliance with the Program objectives and CDBG guidelines. A servicing and documentation system will be maintained with a file for each borrower.

10.3 Ongoing Monitoring:

Ongoing monitoring of loans with forgiveness terms will be handled as outlined in Sections 10.2 and 12.0. Any significant variances will be reported to the LAC for further direction.

11.0 PAYMENT COLLECTION – FOR LOANS WITH REPAYMENT TERMS

The Administrator is responsible for collection of loan payments. Loan payments are due on the 1st of the month and are considered late on the 10th of the month. Payments received are to be posted as of the date of receipt. Consideration will be given if the payment due date falls on a weekend or holiday and the payment is received on the next business day. A notice will be sent via email to each borrower no less than 10 days prior to the payment due date.

11.1 Payments:

To initiate payments through the Automated Clearing House (ACH) the Borrower must execute an agreement allowing the withdrawal. Alternative payment methods will be accepted on a case-by-case basis.

Payments for all loan payments are due on the 1st of the month. As per the requirement of the principal financial institution of Lender, a batch containing the authorized automatic payments must be sent in enough time to allow for receipt to Lender's CDBG Program Income bank account on the 1st business day of each calendar month.

Payments are considered late on the 10th day. On a monthly basis, all payments not collected through the ACH system will be handled in accordance with Administrator's and Lender's billing procedures and will include any late fee that may apply to payments received after the grace period. Any billing will include instructions on where to mail the payment and the date that the payment will be considered late. When the payment is received for processing at the Lender's financial institution, at the Administrator's or loan servicing agent's office or at Lender's office, it is posted to the individual loan history. Each payment posted will indicate the portion applied to principal, interest and fees as per the Promissory Note and will be calculated with interest due in arrears.

11.3 Monthly Loan Billing:

The nature of some loans will require that multiple disbursements be made during an interest-only period. These loans will require a monthly loan billing statement to be prepared. For these loans the interest will be manually calculated based upon the principal balance outstanding to determine the amount of interest due for the period. The statement includes instructions on where to mail the payment and the date that the payment will be considered late. When the payment is received for processing by the loan Administrator or by Lender, it is posted to the individual loan history. Each

payment posted will indicate the portion applied to principal, interest and fees as per the Promissory Note and will be calculated with interest due in arrears.

11.4 Late Payments:

A Loan Delinquency Report will be generated on regular basis to track the payment status of all loans. Loan payments are considered late on the 10th day following the due date. If a payment is received between the due date and the 9th day, it is not considered late. As specified in the Promissory Note, beginning with the 10th day a late payment fee will apply. The late payment will be \$30 after 10 days and .25% of the outstanding principle balance after 60 days. When the late payment is received it will be applied first to fees, then to interest and then to principal.

11.5 Insufficient Funds/Payment Stopped Payments:

When a loan payment made by automatic withdrawal or a check negotiated for payment is returned from the financial institution that it is drawn on for nonpayment due to insufficient funds and/or payment stopped, the Borrower will be contacted immediately to discuss the circumstances for the return. If the return is due to an accounting error on the part of the Borrower, the automatic payment or check will be re-submitted to the issuing bank. If the reason is other than an error, the Administrator and Lender CDBG Authorized Representative or appointed staff must be notified. When the loan falls into a delinquent status the steps outlined in Section 10.6 will be followed.

11.6 Workout/Default Loans:

Every lender, whether community or private, experiences loan defaults. Lenders can mitigate the loss which results from defaults by an active approach, early detection and early intervention. Although every workout is unique and must be customized to the specific situation and personalities involved, the following are general guidelines:

- (1) To improve the repayment of loans, the Lender and the Administrator will be active utilizing the following guidelines:

5 Days:

By the 5th business day of each month a friendly reminder phone call will be placed to each borrower that has not yet submitted a payment.

10 Days:

At this time the payment is officially late and the Administrator will notify Lender staff of the deficiency, whether they are servicing the loan or contracting loan servicing out to an independent contractor.

15 Days:

The Administrator must make a second (friendly, but more assertive) call to the Borrower to determine the cause of the tardiness and discuss the status of the payment. The loan will be included on the delinquency report. A letter or email must be sent to the Borrower to document the conversation. A copy of the letter or email is to be sent to the Lender CDBG Authorized Representative or appointed staff. If the Administrator is unable to reach the Borrower by phone, they will perform an unannounced site visit on the 16th or 17th day to determine the cause of the tardiness. Following the site visit a letter or email must be sent to the Borrower to document any conversation. A copy of the letter or email is to be sent to the

Lender CDBG Authorized Representative or appointed staff. Lender must be notified if these activities are unsuccessful.

30 days:

If payment is not received by the 30th day, the loan is considered in default. Lender must be notified with the Lender CDBG Authorized Representative or appointed staff sending a memo to the appropriate parties notifying them of the situation. The Borrower will be sent a 30-day late notice letter by certified mail. Any guarantor(s) will also be sent a letter by certified mail.

Once the loan is classified as being in default (i.e., 30 days past the initial due date), the Administrator must visit the site within 15 days, noting the condition of the property, business activity, number of employees, inventory levels, etc. The tone of the visit will focus on fostering cooperation, emphasize the mutual interests between the Borrower and the lender and connect the Borrower to available business assistance organizations that may be able to assist them. The Administrator will assess the situation to determine the cause of the problem and whether it is structural or temporary. At this point in time, the Administrator will obtain information such as monthly financials, current personal financial statements on the principals, credit checks, verification of tax and insurance payments, lease payments, etc. The following will be determined: Does the principal know what the problem(s) are? Is there a credible solution? Will technical assistance from independent parties help resolve the problem?

60 days:

If payment is not received by the 60th day, the loan is considered in a workout situation. By day 60, the Administrator (working with the Lender CDBG Authorized Representative or appointed staff) will have a plan of action which will be submitted to the Lender's LAC for approval. A memo outlining the plan of action and the LAC's recommendation will be submitted to the Lender to keep them informed of the process. At this point a number of decisions must be made:

- Does the Lender cut its losses now due to a situation where the reviewing parties (e.g., the Administrator, Lender CDBG Authorized Representative or appointed staff and BALP LAC) determine the situation to be hopeless and declining by the day?
- Alternatively, do the reviewing parties feel that it is in the best interest of the Lender to restructure the loan?

(2) The following are suggestions if there is a decision made to restructure the loan (although each situation must be evaluated individually):

- Have the Borrower pay something, even if the payment is nominal. This reinforces the sense of obligation and regularity of payment. Accrue all deferred payments and add them to the outstanding balance of the loan.
- Extract a concession from the Borrower. This can take the form of new equity, reduced compensation, etc.
- Seek concessions from other lenders such as extended terms, interest-only payments, etc. The Lender is not the only party vested in the success of the venture.

- Seek support from a business assistance support organization to provide counseling to the Borrower.
 - Structure the repayment terms around the ability to repay. This may include exercising the personal and business guarantees and setting up a future repayment schedule or waiting for the future sale of assets pledged by the Borrower as collateral for the loan.
- (3) In general, the Administrator and Lender must be active in workouts and manage the situations, thereby enhancing the chances of success and protecting its financial and programmatic interests. If the Lender and its Administrator are passive, the situation will manage (rather than be managed by) the Lender and its Administrator.
- (4) If the loan is more than 60-days delinquent, and a loan restructure is not appropriate, the Lender's CDBG Authorized Representative or appointed staff will seek direction from the LAC and other appropriate parties. Depending upon the outstanding amount of the loan, the collateral securing the loan, and the particular circumstances of the loan, an attorney may be consulted to determine legal appropriate alternatives. At this time the Lender's CDBG Authorized Representative or appointed staff and other appropriate parties, in collaboration with the Administrator, will assess the extent to which the delinquent loan will be pursued relative to the size of the loan, the principal outstanding, the interest income received to date and the potential costs associated with foreclosure, etc. Generally, an attorney is used in suit against guarantors, bankruptcy, judicial foreclosures or other cases with complicating factors. Liquidation and/or collection shall include real estate and personal property foreclosures and suit against the owners or guarantors on the loan.

Although it is difficult for most community lenders to foreclose, it is necessary in certain situations in order to protect the Lender's financial interests and reinforce the integrity of the lending program. However, as mentioned above, there may come a time when the costs to pursue the default relative to the available collateral/assets may be insufficient to support an extended legal action. An attorney experienced in foreclosure and bankruptcy will handle the process since it is a specialized area of law.

12.0 FORGIVENESS MONITORING, COMPLIANCE AND REPORTING

The guidelines for loan forgiveness monitoring and reporting will be refined upon receipt of guidance and approval by the Department.

12.1 Forgiveness Monitoring

Following loan closing the Operator and/or TA Provider will collect and review the information outlined in Section 10 on a monthly basis. Following the review the Operator and/or TA Provider the will meet with Borrower either in person or via video conference to discuss current conditions and any adjustments that may be needed or additional technical assistance provided.

- If additional technical assistance is needed the Borrower will be connected with an appropriate resources to assist them with this need.
- If Revenues and Operating Expense and Work Capital expenditures are in alignment with pro forma financial and cash flow projections (or if reasonable adjustments are warranted), Operator to authorize Administrator to disburse BALP funds to support the next month's Operating Expense and Working Capital allocation as per the pro formal financial and cash flow projections (with reasonable adjustments if warranted).

- If Revenues and Operating Expense and Work Capital expenditures are NOT in alignment with pro forma financial and cash flow projections and there is evidence that the business will not be able to continue to sustain operations or retained the projected number of jobs, Operator will discuss the situation with the Lender and Administrator and make a determination to implement one of the following actions as appropriate:
 - Reduce the amount of BALP funds disbursed to support the next month's Operating Expense and Working Capital needs in alignment with the reduced labor costs, etc.
 - Terminate and write off the loan.
- If the Borrower fails to provide the required information by the 15th of the month as outlined above, the loan will be considered in default and all further loan disbursements will be halted until the Borrower is in compliance. If the Borrower fails to bring the loan into compliance in two consecutive months, the loan will be considered in default and the Operator and Administrator will develop options and present the loan to the LAC to determine the appropriate action.

12.2 Forgiveness Compliance

The loan will be determined to be forgivable if the Borrower meets the following criteria.

- Borrower retains the agreed upon number of jobs for a minimum period of 3 months, 51% of which were initially filled by LMI individuals and, if turnover occurs, agrees to make these positions available to an LMI individual.
- Borrower uses BALP funds for the purchase of FF&E in accordance with the project Sources and Uses Statement and in compliance with CDBG cost reasonableness requirements.
- Provides the required monthly financial and payroll information monthly by the 15th of the month following the close of the previous month.
- Meets with the Operator and/or the TA Provider monthly via telephone or video conference to review financial performance, business needs, etc. for the term of the loan.

If at any time the Borrower ceases business operations, the BALP funds loaned to the point will be forgiven.

12.3 Forgiveness Reporting

Program reporting will conform to CDBG job retention reporting requirements including maintenance of Income Certification forms and payroll records for a minimum period of three (3) months for submission to Department to certify job retention. Additional documentation will be provided if circumstances arise that result in the business' inability to retain the projected number of jobs. All other reporting will comply with Department semi-annual and annual reporting requirements.

13.0 PROGRAM OVERSIGHT BY LENDER

13.1 Oversight of Program Operator (Operator), Technical Assistance Provider (TA Provider) and Administrator (Administrator)

The Lender's CDBG Authorized Representative or appointed staff will serve as the primary contact with the State CDBG program representative for the BALP. Lender's CDBG Authorized Representative or appointed staff will be responsible for securing services of a qualified Operator, TA Provider and Administrator for implementation of this BALP.

The Operator, TA Provider and Administrator will follow these adopted Program guidelines. The Lender's CDBG Authorized Representative or appointed staff will work directly with the Operator who will act as the liaison with the TA Provider and Administrator and be kept informed of all marketing efforts and outreach. The Operator, working in collaboration with the TA Provider and Administrator will provide a monthly tracking sheet to the Lender's CDBG Authorized Representative or appointed staff that shows all applications received and in different stages of process.

As per the agreement between the Lender and the Operator, TA Provider and Administrator, all required reports for the BALP will be reviewed and approved by Lender's CDBG Authorized Representative or appointed staff prior to any signatures by Lender's CDBG Authorized Representative or other approved party. For financial reporting, the Lenders CDBG Authorized Representative or appointed staff will ask for the Lender's fiscal staff to review and approve each fiscal report.

Once a loan is able to be approved, the Lender's CDBG Authorized Representative or appointed staff will review the credit memo and Department's Loan Certification Form. Once the review is completed, the Lender's CDBG Authorized Representative or appointed staff will schedule a Loan Advisory Committee (LAC) meeting for loan approval in accordance with the lending guidelines outlined in this document. If approved, the Loan Certification Form will be submitted by Lender's CDBG Authorized Representative or appointed staff to the State for review and approval, as necessary. When State CDBG written approval is given, Lender's CDBG Authorized Representative or appointed staff will ensure all loan documents are properly reviewed by legal staff and meet CDBG requirements prior to signing by the Borrower.

13.2 Oversight of Loan Servicing Agent

The loan servicing agent will be the program Operator for loans with forgiveness terms and the Administrator for loans with repayment terms both of whom will comply with local loan servicing policies outlined in this document when monitoring forgiveness compliance or collecting payments. All loan repayments of past CDBG economic development loans will be serviced by the Administrator experienced in collecting and servicing business loans. The Lender's CDBG Authorized Representative or appointed staff will work closely with the Operator and/or Administrator in monitoring the Lender's existing economic development loans. The Operator and/or Administrator will give monthly reports on the status of forgiveness compliance or loan payments to be reviewed by the Lender's BALP oversight staff and fiscal staff as well. If the loan servicing agent needs to visit a Borrower to talk about late payments or discuss how the business is doing, then the Lender's CDBG Authorized Representative or appointed staff shall be invited to attend the meeting as well.

At each LAC meeting the Lender's CDBG Authorized Representative or appointed staff and Operator and Administrator will brief the members on any problems or concerns regarding noncompliance with loan forgiveness or repayments of existing loans. This includes decisions to foreclose and declare defaults. In addition, the governing body will make the final decisions regarding loan collection in conjunction legal counsel and staff.

Operator will coordinate with TA Provider's and Administrator's staff to complete the required State CDBG financial reports for program income, complete the proper quarterly and annual program income reports for review, approval, signature and submittal by the Lender's CDBG Authorized Representative to the State CDBG program representative. Lender's CDBG Authorized Representative or appointed staff will consult and monitor all activities managed by the BALP Operator, TA Provider and Administrator.



CITY COUNCIL AGENDA REPORT

TO: MAYOR INSCORE AND MEMBERS OF THE CITY COUNCIL

FROM: ERIC WIER, CITY MANAGER

BY: LINDA LEAVER, FINANCE DIRECTOR

DATE: AUGUST 3, 2020

**SUBJECT: 2020 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
CORONAVIRUS RESPONSE ROUND 1 APPLICATION**

RECOMMENDATION

- Hear staff report
- Receive public comment
- Consider and take the following actions:
 1. Adopt Resolution 2020-68, A RESOLUTION APPROVING AN APPLICATION FOR FUNDING AND THE EXECUTION OF A GRANT AGREEMENT AND ANY AMENDMENTS THERETO FROM THE 2020 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM – CORONAVIRUS RESPONSE ROUND 1
 2. Authorize the City Manager to sign CDBG-CV1 Certifications and Statement of Assurances
 3. Adopt Resolution 2020-69, A RESOLUTION OF THE CITY OF CRESCENT CITY AMENDING THE FISCAL YEAR 2020-21 BUDGET
 4. Authorize the City Manager to sign Amendment #2 to the Professional Services Agreement with Adams Ashby Group
 5. Direct staff to complete and submit all required grant application documents

BACKGROUND

The Community Development Block Grant (CDBG) program is a federally funded program through the Department of Housing and Urban Development (HUD). The principle objective of CDBG is the development of viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for persons of low- and moderate-income.

As a non-entitlement jurisdiction (cities with population less than 50,000 and counties with populations less than 200,000), Crescent City applies for CDBG program funding through

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the State Department of Housing and Community Development (HCD). HCD receives funding from the federal government and releases a Notice of Funding Availability (NOFA) to invite applications from jurisdictions within California.

For this NOFA, \$18.7 million in funding was made available through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. This is Round 1 funding, with a total of four rounds expected. For Round 1, HCD is allocating funding to all eligible non-entitlement jurisdictions based on a formula. An application is required, but it is non-competitive. Both Crescent City and Del Norte County are allocated funds in Round 1 (\$67,634 for Crescent City and \$118,019 for Del Norte County). The projects must be directly targeted to prevent, prepare for, and respond to coronavirus and the funds must be spent within 12 months. These funds are also allotted a higher percentage for City/County administrative costs (17%) in order to assist local agencies with the increased costs related to our COVID-19 response.

ITEM ANALYSIS

As soon as this funding was announced, City and County staff began discussions regarding potential projects. Since the funding amounts are relatively small, staff was interested in a possible joint project that could serve the entire county and be more effective and efficient than running two separate, smaller projects. The City and County also reached out to local nonprofits and agencies to request input and held a joint public meeting on July 7, 2020 to discuss the program and possible uses of the funds. The Family Resource Center of the Redwoods (FRC) was the only agency to submit a proposal.

The FRC proposal would address food insecurity in the county that has been made worse by COVID-19. Many businesses have either been closed or have limited operations due to the health emergency, which has also led to increased unemployment. Higher unemployment directly correlates to an increased need for food pantry services. In addition, many people are unable to travel to the food pantry due to limited transportation or health concerns. The food pantry also needs to limit the number of people in the food pantry at one time, to help prevent the spread of the virus. In order to address all of these issues, FRC proposes to purchase and operate a mobile food pantry. They would stock the refrigerated truck with fresh food and move it to various locations around the county, bringing food pantry services to those in need. The proposal would utilize both the City and County allocations (\$154,053 plus \$31,600 for the City's administration costs) for the 12-month period and is expected to serve an additional 1,200 people. FRC has also secured additional funding through Cal-Recycle, Building Healthy Communities, and FEMA to ensure the success of the project.

City and County staff met to discuss the proposal and are in support of the project. Both agencies have also agreed to combine funding and have the City administer the program, as the City already has a working relationship with the FRC food pantry. The City and County will need to execute a Memorandum of Understanding to make this a county-wide project and to combine funding. The MOU is currently under review by City and County

legal staff. The City will also need to execute a subrecipient agreement with FRC, which is under review as well. Both agreements will be brought back to the Council for approval at the August 17, 2020 meeting.

The application for funding is non-competitive but still requires a significant amount of documentation, and the timeline is short. Staff recommends budgeting \$1,800 for grant-writing assistance. This would be an amendment to the City's existing contract with Adams Ashby Group. The City will need to budget and expend these funds up front but would be eligible for reimbursement through the grant funds once the grant is approved.

Next Steps

Staff recommends the City Council take the following actions:

1. Adopt Resolution 2020-68, A Resolution Approving an Application for Funding and the Execution of a Grant Agreement and Any Amendments Thereto From the 2020 Community Development Block Grant Program – Coronavirus Response Round 1
2. Approve and authorize City Manager to sign CDBG-CV1 Certifications and Statement of Assurances
3. Adopt Resolution 2020-69, A Resolution of the City of Crescent City Amending the Fiscal Year 2020-21 Budget
4. Approve and authorize City Manager to sign Amendment #2 to the Professional Services Agreement with Adams Ashby Group
5. Direct staff to bring back an MOU with Del Norte County to combine funding and provide mobile food pantry services in the county and a subrecipient agreement with FRC to the next regular Council meeting
6. Direct staff to complete and submit all required grant application documents

FISCAL ANALYSIS

This funding is a non-competitive allocation and does not require a local match. CDBG funds are on a reimbursement basis. The subrecipient will invoice the City periodically, and the City will pay the subrecipient and then submit a reimbursement request to HCD. HCD typically reimburses the City approximately 30 days after the reimbursement request has been submitted.

The cost of Adams Ashby Group to assist with the grant application will be funded from the City's General Fund but is expected to be reimbursed through the grant funds.

STRATEGIC PLAN ASSESSMENT

This action supports the following Strategic Plan goals:

- Goal 1: Support quality services, community safety, and health to enhance the quality of life and experience of our residents and visitors
- Goal 1(A): Enhance collaboration with other agencies and the community to better aid the public

- Goal 2(D): Collaborate with other jurisdictions and non-profits to maximize regional effectiveness and amplify funding opportunities
- Goal 2(F)(9): Expand on the success of grant funding by maximizing utilization of opportunities with corresponding community needs

ATTACHMENTS

1. Resolution 2020-68, A Resolution Approving an Application for Funding and the Execution of a Grant Agreement and Any Amendments Thereto From the 2020 Community Development Block Grant Program – Coronavirus Response Round 1
2. CDBG-CV1 Certifications and Statement of Assurances
3. Resolution 2020-69, A Resolution of the City of Crescent City Amending the Fiscal Year 2020-21 Budget
4. Adams Ashby Professional Services Agreement Amendment #2
5. CDBG-CV1 Notice of Funding Availability
6. Family Resource Center mobile food pantry proposal (full document with attachments is available at www.crescentcity.org)

Staff review:



CM

RESOLUTION NO. 2020-68

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY
APPROVING AN APPLICATION FOR FUNDING AND THE EXECUTION OF A
GRANT AGREEMENT AND ANY AMENDMENTS THERETO FROM THE 2020
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM- CORONAVIRUS
RESPONSE ROUND 1 (CDBG-CV1) NOFA DATED JUNE 5, 2020**

BE IT RESOLVED by the **City Council** of the **City of Crescent City** as follows:

SECTION 1:

The City Council has reviewed and hereby approves one or more application(s) in the aggregate amount not to exceed \$200,000 for the following CDBG-CV1 activities, pursuant to the June 2020 CDBG-CV1 NOFA:

List activities and amounts

Public Services: Food Pantry Services – Mobile Pantry Not to Exceed \$ 200,000

SECTION 2:

The City acknowledges compliance with state and federal public participation requirements in the development of this application.

SECTION 3:

The City hereby authorizes and directs the City Manager, to sign this application and act on the City's behalf in all matters pertaining to this application.

SECTION 4:

If the application is approved, the City Manager is authorized to enter into and sign the grant agreement and any subsequent amendments thereto with the State of California for the purposes of this grant.

SECTION 5:

If the application is approved, the City Manager or Finance Director, is authorized to sign Funds Requests and other required reporting forms.

PASSED AND ADOPTED and made effective the same day at a regular meeting of the City Council of the City of Crescent City held on August 3, 2020 by the following polled vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Blake Inscore, Mayor
City Council

ATTEST:

Robin Patch, City Clerk

STATE OF CALIFORNIA
City/County of Crescent City

I, Robin Patch, City Clerk of the City of Crescent City, State of California, hereby certify the above and foregoing to be a full, true and correct copy of a resolution adopted by said City Council on this 3rd day of August, 2020.

Robin Patch, City Clerk of the City of
Crescent City, State of California



APPENDIX J

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Appendix J: CDBG-CV1 Application Certifications and Statement of Assurances

Complete and fully execute the attached CDBG-CV Application Certifications and Statement of Assurances. The executed statement must be uploaded as a threshold document in the application. The document **may not** be modified.

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE**

2020 W. El Camino Avenue, Suite 200
Sacramento, CA 95833
(855) 333-CDBG (2324)/ FAX (916) 263-2763
www.hcd.ca.gov



CDBG-CV1 Application Certifications and Statement of Assurances

The { City of Crescent City }, hereby certifies the following:

1. Legal Authority:

It possesses the legal authority to apply for and execute the proposed activity(s) in the application.

2. Application Authorization:

Its governing body has duly adopted or passes as an official act or resolution, motion, or similar action authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the applicant's chief executive officer or other designee to act in connection with the application and to provide such additional information as may be required.

3. Citizen Participation:

It has or will comply with all citizen participation requirements, which include, at a minimum, the following components:

- A. Provides for and encourages citizen participation, with particular emphasis on participation by persons of low and moderate income who are residents of slum and blight areas and of areas in which CDBG funds are proposed to be used, and provides for participation of residents in low- and moderate-income neighborhoods as defined by the local jurisdiction – and
- B. Provides citizens with reasonable ADA compliant and timely access to local meetings, information, and records relating to the grantee's proposed use of funds, as required by CDBG regulations, and relating to the actual use of funds under this title – and
- C. Provides for technical assistance to groups representative of persons of low and moderate income that request such assistance in developing proposals with the level and type of assistance to be determined by the grantee – and

- D. Provides for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program. These include at least the development of needs, the review of proposed activities, and review of program performance, which hearings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries and with accommodation for the handicapped. This shall include one public meeting during the program design, annual performance report preparation, and formal amendments. A public hearing shall be conducted prior to application submittal – and
- E. Solicits and provides for a timely written answer to written complaints and grievances, within 15 working days where practicable – and
- F. Identifies needs of limited-English speaking residents will be met in the case of public hearings where limited-English speaking residents can reasonably be expected to participate.

4. National Objective:

It has developed its CDBG Program so as to primarily benefit targeted income person and households and each activity in the program meets one of the three national objectives: benefit to low-and moderate-income persons, elimination of slums and blight, or meets an urgent community need (with prior Department approval) certified by the grantee as such.

5. NEPA Environmental Review:

It consents to assume, and hereby assumes the responsibilities for environmental review and decision-making in order to ensure timely compliance with NEPA by following the procedures for recipients of block grant funds as set forth in 24 CFR Part 58, titled "Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities." Also included in this requirement is compliance with Executive Order 11988 relating to the evaluation of flood hazards, Section 102(a) of the Flood Disaster Protection Act of 1973 (Public Law 93-234) regarding purchase of flood insurance, and the National Historic Preservation Act of 1966 (16 USC 470) and implementing regulations (36 CFR §800.8).

6. Audit/Performance Findings:

It certifies that the State Controller's Office (SCO) was in receipt of its complete Single Audit Package by the NOFA application due date, or certifies that is exempt from the Single Audit requirements set forth in 2 CFR Part 200.

7. Growth Control:

It certifies that there is no plan, ordinance, or other measure in effect which directly limits, by number, the building permits that may be issued for residential construction or the buildable lots which may be developed for residential purposes; or if such a plan, ordinance, or measure is in effect, it will either be rescinded before receiving funds, or it need not be rescinded because it:

- A. Imposes a moratorium on residential construction, to protect health and safety, for a specified period of time which will end when health and safety is no longer jeopardized; or
- B. Creates agricultural preserves under Chapter 7 (commencing with Section 51200) of Part 2 of Division 1 of Title 5 of the Government Code; or
- C. Was adopted pursuant to a specific requirement of a State or multi-State board, agency, department, or commission; or
- D. The applicant has an adopted housing element which the Department has found to be in compliance, unless a final order has been used by a court in which the court determined that it is not in compliance with Article 10.6 of Chapter 3 of Division 1 of Title 7 of the Government Code, commencing with section 65580.

8. Uniform Administrative Requirements:

It will comply with the regulations, policies, guidelines and requirements of 2 CFR Part 200 and 24 CFR Part 85 and the CDBG Program Guidelines.

9. Nondiscrimination:

It shall comply with the following regarding nondiscrimination laws and practices as may be amended from time to time:

- A. Title VI of the Civil Rights Act of 1964 (Public Law 88-352).
- B. Title VIII of the Civil Rights Act of 1968 (Public Law 90-284) as amended; and will administer all programs and activities related to housing and community development in a manner affirmatively furthering fair housing.
- C. Section 109 of the Housing and Community Development Act of 1974, as amended.
- D. Section 3 of the Housing and Urban Development Act of 1968, as amended.
- E. Executive Order 11246, as amended by Executive Orders 11375 and 12086.

- F. Executive Order 11063, as amended by Executive Order 12259.
- G. Section 504 of the Rehabilitation Act of 1973 (Public Law 93-112), as amended, and implementing regulations.
- H. The Age Discrimination Act of 1975 (Public Law 94-135).

10. Anti-Displacement/Relocation:

It will comply with the Federal Relocation Act (42 U.S.C. 4601 et seq.).

11. Labor Standards:

It will comply with the following regarding labor standards as may be amended from time to time:

- A. Section 110 of the Housing and Community Development Act of 1974, as amended.
- B. Section 1720, et seq. of the California Labor Code regarding public works labor standards.
- C. Davis-Bacon and Related Acts as amended (40 U.S.C. §276(a)) regarding the payment of prevailing wage rates.
- D. Contract Work Hours and Safety Standards Act (40 U.S.C. §3702) regarding overtime compensation.
- E. Anti-Kickback Act of 1934 (41 U.S.C. §51-58) prohibiting "kickbacks" of wages in federally assisted construction activities.

12. Architectural Barriers:

It will comply with the Architectural Barriers Act of 1968 (42 U.S.C. §4151 et seq.) and implementing regulations (24 CFR Parts 40-41)

13. Conflict of Interest:

It will enforce standards for conflicts of interest which govern the performance of their officers, employees, or agents engaged in the award and administration, in whole or in part, of State CDBG grant funds (24 CFR §570.611).

14. Limitations on Political Activities:

It will comply with the Hatch Act (5 U.S.C. §1501, et seq.) regarding political activity of employees.

15. Lead-Based Paint:

It will comply with the Lead-Based Paint Regulations (24 CFR Part 35), which prohibit the use of lead-based paint on projects funded by the program.

16. Debarred Contractors:

It certifies that neither the applicant or its staff are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in federal assistance programs, in any proposal submitted in connection with the CDBG program, per the Excluded Party List System located at <https://www.sam.gov/SAM/>. In addition, the applicant will not award contracts to or otherwise engage the services of any contractor while that contractor (or its principals) is debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation from the covered transaction, in any proposal submitted in connection with the CDBG program under the provisions of 24 CFR Part 24.

17. Inspection of Grant Activities:

It will give HUD, the Comptroller General, the State Department of Housing and Community Development, or any of their authorized representatives access to and the right to examine all records, books, papers, or documents related to the grant.

18. Cost Recovery:

It will not attempt to recover any capital costs of public improvements assisted in whole or part with CDBG funds by assessing any amount against properties owned and occupied by persons of low- and moderate-income including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless:

- A. CDBG funds received are used to pay the proportion of such fee or assessment that relates to the capital costs of public improvements that are financed from revenue sources other than CDBG funds; or
- B. For purposes of assisting any amount against properties owned and occupied by persons of low- and moderate-income who are not persons of very low income, that it lacks sufficient funds received from CDBG Program to comply with the requirements of this clause.

19. Procurement:

It will follow the federal procurement policies per 24 CFR §200.317 et seq.

20. Excessive Force:

It will adopt and enforce policies:

- A. Prohibiting the use of excessive force by its law enforcement agencies against individuals engaged in non-violent civil rights demonstrations; and
- B. Enforcing applicable State and local law against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstration within its jurisdiction.

21. Anti-Lobbying:

- A. It certifies and agrees that no federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- B. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer of employee of any agency, a Member of Congress in connection with the federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

22. Compliance with Laws:

The jurisdiction will comply with all applicable laws, rules, and regulations governing the activities being applied for herein.

I hereby certify under penalty of perjury that all information contained in this Statement of Assurances (including all supporting documentation) is true and correct. I understand and acknowledge that making false statements on this certification, including any documents submitted in support of it, is a crime under federal and California state laws, which may result in criminal prosecution and fines.

Printed Name of Authorized Representative (*per the Resolution*)

Signature

Title

Date

RESOLUTION NO. 2020-69

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING THE FISCAL YEAR 2020-21 BUDGET OF THE CITY OF CRESCENT CITY

WHEREAS, the budget for the fiscal year beginning July 1, 2020, as submitted by the City Manager, was reviewed by the City Council and a public hearing was held thereon the 22nd day of June 2020; and

WHEREAS, the City Council adopted said budget and has the authority to amend said budget from time to time; and

WHEREAS, the City desires to apply for funding through the Community Development Block Grant (CDBG) Coronavirus Response Round 1 to address food insecurity in our community; and

WHEREAS, the City further desires to utilize professional consultant services in the preparation of the grant application package; and

WHEREAS, the fulfillment of this priority requires an amendment to the City's budget.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AS FOLLOWS:

That the Fiscal Year 2020-21 City of Crescent City Annual Budget is hereby amended and appropriated in the amounts identified below:

	Revenue Increase (Decrease)	Expense Increase (Decrease)
General Fund		\$1,800

APPROVED and ADOPTED and made effective the same day at a regular meeting of the City Council of the City of Crescent City held on the 3rd day of August 2020, by the following polled vote:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

Blake Inscore, Mayor

ATTEST:

Robin Patch, City Clerk

**ADDENDUM NO. 2
TO
CONSULTANT AGREEMENT BETWEEN
THE CITY OF CRESCENT CITY AND ADAMS ASHBY GROUP, INC.**

This Addendum No. 2 is entered into on this _____ day of _____ 2020, by and between the City of Crescent City, a California municipal corporation, hereinafter referred to as the "CLIENT", and, Adams Ashby Group, Inc., a California corporation, hereinafter referred to as the "CONSULTANT".

WHEREAS, CLIENT and CONSULTANT entered into a Consultant Agreement dated March 8th, 2020 ("Contract"); and

WHEREAS, the Contract provides for CDBG Program grant writing services, referenced in the Contract under Section 2.0; and

WHEREAS, the Terms of Scope of Service as set forth in Exhibit "A" and Payment as set forth in Exhibit "B" of the Contract have been previously amended with Addendum No. 1, an require further amendment to cover additional services in conjunction with the CDBG-CV1 grant application.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

A. SCOPE OF SERVICE

The Contract provides for four applications to be prepared and are identified as Task 1: Pacific Pantry Food Bank; Task 2: North Coast Rape Crisis Team; and Task 3: Microenterprise Technical Assistance; Task 4: Storm Drain Project, Phase 3 - "F" Street under section 2 of Exhibit "A" and Addendum No. 1. This Addendum No. 2 shall serve to increase the Scope of Services to include Task 5: CDBG-CV1 Mobile Market/Pantry.

B. COMPENSATION

The Contract provides for compensation to be paid by CLIENT to CONSULTANT based on a Not to Exceed amount of Ten Thousand, Five Hundred Dollars and Zero Cents (\$10,500) under Section 3.01, Exhibit "B", and Addendum No. 1. This Addendum No. 2 shall serve to increase the total Contract amount to "Not to Exceed Twelve Thousand, Three Hundred Dollars and Zero Cents (\$12,300)."

C. TERMS AND CONDITIONS

Except as expressly modified in this Addendum No. 2, the terms and conditions of the Contract and the rights, duties, and obligations of the parties thereunder remain unchanged and continue in full force and effect.

IN WITNESS WHEREOF, the parties hereby executed this Addendum No. 2 on this ____ day of _____ 2020.

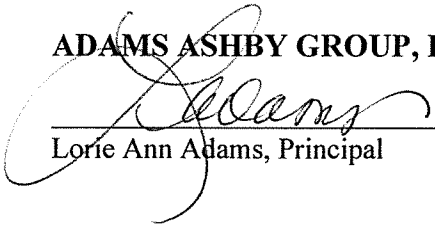
CITY OF CRESCENT CITY:

Eric Wier, City Manager

APPROVED AS TO FORM:

Martha Rice, City Attorney

ADAMS ASHBY GROUP, INC.:



Lorie Ann Adams, Principal

**ADDENDUM NO. 1
TO
CONSULTANT AGREEMENT BETWEEN
THE CITY OF CRESCENT CITY AND ADAMS ASHBY GROUP, INC.**

This Addendum No.1 is entered into on this 8th day of June 2020, by and between the City of Crescent City, a California municipal corporation, hereinafter referred to as the "CLIENT", and, Adams Ashby Group, Inc., a California corporation, hereinafter referred to as the "CONSULTANT".

WHEREAS, CLIENT and CONSULTANT entered into a Consultant Agreement dated March 8th, 2020 ("Contract"); and

WHEREAS, the Contract provides for CDBG Program grant writing services, referenced in the Contract under Section 2.0; and

WHEREAS, the Terms of Scope of Service as set forth in Exhibit "A" and Payment as set forth in Exhibit "B" of the Contract require amendment at this time.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

A. SCOPE OF SERVICE

The Contract provides for three applications to be prepared and are identified as Task 1: Pacific Pantry Food Bank; Task 2: North Coast Rape Crisis Team; and Task 3: Microenterprise Technical Assistance under section 2 of Exhibit "A". This Addendum No. 1 shall serve to increase the Scope of Services to include Task 4: Storm Drain Project, Phase 3 - "F" Street.

B. COMPENSATION

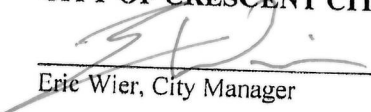
The Contract provides for compensation to be paid by CLIENT to CONSULTANT based on a Not to Exceed amount of Eight Thousand Dollars and Zero Cents (\$8,000) under Section 3.01 and Exhibit "B. This Addendum No. 1 shall serve to increase the Contract amount to "Not to Exceed Ten Thousand, Five Hundred Dollars and Zero Cents (\$10,500)."

C. TERMS AND CONDITIONS

Except as expressly modified in this Addendum No. 1, the terms and conditions of the Contract and the rights, duties, and obligations of the parties thereunder remain unchanged and continue in full force and effect.

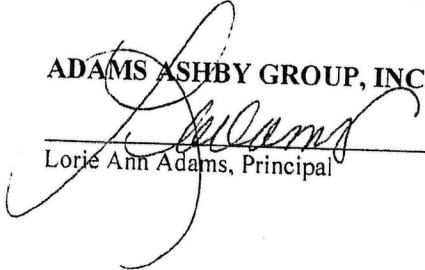
IN WITNESS WHEREOF, the parties hereby executed this Addendum No. 1 on this 8th day of June 2020.

CITY OF CRESCENT CITY:



Eric Wier, City Manager

ADAMS ASHBY GROUP, INC.:



Lorie Ann Adams, Principal

APPROVED AS TO FORM:

Martha D. Rice

Martha Rice, City Attorney

EXHIBIT A:

SCOPE OF WORK

1. Prepare applications for 2020 CDBG NOFA
 - a. CONSULTANT will provide technical support and assistance as requested by CLIENT to prepare and submit applications.
 - b. The 2020 CDBG NOFA was released January 21, 2020 by the Department of Housing and Community Development (HCD). The deadline for each application is determined by HCD.
2. The specific applications to be prepared are identified as tasks below:
 - Task 1: Pacific Pantry Food Bank
 - Task 2: North Coast Rape Crisis Team
 - Task 3: Microenterprise Technical Assistance

Exhibit B:

TERMS OF PAYMENT

CONSULTANT will bill at a flat rate for the services listed below.

- Application #1 – Pacific Pantry \$2,500.00
- Application #2 – North Coast Rape Crisis Team \$2,500.00
- Application #3 – Microenterprise Technical Assistance \$3,000.00

The total costs billed under this Agreement are Not-to-Exceed \$8,000.00.

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE**

2020 W. El Camino Avenue, Suite 670
Sacramento, CA 95833
(916) 263-2771
www.hcd.ca.gov



June 5, 2020

MEMORANDUM FOR: All Potential Applicants

FROM: Jennifer Seeger, Acting Deputy Director
Division of Financial Assistance

A handwritten signature in blue ink that reads "Jennifer Seeger".

SUBJECT: Community Development Block Grant Program –
Coronavirus Response Round 1 (CDBG-CV1)
Notice of Funding Availability

The California Department of Housing and Community Development (Department) is pleased to announce the availability of approximately \$18.7 million in new federal funds for the Community Development Block Grant Coronavirus Response Round 1 (CDBG-CV1) funding for local assistance. Funding for this Notice of Funding Availability (NOFA) is made available pursuant to the Coronavirus Aid, Relief, and Economic Security (CARES) Act signed into law March 27, 2020.

The Department will be accepting applications through the Grants Network portal beginning June 8, 2020. Applications and required documentation must be received by the Department no later than **Monday, August 31, 2020, 5:00 p.m. Pacific Daylight Time.** **Any applications received after this time will not be accepted.**

Applications will be reviewed and awarded as received. Applicants must submit their approved governing body resolution prior to the Department's execution of a Standard Agreement. The Department will not execute agreements without an approved governing body resolution that is acceptable to the Department. In the event that the CDBG-CV1 funds are not fully awarded by the application closing date, the Department will either allocate additional funding to active contracts that have met performance and timeliness milestones, or it will roll unawarded funds into subsequent rounds of CARES Act funding as appropriate and available.

Applicants are encouraged to set-up their profiles in the Grants Network portal located at <https://portal.ecivis.com/#/login> as early as possible. Profile set-up instructions can be found in the Grants Network portal, external user manual on the CDBG webpage at <https://www.hcd.ca.gov/grants-funding/active-funding/cdbg.shtml>.

CDBG-CV1 Notice of Funding Availability

June 5, 2020

Page 2

Applicants are encouraged to begin the application process early to ensure successful submission before the application deadline. If you have any trouble logging into the portal or have questions on how to complete the online application, please contact the CDBG staff at cdbg@hcd.ca.gov and make sure to include CDBG-CV1 in the subject line of your message.

To receive CDBG-CV1 NOFA FAQs, notice of the NOFA webinar, and other program information and updates, please subscribe to the CDBG listserv at https://www.hcd.ca.gov/HCD_SSI/subscribe-form.html. For questions or assistance, please email cdbgnofa@hcd.ca.gov.

Attachment

**Community Development Block Grant Program -
Coronavirus Response Round 1 (CDBG-CV1)
Notice of Funding Availability**



**Gavin Newsom, Governor
State of California**

**Lourdes M. Castro Ramírez, Secretary
Business, Consumer Services and Housing Agency**

**Gustavo Velasquez, Director
California Department of Housing and Community Development**

Division of Financial Assistance, Federal Programs Branch
Community Development Block Grant Program
2020 W. El Camino Avenue, Suite 200, Sacramento, CA 95833

CDBG Program Email: cdbg@hcd.ca.gov

June 5, 2020

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Appendices

- Appendix A CDBG-CV1 Allocations
- Appendix B Housing Element and Growth Control
- Appendix C Citizen Participation
- Appendix D Sample Resolution (Revised 4-10-20)
- Appendix E CDBG-CV1 IDIS Matrix Codes
- Appendix F Income Limits and Area Benefit
- Appendix G Determining Service Area
- Appendix H N/A
- Appendix I N/A
- Appendix J CDBG-CV1 Application Certifications
- Appendix K Draft Sample Standard Agreement

I. Notice of Funding Availability

The California Department of Housing and Community Development (Department) receives funding from the United States Department of Housing and Urban Development (HUD) for the Community Development Block Grant (CDBG) Program and allocates funds to CDBG eligible non-entitlement jurisdictions. Approximately \$18.7 million in new CDBG coronavirus response round 1 (CDBG-CV1) federal funds authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, will be allocated to eligible jurisdictions to perform Activities related to COVID-19 response and recovery. The CARES Act provides extra CDBG funds specifically targeted to prevent, prepare for, and respond to coronavirus.

The CDBG-CV1 Notice of Funding Availability (NOFA) provides funding ONLY for the following Activities, which are narrowly tailored as described in Section II.A and Section II.B of this Notice of Funding Availability (NOFA):

- Assistance to businesses and microenterprises impacted by COVID-19 stay-at-home orders and shut-downs
- Public services related to COVID-19 support
- Facility improvements related to COVID-19 healthcare and homeless housing needs
- Acquisition of real property to be used for the treatment or recovery of infectious diseases in response to COVID-19

CDBG-CV1 funds will be distributed through a simplified application via the Grants Network portal online grant management system and will be available to all CDBG-eligible non-entitlement jurisdictions as outlined in the Department's Annual Plan Amendment located at <https://www.hcd.ca.gov/policy-research/plans-reports/index.shtml>.

This NOFA outlines application requirements, timelines for eligible jurisdictions, and provides documentation requirements.

A. Tentative program timeline

EVENT	DATE
CDBG-CV1 NOFA and application released	June 5, 2020
OTC application window opens	June 8, 2020
Application deadline	August 31, 2020
Department announces awards	As applications are received

* Award timeline is dependent on receipt of HUD's grant agreement.

B. Authorizing Legislation

Funding under this NOFA is made available pursuant to the CARES Act (Public Law No: 116-136) and the Housing and Community Development Act of 1974 (HCDA) as amended and codified at Title 42 United States Code (U.S.C.) § 5301 et. seq., and Subpart 1 of the Federal CDBG Regulations, found at Title 24 Code of Federal Regulations (CFR) § 570.480 et seq. The requirements of the state administered CDBG program are in California Health and Safety Code (HSC) §§ 50825-50834. This NOFA should be read in conjunction with the following regulations that establish state and federal CDBG requirements. Relevant legal authority includes, but is not limited to, the following:

- Housing and Community Development Act of 1974 (HCDA) as amended and codified at Title 42 United States Code 5301 et seq., and Subpart 1 of the Federal CDBG Regulations
- [HSC §§ 50825-50834](#)
- [CFR, Title 24, Part 570, Subpart I](#)
- [24 CFR Part 58](#)
- [2 CFR Part 200](#)
- [CDBG Guidelines \(Guidelines\)](#)
- [The State of California 2015-2020 Consolidated Plan as amended](#)
- [The State of California 2019-2020 Annual Action Plan as amended](#)
- [Governor of California Executive Order N-66.20](#)

If state or federal statutes or regulations, or other laws, relating to the CDBG-CV1 funds are modified by the United States Congress, HUD, the Department, California State Legislature, or the Governor, the changes may become effective immediately and may be applicable to this NOFA and existing Standard Agreements.

If there is a conflict between the state and federal regulations, the federal regulations shall prevail. In addition, the Department reserves the right, at its sole discretion, to suspend or amend the provisions of this NOFA. If such an action occurs, the Department will notify interested parties. Awards made under this NOFA are also contingent upon the Department executing a grant agreement from HUD for the CARES Act funds.

C. Conditions

Applicants and Awardees acknowledge that the funding opportunities referenced in this NOFA, and all obligations of the Department herein, are expressly subject to the following conditions:

1. The ongoing availability of funds
2. The continued authority of the Department to administer the CDBG-CV1 funds
3. The execution of the CARES Act funding grant agreement with HUD
4. Issuance of the Governor's Executive Order providing regulatory relief from state statute

In the event that funds are not available to fund any, or all, Activities offered herein, or if the Department's authority to administer the CDBG-CV1 funds or act under this NOFA is eliminated, or in any way restricted, the Department shall have the option, at its sole discretion, to amend, rescind, suspend, or terminate this NOFA and any associated funding pursuant to the provision set forth immediately above. **This NOFA is not a commitment of funds to any Activity or Applicant.**

D. Applicant responsibility

It is the Applicant's responsibility to ensure that the application submitted is clear, complete, and accurate. It is also the Applicant's responsibility to ensure that the governing body resolution submitted is clear, complete, and accurate. The Department will not execute agreements without a resolution that is also acceptable to the Department. In this NOFA, the Department has gone to great lengths to explain what will be an acceptable resolution to the Department. After the application submittal deadline, Department staff may request clarifying information to make sure the application is complete and accurate and meets federal eligibility requirements. Applicants may be asked to make changes to their Activities to meet eligibility requirements. Applications that do not meet federal minimum eligibility requirements will be returned to draft status for Applicant changes. No Applicant may appeal the Department's evaluation of another Applicant's application.

II. **Eligible Activities (24 CFR §§ 570.201-203)**

Applicants can apply for a total of three (3) Activities with the total request not exceeding the allocation amount in Appendix A. **Activities funded under this NOFA will have a 12-month expenditure period.** See Appendix E for a list of eligible HUD Matrix Codes. Applicants must show a relationship between the need for services and COVID-19 impacts.

For the CDBG-CV1 NOFA, the following Activities are permitted:

A. Community Development

1. Public services to respond to COVID-19 impacts
2. Public facility improvements to increase capacity for healthcare facilities (facility improvements must include a documented connection with healthcare facility needs)
3. Public facility acquisition, provided that the end use increases healthcare facility capacity
4. Acquisition and/or improvement of housing facilities for persons experiencing homelessness

B. Economic Development with a focus on job retention

1. Business assistance
2. Microenterprise assistance (including Micro-financial assistance and Technical assistance)

III. Duplication of benefits

A Duplication of Benefits (DOB) occurs when a program beneficiary receives assistance from multiple sources for a cumulative amount that exceeds the total need for a particular funding need. The amount of the duplication is the amount of assistance provided in excess of the need. It is the Department's responsibility to ensure that each CDBG-CV1 Activity provides assistance only to the extent that the project's funding needs have not been met by another source. See the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) (42 U.S.C. § 5155; HUD Memorandum dated 9 April 2020, subject: 'CARES Act Flexibilities for CDBG funds used to support coronavirus response and plan amendment waiver').

Section 312 of the Stafford Act prohibits federal agencies from providing assistance to any "person, business concern, or other entity" for any loss to which the entity has already received financial assistance from another source (42 USC § 5155(a)). The Federal Register Notice, published November 16, 2011 (Docket No. FR-5582-N), requires adequate policies and procedures in place to prevent a DOB and the recapture of funds, if necessary.

Applicants will be required to complete DOB documentation at application and will be required to continue to report on DOBs throughout the expenditure period for the CDBG-CV1 funds.

IV. National Objectives (24 CFR §§ 570.483-484)

A. Low- to Moderate-Income National Objective

At least 70 percent of the funds awarded shall benefit low- to moderate-income (LMI) individuals or households. No Activity or portion of a program assisted by these funds may exclude from its benefits the lowest-income eligible group.

Persons, households, and/or neighborhoods benefiting from LMI Activities must meet HUD's LMI requirements. Income limits are regularly updated. Applicants will be notified via a news email blast and information will be posted on the Department's website if the HUD Adjusted Median Family Income (HAMFI) limits or low- to moderate-income areas (LMA) are updated during the application period.

The LMI National Objective consists of the following categories:

1. LMI Limited Clientele (LMC), as defined by income limits or presumed benefit.

LMC refers to persons who earn 80 percent or less of HAMFI for the county of residence, as updated annually by HUD.

Presumed benefit LMC refers to persons who, as a category, are typically low income. This includes:

- Seniors
- Persons with a disability (must meet the [Bureau of the Census' Current Population Report's definition of "severely disabled"](#))
- Homeless persons
- Abused children and battered spouses
- Illiterate adults
- Persons living with acquired immunodeficiency syndrome (AIDS)
- Migrant farmworkers

2. LMI Area (LMA), as defined by census tracts and block groups.

- LMA eligibility is based on the American Community Survey using Census Geographies.
- At least 51 percent of households in the area must be earning at 80 percent or below HAMFI to meet LMA.

- Must be contiguous – the area must be a solid area, without certain streets or buildings being excluded, and the area should be mapped to show eligibility. If a service area is not contiguous it will be determined to be a separate Activity and will need a separate application.
- Activity must be a public benefit for the area, for example, the construction of a facility to be used for testing, diagnosis, or treatment of infectious disease.

LMA eligibility should be determined from the map application at HUD’s Low- and Moderate-Income Summary Data Application page. Instructions for HUD’s mapping application can be found at this link:

<https://hud.maps.arcgis.com/apps/webappviewer/index.html?id=ffd0597e8af24f88b501b7e7f326bedd>

3. LMI Housing (LMH), as defined by household income limits

- Households earning 80 percent or less of HAMFI.

4. LMI Job Creation or Retention (LMJ) Activities

- LMJ is based on the number of full-time equivalent jobs created or retained.
- Must create or retain jobs, and 51 percent of those jobs must be for LMI persons.
- To meet the public benefit requirements for LMJ Activities, for every \$35,000 spent (including Activity delivery), one full-time equivalent job must be created or retained.

B. Urgent Need National Objective

Urgent Need is a National Objective that is available for instances where the existing conditions in a community:

- Pose a serious and immediate threat to the health or welfare of the community.
- Are of recent origin or recently became urgent.
- The applicant is unable to finance the Activity.
- Other resources of funding are not available to carry out the Activity.

The availability of Urgent Need as a National Objective depends on the overall LMI performance of the state. The state may only offer Urgent Need in the margin above the statutory 70 percent LMI requirement. As a result, Urgent Need will not be a default National Objective and may only be designated on a case-by-case basis.

Applicants that have no option but to use Urgent Need must contact the Department to discuss how to prepare and submit their application.

Please note that if HUD should provide waivers of the 70 percent LMI requirement or other guidance that will allow for greater utilization of Urgent Need, the Department may make changes to the program allocation process to incorporate Urgent Need as a default National Objective without amending this NOFA. Applicants will be notified of any such changes via email.

V. Eligible applications

Applicants must meet the following requirements when the application is submitted to be eligible to apply for funding under this NOFA:

A. Eligible jurisdictions

Any California city or county is eligible to apply for CDBG-CV1 funding except a city or county that participates in the HUD-administered CDBG Entitlement program either as a direct entitlement, or as part of an Urban County consortium. Incorporated cities located in an Urban County as defined by 42 U.S.C. 5302(a)(6) must formally elect to be excluded from participation in the Urban County entitlement status.

HUD must be notified that the city has elected to be excluded from the Urban County participation as per 24 CFR 570.307(g) for it to be eligible for the state administered CDBG program, including CDBG-CV1 funding. Eligible Applicants may use the following approaches. Only eligible Activities from eligible Applicants will be reviewed.

1. An eligible Applicant may apply on its own behalf.
2. An eligible Applicant may apply on behalf of one or more other eligible Applicants. An application on behalf of one or more other eligible applications will need to include a Memorandum of Understanding (MOU), or similar formal agreement, fully executed by all parties of the application, that clearly identifies the lead Applicant and that details the roles, responsibilities, and requirements for each party. The agreement must be enforceable.
3. Two or more eligible Applicants, which share a program, may submit a joint application. A joint application must include a MOU, or similar formal agreement, fully executed by all parties of the application, that clearly identifies the lead Applicant and that details the roles, responsibilities, and requirements for each party. The agreement must be enforceable. Only one Applicant in a joint application may be designated as the lead agency and will have the lead responsibility for administering the Standard Agreement, financial management, and Activity reporting.

B. Financial Management Compliance (2 CFR Part 200)

The Applicant must demonstrate to the satisfaction of the Department that it is in compliance with the financial management requirements at 2 CFR §200, et seq., including the single audit requirements of 2 CFR §200.501.

C. Good standing

The Applicant, and any co-Applicant, together with the respective affiliates, must be in good standing with the Department (*i.e.*, are current on all loan and/or grant obligations, have a satisfactory past performance history in all of their prior dealings with the Department, and are in full compliance with all Department contracts and reporting requirements). Applicants not meeting the foregoing requirements shall include with their application evidence that they are actively working with the Department to resolve any issue.

D. Federal debarment

Pursuant to [24 CFR Part 5](#), all CDBG-CV1 Applicants are required to verify they and their principals, or any/all persons, contractors, consultants, businesses, sub-recipients, etc., that will be conducting business with the Applicant as part of the Activity are not presently debarred, proposed for debarment, suspended, declared ineligible, or voluntarily excluded from participation in the covered transaction or in any proposal submitted in connection with the covered transaction.

The Department will not award any CDBG-CV1 funds to Applicants that are debarred, suspended, proposed for debarment, and declared ineligible or voluntarily excluded from participation from federally assisted programs, or that are proposing to partner, contract, or otherwise fund Activities through an organization that is debarred, suspended, proposed for debarment, or otherwise ineligible from participation in federally assisted programs. Applicants are responsible for providing proof that all program partners, subrecipients, contractors, and any other program participants, current or future, are not debarred. Applicants must provide proof from the federal System for Award Management that the Applicant, all application partners, and any subrecipients, developers, consultants, and contractors that are or may be participating in the application, the potential administration of the award, or the potential implementation of the Activity, are not debarred. Applicants are not required to run debarment checks against individual employees. If the Applicant has not yet procured the contractor or identified a subrecipient for a specific Activity, the Applicant will be required to check for debarment prior to executing a contract or agreement for that Activity and shall include proof of debarment evaluation in the Activity file.

E. Restrictions on multiple Activities in the same political districts

Applications for eligible Activities outside the Applicant's jurisdiction must include a legally binding agreement, acceptable to the Department, with the city or county in which the eligible Activity is located. Applicants may not apply to both the state administered CDBG program (including CDBG-CV1) and to a CDBG program

administered by an Urban County or other entitlement entity during the same program year.

VI. Funding and Activity limits

IMPORTANT NOTE:

All applications must be submitted through the Department's online Grants Network portal via <https://portal.ecivis.com/#/login>; no hard copies will be accepted. Jurisdictions will submit **one application per** Activity. Each jurisdiction **can submit up to three (3) applications** during this NOFA cycle. Each Activity must have a unique application with a complete budget, National Objective, scope of work, and milestone timeline. There will be no "combo" Activities or applications accepted in this NOFA cycle. Each Activity, both projects and programs, is stand-alone with a separate budget and scope of work. General Administration should be budgeted for each Activity up to 17 percent of the total Activity budget. HUD allows a total of 20 percent of funding to be used for planning and administration. HUD limits the state to 3 percent, which allows up to 17 percent for local jurisdictions. The Department is not proposing to allocate any funding for planning only Activities, which will allow local jurisdictions to access the full administration balance. Each Activity will have a stand-alone Standard Agreement for that Activity. Applicants are encouraged to review the attached draft Standard Agreement as a sample of the applicable terms and conditions.

- Funds from this NOFA cycle will be available to eligible Applicants via allocation through a simplified application (See Appendix A for final jurisdiction allocations).
- Maximum total grant amount limits are the allocation for your jurisdiction. Program income is not included in the allocation amounts. Total Activity budgets may exceed the award limits if program income is included in the Activity application. Note that program income included in a CDBG-CV1 application will be required to meet the same performance terms, duplication of benefits, and expenditure period for the CDBG-CV1 funds.
- Milestones: All CDBG-CV1 funded Activities must be implemented according to the milestones defined in the Standard Agreement. Applicants must include at least two milestones per Activity application – a milestone for Activity initiation and a milestone for Activity closeout. Additional milestones are optional, though encouraged for best practice Activity implementation.

VII. Program administrative costs

Grantees will be allowed to use a total of 17 percent of their allocation for program administration costs. Costs incurred in COVID-19 response prior to the allocation may be eligible for reimbursement as per the CARES Act. Applicants will be asked to identify pre-agreement costs as part of the simplified application.

VIII. Pre-agreement costs

Costs incurred in COVID-19 response prior to allocation may be eligible for reimbursement as per the CARES Act. Applicants will be required to identify pre-agreement costs. Pre-agreement costs not identified as part of the application budget will not be eligible for reimbursement. See the attached sample Standard Agreement for pre-agreement cost reimbursement terms.

IX. Threshold requirements

- A city or county must be a non-entitlement jurisdiction and must not currently be party to an Urban County Agreement or participate in, or be eligible to participate in, the HUD-administered CDBG Entitlement program.
- The Activity applied for must be an eligible Activity as defined by [24 CFR §§ 570.201-203](#) and the CARES Act.
- The Activity must meet a CDBG National Objective as defined by 24 CFR §570.483.
- The Applicant must provide the Department with its most recent single audit, if applicable. If the Applicant has open single audit findings and does not have a plan or agreement to remediate those findings, the Applicant will be deemed ineligible for CDBG-CV1 funding through the state administered CDBG program until the findings are resolved or a remediation plan or agreement is established.
- Pursuant to 24 CFR § 570.486, applications must follow CDBG Public Participation regulations as identified in the state's updated [Citizen Participation Requirements for Federal Programs, Plans, and Reports](#). Applicants will be expected to provide opportunities for virtual meetings that include opportunities for the public to pose questions about the program and receive answers. Applicants will also be expected to meet noticing and public information requirements for the program as per federal regulations and the Citizen Participation Requirements.
- As per HSC § 50829, the Applicant must submit a draft and adopted Housing Element to the Department in accordance with the requirements listed in Government Code (GC) § 65580 et seq., most specifically GC § 65585. Applicants must demonstrate compliance with HSC § 50829 with documented proof at the time of application submittal. Documented proof includes, at a minimum, correspondence, resolutions or email verification from the Department. Failure to comply with the procedural requirements (i.e., GC § 65585) of Housing Element Law will invalidate the application for this NOFA and the Applicant will be deemed ineligible for funding through the state administered CDBG program, including CDBG-CV1 funding, until the Applicant has met procedural requirements. Applicants triggering the provision of HSC § 50830 must meet and document all pertinent requirements. See Appendix A for information on Housing Element status. For additional information and assistance, please contact Paul McDougall at paul.mcdougall@hcd.ca.gov.

- The Applicant must be in good standing with the Department as defined in Section V of this NOFA.
- The Applicant must demonstrate compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 relocation requirements, as applicable.
- The Applicant must demonstrate compliance with Article XXXIV, as applicable.
- To reduce delays in the application review, award, and contracting processes, Applicants are required to use the Department's *Sample Resolution of the Governing Body*. For reference, please see Appendix D.

X. Applications

A. Application webinar

The Department will hold a NOFA workshop webinar on June 24, 2020. Please visit the Department's website at <https://www.hcd.ca.gov/grants-funding/active-funding/cdbg.shtml> to register.

Applicants are also strongly encouraged to review available webinars and training materials on the CDBG program in general, the CDBG Redesign, using the Grants Network portal, and preparing a CDBG program application in the Grants Network portal.

B. Application submission

Applicants **must** follow instructions in both this NOFA and the online application. Failure to follow instructions will result in disqualification, and applications will be returned to draft status for correction and re-submittal.

The CDBG-CV1 application and all required attachments must be submitted to the Department through the Grants Network portal located at <https://portal.ecivis.com/#/login>. Applications must include all required information to be submitted. Applicants must certify that all information is true and complete to the best of their knowledge, under penalty of perjury.

Applicants that do not have an account with the Grants Network portal should log into the <https://portal.ecivis.com/#/login>. Use the "Create an account" option to initiate a profile.

Applications must meet all threshold and eligibility requirements upon submission. It is the Applicant's responsibility to ensure that the submitted application is clear, complete, and accurate. Department staff may request clarifying information and may request that applications be revised and resubmitted to help address eligibility and threshold issues prior to approving applications and issuing awards.

C. Disclosure of application

Information provided in the application will become public record available for review by the public pursuant to the California Public Records Act (PRA) (GC § 6250 et seq.). As such, the Department may disclose any materials provided by the Applicant to any person making a request under the PRA. The Department cautions Applicants to use discretion in providing information not specifically requested, including, but not limited to, bank account numbers, personal phone numbers, home addresses, or other personally identifiable information. By providing this information to the Department, the Applicant is waiving any claims of confidentiality, and consents to the Department's disclosure of the Applicant's material upon receipt of a PRA request.

XI. **Application review, approval and commitment process**

A. Application review

All applications are required to pass threshold requirements. Failure to meet threshold will result in immediate disqualification. Applications that do not meet threshold will not be further reviewed and will be returned to a draft status for Applicant revisions.

All applications will be reviewed for Activity eligibility. Activities that do not meet program eligibility will be disqualified, and the application will be returned to a draft status for Applicant revisions.

B. Recommendations

The Department will review applications and make award recommendations according to the above criteria. Applicants that are recommended for awards will be contacted and provided with an opportunity to update project schedules or other date-dependent data that may have aged during the application review period. Applicants will officially be notified of awards through the Grants Network portal. Applicants should ensure that the appropriate contact information is included in applicant profiles to facilitate notifications of awards and requests for changes. The award notification will include instructions for accepting or declining the award, as well as an executable Standard Agreement. Applicants that are not recommended for awards will be notified through the Grants Network portal that their application has been returned to draft status for Applicant revision, as applicable.

C. Standard Agreements

Successful Applicants (Grantees) will enter into a Standard Agreement with the Department. A draft sample is included as Appendix K of this NOFA. The Standard Agreement contains all the relevant state and federal requirements, Activity performance and management requirements, and disbursement requirements. A condition of award will be that a Standard Agreement must be executed by the Grantee within 30 days (contracting period) of the Grantee's receipt of the Standard Agreement(s). Failure to execute and return the Standard Agreement(s) to the

Department within the contracting period will result in award cancellation. Award cancellations are final.

XII. Awards announcement and grant implementation

The Department anticipates awards will be announced as applications are approved for funding.

XIII. Federal program requirements

A. Cross-cutting requirements

The CDBG-CV1 funding is administered under the general rules and regulations promulgated primarily in [24 CFR § 570.600](#), et seq. These primary regulations are known as the federal cross-cutting requirements and form the basis of the programmatic requirements. The Department incorporates all federal cross-cutting requirements into the state administered CDBG program, and the regulations in Part 570 are translated into required actions on the part of all Grantees of the state administered CDBG program, including CDBG-CV1 funds.

This following is a summary of the federal cross-cutting requirements:

1. Environmental Standards (based on the National Environmental Policy Act of 1969 [NEPA])
2. Labor Standards (Davis-Bacon and related laws)
3. Achieving a HUD National Objective
4. Public participation requirements
5. Fair Housing and Affirmatively Furthering Fair Housing
6. Equal Opportunity and Non-Discrimination in federal Grant Programs
7. Federal Procurement Guidelines
8. National Flood Insurance Program compliance
9. Relocation and displacement requirements
10. Employment and Contracting Opportunities Section 3 compliance
11. Lead-based paint requirements
12. No use of debarred, ineligible, or suspended contractors or sub-recipients
13. Uniform Administrative Requirements and Cost Principles
14. Conflict of interest prohibitions
15. Compliance with the Architectural Barriers Act and the Americans with Disabilities Act
16. Compliance with Eligibility Restrictions for certain resident aliens
17. Federal reporting requirements
18. Grant and subrecipient monitoring requirements

B. Relocation Plan requirement

Applicants engaging in project-specific Activities that may or will cause the temporary or permanent relocation and displacement of persons, property, or businesses must provide a project-specific relocation plan as part of the application. The plan must meet the standards established in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). Applicants must successfully demonstrate that they have met URA requirements prior to the start of the project or displacement Activity. Applicants should include relocation costs in project budgets.

Applicants must provide General Information Notices to persons who may be displaced if the Activity in the grant application is funded. This plan must outline how the Grantee will enforce and manage the project's temporary relocation and displacement Activities and estimate what relocation benefits will be required so those costs can be included in the project's development budget.

C. Article XXXIV compliance

Applicants engaging in low-income housing project Activities that are subject to Article XXXIV of the California Constitution must show that the project approval process complies with Article XXXIV requirements as defined in the California Constitution, California state statutes, and applicable case law. The state statutes implementing Article XXXIV can be found at [HSC § 37000, et seq.](#)

D. Procurement

Pursuant to [24 CFR §570.489\(g\)](#), all Grantees must comply with federal procurement requirements. The Department will review the Grantee's procurement documents for services (i.e., administrative sub-contractor, Davis-Bacon Act consultant, etc.) at time of monitoring.

Requirements for federal procurement can be found at [2 CFR §200.317-326](#). Applicants are responsible for meeting all federal procurement standards for goods and services funded through federal programs. Failure to meet procurement requirements may result in disqualification, recapture of federal funds, and debarment.

E. Certifications and Statement of Assurances

Applicants must sign and submit the Certifications and Statement of Assurances (Appendix J) with their application to meet threshold. Please review the Statement and confirm compliance with each requirement. Failure to comply with the certifications and assurances may result in disqualification, recapture of federal funds, and debarment.

JURISDICTION ALLOCATIONS

Housing Element Eligibility status is as of June 1, 2020. This is a static list. Ineligible jurisdictions are encouraged to resolve Housing Element issues as early to be able to participate in the CDBG-CV1 funding. Eligible jurisdictions that fail to meet Housing Element timelines may be ineligible at application. For additional information and assistance, please contact Paul McDougall at paul.mcdougall@hcd.ca.gov.

Jurisdiction Low-Mod Income percentages are based on HUD's 2020 Area Benefit instructions.

Jurisdiction	CDBG-CV1 Allocation	Jurisdiction-Wide % Low-Mod Income	Housing Element Eligibility
Alpine County	\$56,890	39.82%	Currently Ineligible
Alturas	\$66,337	48.47%	Eligible
Amador City	\$55,037	46.67%	Currently Ineligible
Amador County	\$112,462	38.76%	Eligible
American Canyon	\$98,383	33.80%	Eligible
Anderson	\$86,899	61.16%	Currently Ineligible
Angels	\$68,004	43.94%	Eligible
Arcata	\$147,657	67.47%	Eligible
Artesia	\$113,758	53.95%	Eligible
Arvin	\$116,166	66.80%	Eligible
Atwater	\$132,653	49.81%	Eligible
Auburn	\$100,421	43.22%	Eligible
Avenal	\$87,639	74.18%	Eligible
Benicia	\$118,575	23.60%	Eligible
Biggs	\$59,113	58.07%	Eligible
Bishop	\$70,042	49.67%	Eligible
Blue Lake	\$57,075	39.69%	Currently Ineligible
Brawley	\$126,725	52.15%	Eligible
Butte County	\$279,919	45.99%	Eligible
Calaveras County	\$173,220	41.57%	Eligible
Calexico	\$170,998	51.68%	Eligible
Calimesa	\$74,302	38.19%	Eligible
Calipatria	\$64,484	57.63%	Eligible
Calistoga	\$71,338	54.19%	Eligible
Capitola	\$88,010	52.78%	Eligible
Carmel-by-the-Sea	\$68,560	28.46%	Eligible
Chowchilla	\$92,456	61.49%	Currently Ineligible
Clearlake	\$122,279	71.16%	Eligible
Coalinga	\$86,343	40.56%	Eligible
Colfax	\$60,224	56.79%	Eligible
Colusa	\$71,894	47.70%	Eligible
Colusa County	\$69,856	38.92%	Eligible
Corcoran	\$95,420	67.17%	Eligible
Corning	\$77,451	66.47%	Eligible
Crescent City	\$67,634	62.71%	Eligible

Jurisdiction	CDBG-CV1 Allocation	Jurisdiction-Wide % Low-Mod Income	Housing Element Eligibility
Del Norte County	\$118,019	45.60%	Eligible
Dinuba	\$124,317	60.81%	Eligible
Dixon	\$96,716	38.99%	Eligible
Dorris	\$55,593	72.58%	Eligible
Dos Palos	\$69,301	65.38%	Currently Ineligible
Dunsmuir	\$60,224	62.58%	Eligible
El Dorado County	\$403,103	34.73%	Eligible
Etna	\$56,149	68.57%	Eligible
Eureka	\$157,290	50.52%	Eligible
Exeter	\$81,897	54.96%	Eligible
Farmersville	\$82,268	59.18%	Eligible
Ferndale	\$59,483	34.69%	Eligible
Firebaugh	\$79,859	61.04%	Eligible
Fort Bragg	\$89,492	52.65%	Eligible
Fort Jones	\$57,816	47.96%	Eligible
Fortuna	\$90,974	49.51%	Eligible
Fowler	\$67,819	49.83%	Eligible
Glenn County	\$89,492	48.08%	Eligible
Grass Valley	\$113,573	65.31%	Eligible
Greenfield	\$117,278	64.77%	Eligible
Gridley	\$77,451	45.79%	Eligible
Grover Beach	\$101,532	53.61%	Eligible
Guadalupe	\$84,676	69.04%	Eligible
Gustine	\$61,521	46.42%	Eligible
Hidden Hills	\$59,668	18.33%	Eligible
Hollister	\$151,177	45.57%	Eligible
Holtville	\$69,115	59.48%	Eligible
Humboldt County	\$289,181	46.58%	Eligible
Huron	\$83,379	70.69%	Eligible
Imperial	\$76,525	20.91%	Eligible
Imperial County	\$145,805	48.54%	Eligible
Indian Wells	\$74,302	23.11%	Eligible
Industry	\$54,815	65.85%	Eligible
Inyo County	\$86,899	41.44%	Eligible
lone	\$63,003	38.75%	Eligible
Jackson	\$73,191	49.71%	Eligible
King City	\$112,462	68.41%	Eligible
Kings County	\$137,099	46.93%	Eligible
Lake County	\$202,859	51.44%	Currently Ineligible
Lakeport	\$66,337	41.50%	Currently Ineligible
Lassen County	\$85,417	38.47%	Eligible
Lemoore	\$121,724	41.05%	Eligible

Jurisdiction	CDBG-CV1 Allocation	Jurisdiction-Wide % Low-Mod Income	Housing Element Eligibility
Lincoln	\$170,442	33.27%	Eligible
Lindsay	\$98,198	67.17%	Eligible
Live Oak	\$75,043	55.17%	Eligible
Livingston	\$91,159	41.01%	Eligible
Loomis	\$68,375	24.55%	Eligible
Los Banos	\$157,845	52.59%	Eligible
Loyalton	\$56,519	55.81%	Currently Ineligible
Madera County	\$229,904	47.90%	Eligible
Mammoth Lakes	\$68,375	53.34%	Eligible
Maricopa	\$55,778	60.66%	Currently Ineligible
Marina	\$132,097	46.32%	Currently Ineligible
Mariposa County	\$107,645	38.31%	Eligible
Marysville	\$92,456	56.37%	Eligible
McFarland	\$94,493	75.01%	Eligible
Mendocino County	\$293,812	45.87%	Eligible
Merced County	\$261,024	51.54%	Eligible
Modoc County	\$63,929	48.50%	Currently Ineligible
Mono County	\$64,484	50.27%	Eligible
Montague	\$57,445	43.29%	Eligible
Mount Shasta	\$75,228	45.91%	Eligible
Napa County	\$120,057	41.84%	Eligible
Nevada City	\$65,966	48.00%	Eligible
Nevada County	\$257,134	39.32%	Eligible
Orange Cove	\$84,861	75.54%	Currently Ineligible
Orland	\$77,451	55.25%	Eligible
Oroville	\$114,870	55.20%	Eligible
Pacific Grove	\$99,495	23.93%	Eligible
Palos Verdes Estates	\$80,971	15.31%	Eligible
Parlier	\$111,906	71.45%	Eligible
Pismo Beach	\$83,379	43.06%	Eligible
Placer County	\$382,171	31.45%	Eligible
Placerville	\$92,826	55.93%	Eligible
Plumas County	\$101,532	41.09%	Eligible
Plymouth	\$56,334	55.42%	Eligible
Point Arena	\$56,334	53.85%	Eligible
Portola	\$63,003	59.34%	Eligible
Rancho Mirage	\$144,323	34.32%	Eligible
Red Bluff	\$103,941	58.69%	Eligible
Rio Dell	\$66,152	48.88%	Currently Ineligible
Rio Vista	\$80,600	43.80%	Eligible
Riverbank	\$102,273	35.70%	Eligible
San Benito County	\$101,532	45.98%	Eligible
San Joaquin	\$65,781	76.81%	Eligible

Jurisdiction	CDBG-CV1 Allocation	Jurisdiction-Wide % Low-Mod Income	Housing Element Eligibility
San Juan Bautista	\$63,558	51.56%	Eligible
San Juan Capistrano	\$198,413	51.84%	Eligible
Sand City	\$56,112	62.90%	Eligible
Sanger	\$129,689	47.09%	Eligible
Santa Cruz County	\$475,347	50.09%	Eligible
Scotts Valley	\$86,899	24.62%	Eligible
Shasta County	\$240,833	42.64%	Currently Ineligible
Shasta Lake	\$85,602	44.42%	Eligible
Sierra County	\$56,519	42.56%	Eligible
Siskiyou County	\$119,130	50.10%	Eligible
Solano County	\$107,460	39.35%	Eligible
Soledad	\$101,347	56.49%	Eligible
Sonora	\$76,525	54.59%	Eligible
South Lake Tahoe	\$138,951	59.15%	Eligible
St. Helena	\$74,487	36.53%	Eligible
Suisun City	\$129,689	41.31%	Eligible
Susanville	\$78,007	42.62%	Eligible
Sutter County	\$97,457	40.84%	Eligible
Sutter Creek	\$65,781	50.48%	Eligible
Taft	\$75,784	45.35%	Eligible
Tehama	\$54,815	47.56%	Currently Ineligible
Tehama County	\$156,586	47.18%	Eligible
Trinidad	\$55,222	27.27%	Eligible
Trinity County	\$101,903	48.72%	Eligible
Truckee	\$87,639	27.72%	Eligible
Tulare County	\$490,166	53.64%	Eligible
Tulelake	\$57,260	63.50%	Eligible
Tuolumne County	\$203,229	38.07%	Eligible
Ukiah	\$108,757	49.25%	Eligible
Vernon	\$54,630	75.00%	Eligible
Wasco	\$113,573	57.01%	Eligible
Weed	\$64,114	65.41%	Eligible
Westmorland	\$60,780	77.14%	Eligible
Wheatland	\$60,224	30.21%	Eligible
Williams	\$67,634	36.54%	Eligible
Willits	\$77,266	55.82%	Eligible
Willows	\$78,377	44.56%	Eligible
Winters	\$74,302	40.32%	Eligible
Woodlake	\$75,228	62.74%	Currently Ineligible
Yolo County	\$114,499	50.42%	Eligible
Yountville	\$67,819	44.71%	Eligible
Yreka	\$85,417	59.78%	Eligible
Yuba County	\$228,607	45.13%	Eligible

Local Assistance Total	\$17,579,805
Non-Federal Tribe 1.25%	\$234,397
Colonia 5%	\$937,590
Total Local Assistance	\$18,751,792
State of California Operations	\$579,952
Program Total	\$19,331,744

IDIS Matrix- CDBG Eligibility Activity Codes and National Objectives

Matrix Code Key - National Objective Codes (N = Not Allowed)

Code	Eligible Activity	LMA	LMC	LMH	LMJ	URG
01	Acquisition of Property - 570.201(a)					
03B	Facility for Persons with Disabilities	N		N		
03C	Homeless Facilities (not operating costs)	N		N		
03P	Health Facilities			N		
03T	Operating Costs Homeless/AIDS Patients	N		N	N	
05A	Senior Services	N		N	N	
05B	Services for Persons with Disabilities	N		N	N	
05C	Legal Services			N	N	
05D	Youth Services	N		N	N	
05F	Substance Abuse Services			N	N	
05G	Services for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking	N		N	N	
05H	Employment Training			N	N	
05J	Fair Housing Activities-Subj.to Pub.Serv.Cap			N	N	
05K	Tenant/Landlord Counseling	N		N	N	
05L	Child Care Services	N		N	N	
05M	Health Services			N	N	
05N	Abused and Neglected Children	N		N	N	
05O	Mental Health Services			N	N	
05Q	Subsistence Payments	N		N	N	
05S	Rental Housing Subsidies	N	N		N	
05T	Security Deposits	N	N		N	
05U	Housing Counseling Only, under 24 CFR 5.100	N	N		N	N
05W	Food Banks			N	N	
05X	Housing information and referral services	N			N	N
06	Interim Assistance		N	N	N	
08	Relocation					
09	Rental Income Loss					
14B	Rehab; Multi-Unit Residential	N	N		N	
14G	Acquisition for Rehabilitation	N	N		N	
14H	Rehabilitation Administration					
14I	Lead-Based Paint Abatement	N	N		N	
18A	ED Assistance to For-Profits		N	N		
18B	Economic Development: Technical Assistance		N	N		
18C	Micro-Enterprise Assist.			N		
21A	General Program Admin. - 570.206	N	N	N	N	N

Please contact the Department's Division of Housing Policy Development with questions and current status at (916) 263-2911.

**CITY OF CRESCENT CITY
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
PROJECT/PROGRAM PROPOSAL**

To submit your project or program for consideration, complete this form and attach all required documentation. If you are proposing more than one activity, complete a separate proposal for each. Submit all documents to

blacey@crecentcity.org; antoinette

Proposals must be received by 5:00 p.m. on Tuesday, July 21st, 2020.

ORGANIZATION

Organization Name: _____ Family Resource Center of the Redwoods _____

Activity: __ Public Service: Mobile Market/Pantry__ Amount Requested: __ \$185,650 __

Mailing Address: _____ 494 Pacific Ave. _____

City: __ Crescent City _____ State: __ CA __ Zip: __ 95531 __

Phone: __ 707-464-0955 Ext.2116 _____ Fax: _____ Email: __ ahixson@frcwood.org __

Federal Tax ID: __ 81-2675618 _____ DUNS: __ 080385526 _____

Chairman of Governing Board: __ Alicia McKellar _____

Executive Director: __ Amira Long _____

Contact Person for this project: __ Amanda Hixson _____

NATIONAL BENEFIT

For Public Services, at least 51% of the activity's beneficiaries must be members of the Low/Moderate Income Group as defined by the CDBG program, unless they belong to protected group. Indicate how your activity will meet this requirement by completing EITHER Item 1 OR Item 2 below (not both).

1. Limited Clientele. This activity exclusively serves individuals in one or more of the following groups (check all that apply):

_____ Abused Children	_____ Battered Spouses
_____ Severely Disabled Adults	_____ Homeless Persons
_____ Persons with AIDS	_____ Migrant Farm Workers

_____ Illiterate Adults _____ Elderly

2. Income Screening. What percentage of the beneficiaries will be members of the Low/Moderate Income Group? 67%

How was this percentage determined?

_____ Survey of program participants to determine income

x Activity will screen beneficiaries for income eligibility

x Other (Describe) As we do for Pacific Pantry, patrons will self-certify their annual income when utilizing the Mobile Market. The 67% came from the 12/30/2019 DNUSD "Eligibility by School Report" for free and reduced price meal qualification, which indicated 67% of students in the Del Norte district qualify for free and reduced price meals at the start of this year. That number will most likely have increased substantially, however, with the prolongation of the COVID pandemic.

ORGANIZATIONAL CAPACITY

Has your organization been the recipient of CDBG funding in the past?

X Yes

Most recent year awarded: 2018, but also submitted a proposal this year.

Funded through (City/County): City

Same program/project as current proposal? Yes and No. This program will be similar in that it is still focused on increasing food security by expanding access to nutritious foods to additional and more remote county locations. It will be different because it will be a mobile unit, and people that have already used their monthly pantry food allocation will be able to use CalFresh or purchase additional food through the mobile market.

Different program/project (please describe): _____

_____ No

If no, please attach a sheet describing your organization's experience in managing, tracking, and reporting on Federal grant funding.

FUNDING

How has this activity been funded in the past?

_____ This is a new program or project

 x This is an expansion of an existing program, for which new funds are needed

_____ This is an existing program for which sufficient funding has run out or will run out.

Approximate date existing funding will no longer support program: _____

Amount of funding being requested: \$185,650

Number of months for which requested funding will support services (the max could be 2-3 years, depending on how quickly the State releases funds): 12 months

Using the table below, indicate all of your organization’s revenue sources for the proposed activity (including the requested CDBG funds as well as any “in kind” donations), and the expenses each revenue will be used for. List each revenue source separately.

Uses	Requested CDBG Funding	Cal-Recycle	BHC	FEMA EFSP	Total
Personnel	59,500		17,650		77,150
Mobile Market truck	46,150	32,850			79,000
Truck pick-up travel expenses	5,000				5,000
Design and Wrap	5,000				5,000
General Admin (17%)	31,600				31,600
Food	25,000			5,000	30,000
Fuel/Insurance/Maintenance	7,850	2,000			9,850
General Equipment/Operating	5,550				5,550
					0
					0
					0
					0
Total	185,650	34,850	17,650	5,000	243,150

PROJECT NEED

For new activities:

Program will serve _____ individuals per _____ (day, week, month), for a total of _____ over the course of the grant. Of these, _____ will be low/moderate income.

For existing activities to be expanded:

Program currently serves __667__ individuals per __month__ (day, week, month), and has an unmet need of __969__ individuals per __month__ (day, week, month). The total number of NEW individuals to be benefitted over the course of the activity is __1,200___. Of these NEW individuals, __804 (67%)_ will be low/moderate income.

For existing activities to be continued:

Program currently serves _____ individuals per _____ (day, week, month), for a total of _____ over the course of the activity. Of these, _____ are low/moderate income.

How were your estimates for the number of beneficiaries determined?

From April through June 2019, the average number of individuals who used Pacific Pantry a month was 1,336. From April through June 2020, the average number of individuals who used the Pantry decreased by 50% to 667 per month. We think this decrease is due to excess benefits being available (full CalFresh benefits allotted, pandemic unemployment, pandemic EBT for families with school age children, stimulus checks, etc.), as well as people truly wanting to shelter in place and not expose themselves to extra risk by visiting the Pantry. We expect that as time goes on, and the effects of the pandemic continue to be felt beyond the sunset of the excess benefits, the number of patrons who utilize the pantry will rise to match and then exceed 2019 numbers. With just matching the numbers we saw pre-COVID19, there is an unmet need of 669 individuals a month. However, those were the number of people who could access the stationary Pacific Pantry. When we expand with a mobile unit throughout the county, we will be able to meet the unmet need for many more individuals. For example, as of January 2020, during the annual point-in-time homeless count conducted by DHHS, the department estimated there were 243 homeless individuals in Del Norte County (1-Waddelow personal communication, email). Currently Pacific Pantry serves about 68 people experiencing homelessness each month, leaving 175 with unmet needs. Additionally, the Veterans Service Representative of the Del Norte County Veterans' Services Office estimates there are about 2,000 veterans (many of whom are low income or homeless) in the County. Currently, Pacific Pantry is only giving food to about 18 veterans a month, leaving an unmet need of at least 1,000. According to the statistics reported by Feeding America, the nation's largest domestic hunger-relief organization, Del Norte county has the 3rd highest food insecurity rate (16.4%) of California's 58 counties (2-Feeding America). This means that over 4,500 people in the county could need to use our services at least some time during the year, and many will probably need to do so monthly. So, if we serve 100 additional homeless, 200 additional veterans, and 669 additional food insecure individuals through our mobile unit each month, we will expand services to 969 people with unmet needs monthly.

As an estimate to determine how many *new* patrons would use the mobile market, in the past year Pacific Pantry served 616 *new* households who had not utilized the Pantry in the previous year of operation. Therefore, if we serve about 600 new households during this 12-month grant with the mobile pantry, and each household has an average of 2 people, we will serve a total of 1,200 new individuals through the mobile unit that did not utilize Pacific Pantry before.

Are ALL of the activity's beneficiaries residents within the City limits of Crescent City? __No____

If not, what percentage of the activity's beneficiaries are residents within the City limits? _10%

How was this percentage determined? _ As the mobile market will be focusing on outlying areas that are more distant from the Pacific Pantry's physical space (since the Pantry already serves a majority of City residents), the majority of patrons will not live within the City; it is therefore essential that this is an area benefit for the County.

PROJECT DESCRIPTION

Attach a separate document addressing the following questions:

1. Describe your proposed project and explain how the activity is a response to COVID-19.

This proposal is for a mobile market which would be multifunctional. Its primary purpose would be to provide nutrient-dense food pantry assistance to Del Norte's food insecure population who struggle to access already existing food support services because of remoteness or lack of transportation. Pre-COVID-19, Del Norte was already ranked as the county with the third highest rate of food insecurity in California (2-Feeding America). Now, due to COVID, data obtained from the Workforce Center shows that in the last few months, the unemployment rates for Del Norte have risen by 311% -466% as compared to a year ago (3-Initial Unemployment Claims); moreover, it was just reported on NPR this evening that the extra pandemic unemployment benefit 25 million unemployed Americans have been receiving will end next week. It follows that the food insecurity rates in Del Norte will concurrently rise due to the effects of COVID-19, and this project is a response to meet that need.

In addition to receiving monthly pantry food services, people who have already used their benefit will be able to utilize their CalFresh benefits or purchase food from the market, also reducing numbers in enclosed grocery stores. Moreover, the market will be utilized to delivery food weekly to the homeless camps located around Crescent City.



2. Describe the serious health/safety need addressed by your project. Indicate the number of individuals who will benefit within the grant award period. How will you document that this is a currently unmet demand?

In his most recent letter to the community released on July 20th, Dr. Rehwaldt—Public Health Officer for Del Norte— stated “technically speaking, the state shelter-in-place order has never been lifted-there is no allowance for gatherings of people, any size, public or private.” He also emphasized “we think that dose and route of infection with coronavirus matter, probably a lot. Anything at all that we can do to minimize that dose of virus, or where it lands is going to help.” There are only four significant grocery food stores within Del Norte, all of which are located in Crescent City. Del Norte is classified as USDA Far and Remote Area 1 and 2, meaning the majority of the population lives 60 minutes or more from urban areas of 50,000 or more people and 45 minutes or more from urban areas of 25,000-49,999 people (4- USDA Frontier and Remote). Moreover, Del Norte residents have very little access to food produced in close proximity. Relative to other counties in California, Del Norte has very few farms (only four of the fifty-eight counties in CA have fewer farms than Del Norte); additionally, the number of farms in Del Norte has decreased by 31 since 2012 (5-2019 DNATL Community Food Assessment pg. 15), and there have been major disruptions to the food system because of COVID. This means that everyone in the county has to congregate to a few locations in order to obtain food, making social distancing and sheltering in place extremely difficult and increasing transmission risk. This mobile market will help ensure less people need to congregate at once to obtain nutritious food, and that greater social distancing and sheltering in place can occur because the market will travel closer to where people are located (rather than forcing them to enter crowded stores or food bank pick-up spots), and it is accessed from the open air, allowing plenty of room for 6-ft. of distance between patrons.

The mobile market has the potential to benefit all Del Norte residents (27,000+) at some time during the 12-month period, but we estimate we will benefit at least 1,200 new individuals at least once. There are a number of ways that we know that the mobile pantry is a currently unmet demand: 1) Del Norte

Mission Possible (DNMP) formed a Homeless Advisory Group made up of representatives from several camps in the community. The Advisory Group unanimously decided that weekly food drop-offs would benefit them the most in ensuring their health and safety during COVID (see attached DNMP letter of support); 2) In our last Emergency Food Security Taskforce Meeting on July 16th, a staff member of the Senior Center reported she has received many requests for in-home food delivery by people who do not quite qualify because they are just under the age requirement for Meals on Wheels, or right above the cap for In-Home-Support-Services. The Senior Center has also seen a large increase in those enrolled or wanting to enroll for Meals on Wheels during COVID, but has reached capacity, especially for outlying areas. The mobile market could ensure greater numbers of seniors in Klamath are able to access food by delivering meals there in conjunction with its market route. 3) The Veterans Service Representative for Del Norte also emphasized in the meeting that there are many low income and homeless veterans in Klamath, Smith River, and other areas outside Crescent City who do not have access to transportation and could be served by the market.

3. Projects must predominantly benefit low- and moderate-income persons (less than 80% of the County median income). How many of your proposed beneficiaries will be in the targeted income group? How will you document this?

In the last two years since the inception of Pacific Pantry, nearly 99% of patrons have self-certified to make 80% or lower than the County median income. As this project will be county-wide, rather than primarily serving those who can access the Pantry building, we estimate that at least 67% of patrons will be low and moderate income (based on the number of students in DNUSD who qualify for free or reduced meals based on household income).

The mobile market will utilize the same software and demographic tracking system as the Pacific Pantry: soxbox. The market will have a tablet onboard connected to wifi; each patron that utilizes the pantry will report his or her household income upon use of the mobile market.

4. How does the proposed project address/resolve the problem identified in #2? How will you document this?

The mobile market would provide greater food security for county residents, especially the most vulnerable (homeless, veterans, disabled, elderly, low-income), while also creating a more proximate, less-crowded, and less-risky access point for residents to obtain healthy food.

As mentioned above, with our existing software we will be able to track the demographics and rate of use of those who utilize the Mobile Market, and can assume that use of the Market will mean one less visit to a central grocery store or food bank/pantry location.

5. If the program or project requires additional funds beyond the CDBG award, discuss the status of other funding sources. These should be identified in the table on page 3.

All of the funds indicated on the budget on page 3 (except for this CDBG-CV1 funding) have already been secured by the FRC and would be available for use immediately if we were selected to receive this funding.

6. For construction projects, the applicant must have site control. Please describe.

N/A

7. Describe your agency's history and capacity to complete the proposed program.

The Del Norte and Tribal Lands Community Food Council (DNATL CFC) team of the Family Resource Center of the Redwoods is leading the food security and food system work in Del Norte County. The Pacific Pantry is providing food security services by providing a unique program to the City of Crescent City residents which allows access to nutritious food using a choice-based food bank model that allows patrons to "shop" for foods they want by creating a dignified space similar to a store. The program allows for culturally and dietary appropriate food choices, minimizes food waste by allowing patrons to select the foods they will use, and promotes the well being of clients, community and the environment by sourcing fresh and organic food whenever possible.

The DNATL CFC has also co-created, secured funding, and is managing a myriad of other programs aimed at increasing food security and healthy eating habits while growing our local food economy, including food forests, home gardening education, food and farm programs for youth, Del Norte's first food recovery program, and emergency food preparedness. The mobile market would be an asset for all county residents that would compliment the programs DNATL CFC is already carrying out.

8. Describe your agency's history and capacity to meet CDBG reporting requirements.

Since April 2018 when the Family Resource Center of the Redwoods received City of Crescent City CDBG funds to start Pacific Pantry, the organization has fulfilled all tracking, reporting, and monitoring requirements. Due to this previous experience, the agency is already set up with correct CDBG accounting and reporting templates and procedures. The FRC has stayed in close communication with the City throughout the process, and has completed the extensive application for the next round of CDBG funding.

9. Is the program or service provided elsewhere in the County? If so, describe why your program is needed.

There are other food assistance programs in the county, but they are primarily accessed in Crescent City, and there are no mobile markets delivering food to outlying areas. The kind of food people can access is also of vital importance; the mobile market will provide primarily nutrient-dense fresh fruits and vegetables which should be a keystone in healthy diets to prevent increased morbidity and mortality, but of which over 80% of Americans do not consume enough (6-USA Dietary Guidelines for Americans 2015-2020).

10. What will happen if funding is not provided?

If funding is not provided, we will not proceed with the mobile market at this time; however, we will continue to search for appropriate funding to implement the mobile market as stakeholders collaborating in the Del Norte Emergency Food Security Taskforce have agreed that this program would benefit the most county residents in regards to food security at this time.

Please be specific and provide supporting evidence and statistics.

Note, for all statements and statistical information provided, provide the source of the information.

Example: "According to statistics compiled by the U.C. Berkeley School of Social Work, Del Norte County's child abuse rate is among the highest in the state."

LETTERS OF SUPPORT

You may attach letters of support from other organizations, community leaders, and program participants. Letters must directly address the specific problem you are proposing to address and/or your organization's specific effectiveness in addressing the problem. General letters offering non-specific support will not be helpful to a competitive application.