



HUMBOLDT COUNTY

Headwaters Fund

APPLICATION INSTRUCTIONS FOR HEADWATERS FUND COMPETITIVE GRANT FUND

Introduction

The Headwaters Fund was started with federal and state funds given to Humboldt County to mitigate the economic impacts of the sale and preservation of the Headwaters Forest. Headwaters Fund activities are overseen by a seven-member community board (the Headwaters Fund Board) which is appointed by and reports to the Humboldt County Board of Supervisors. The mission of the Headwaters Fund is to improve the economy of Humboldt County. As specified in the Charter, the purpose of the Headwaters Fund is to:

- Support the growth of industry clusters and increase the number of sustainable jobs that pay near or above the median income;
- Enhance the quality of life through social and environmental projects that promote healthy communities and protect and enhance the natural environment.

Funding Focus

The primary funding focus of the Grant Fund is to support projects consistent with the County's economic development strategy, *Prosperity! 2018* which is available at <http://gohumco.com/DocumentCenter/View/137/2018-to-2023-Comprehensive-Development-Strategy-PDF>. Information on the base clusters identified in *Prosperity! 2018* are from the *Targets of Opportunity* Report which can be found on the Redwood Coast Prosperity website at www.redwoodcoastprosperity.com.

Projects should benefit Humboldt County base industry clusters or industries which are major contributors to the economy as identified in *Prosperity! 2018*. These industries bring dollars into Humboldt County through sales to customers outside of the County. The industry clusters are:

- Diversified Health Care
- Specialty Food, Flowers & Beverages
- Building and Systems Construction
- Investment Support Services
- Management & Innovation Services, and
- Niche Manufacturing

Major industries are:

- Forest Products
- Tourism
- Arts & Culture
- Alternative Agriculture (Cannabis)

All projects should involve close collaboration with businesses in these industries and must have a link to creating private sector jobs.

The Fund encourages projects developed cooperatively within or between industry clusters. Projects identified in the *Prosperity! 2018* Action Plan will receive priority consideration for funding. Implementation projects are encouraged over planning projects.

Projects are also rated on their ability to contribute to the quality of life for local residents and their contribution to improving the natural environment.

Funding Cycle & Amount

The total allocation for the current year is \$150,000 which will be divided among selected project proposals. Applications are capped at \$75,000. Typical awards range in the \$20,000-\$30,000 range. **Applications will be accepted beginning July 16, 2021. The deadline for submitting applications is August 20, 2022.**

Applicants are strongly encouraged to submit a letter of interest prior to submitting a full application. Please refer to the letter of interest guidelines for information which can be found at <http://gohumco.com/160/Grant-Fund>.

Funding Eligibility

Nonprofits and governmental entities are eligible to apply. Agencies should submit a letter of interest.

Tribal entities are eligible to apply for Headwaters Fund grants. Contracting requirements with the County of Humboldt for Headwaters Grant funds require a formal Resolution of Limited Waiver of Sovereign Immunity. A template for this resolution and a brief explanation for it can be found on our website at <http://gohumco.com/160/Grant-Fund> in the Grant Applicants section.

Businesses cannot receive grants directly but can partner with a nonprofit or governmental agency. The Headwaters Fund staff can advise applicants on project development options with an appropriate partner.

Project Match & Eligible Costs

Grant Fund projects must receive matching funds from non-Headwaters sources. Implementation projects must receive at least 50% of their funding from non-Headwaters sources. Planning projects must receive at least 25% of funding from non-Headwaters sources.

Cash match is preferred. However, in-kind match (e.g. donated supplies and labor) will be considered. For implementation projects, at least 25% of total project funds must be a cash match. For planning projects, at least 12% of total project funds must be a cash match. For example, for a \$10,000 planning project at least \$2,500 must be funded by a non-Headwaters Fund source; at least \$1,200 must be a cash match.

At the time of the application to the Grant Fund, if matching funds are expected but not yet in hand, the applicant must document the source, amount, date, and status of expected match (see the Application Form). Grant Fund award disbursements will be subject to proof of receipt of matching funds. Successful applicants will have up to six months from the date of a Headwaters Grant award to secure match funding. Documentation of match funding may take the form of:

- Copy of grant award letter/contract from other funders showing award amount, costs covered, budget, project description, and other information;
- Copy of organization's approved budget documenting dedicated project funds; or
- If match is not in-hand, and Grant Fund support will be used to garner outside funding, then applicant must provide a detailed fundraising/grant-writing plan, including a listing of potential funding sources, progress to date for each source, competitive position for each source, timeline, and commitments made.

All project costs are eligible for funding, except the following:

- Debt or recovery of expenses already incurred;
- Supplanting of government funds (costs formerly covered by government may be included only if the government funding is no longer available); and
- Purchases of capital equipment or property that will be privately owned, although small incentives, promotional items, and equipment purchases under \$1,000 for businesses and individuals are eligible.

Typically, total direct project overhead costs (i.e. indirect staff, supplies, printing/copying, telephone/fax, postage/delivery, and rent/utilities) should not exceed 12% of total project costs. Exceptions to this guideline must be justified in detail. The Headwaters Fund Board may approve a project for a lower amount than requested. Organizational indirect costs are not eligible for Headwaters funding.

If Headwaters funds are used for a construction project, State prevailing wage laws may apply in addition to other (i.e. the grantee would need to ensure that contractors and sub-contractors are paid prevailing wages).

Project Ranking Criteria

Each grant application is rated individually on a 100-point scale. There are three main categories in which projects are rated:

- Economic Impact (50 points)
- Environment and Quality of Life (30 points)
- Project Design and Readiness (20 points)

Guidelines for Narrative Questions

Economic Impact (50 points)

The mission of the Headwaters Fund is to improve our local economy. This question is critical to the evaluation of your proposal. Out of a 100-point scale, the Board awards 50 points based on your quantification of the expected economic impacts.

Points are assigned based on the stated direct effect the project has on increasing the capacity of the base industries. A project which provides direct support to a group of businesses in an industry which will allow them to increase sales out of the county and then create jobs could receive full points. A project with a less clear outcome related to industry benefits will receive fewer points. Projects should have clear private industry cooperation which is documented in letters of support, match funding or in-kind collaboration.

The final goal of any of the economic development strategies listed below is to create new jobs which are at or above the median wage level. A project will receive more points if it is able to directly correlate its implementation with a substantial number of new sustainable jobs.

Applications which have specific, quantifiable outcomes related to the strategies being employed will receive a higher rating.

- ***Improves Market Competitiveness***

This category is about project components which will allow the awardee, industry, sector, county, or community members served by the program to be put into an advantageous position based upon increased competitive advantage. Metrics used include but are not limited to return on investment, increase in potential client base, reduction of costs, increase in unit sales, or enhanced marketing profile. A recent example is a grant to Humboldt County Growers Alliance to begin offering small business consulting services to cannabis industry members. By offering services to an industry which is prohibited from receiving federal aid, the program will facilitate better business practices among Humboldt's cannabis industry.

- ***Benefits Clusters/Major Industries as Identified in the County CEDS***

Projects which serve the CEDS identified clusters/industries will be scored higher than those which do not. Recent examples of programs which serve these industries include grants to the Humboldt Senior Resource Center and Redwoods Rural Health Center which both offered an expansion of medical services to underserved populations in the County of Humboldt.

- ***Job Creation/Retention***

Projects which have the potential to create or retain jobs within the County of Humboldt will be given additional weight in scoring. The jobs should be measured in terms of Full Time Employment (FTE) and the applicant should clarify the primary job count as well as the ancillary job estimates. Please provide details on the multiplier used to calculate ancillary job estimates. An example of programs which serve this purpose is the Norcal Procurement Technical Assistance Center (PTAC) which offered training in procurement processes which in turn provided participants a new career path and job opportunities.

- ***Drives Capital Investment***

Projects which serve to drive capital investment of property, facilities, equipment, etc. will be scored according to the potential benefits of said capital investment. Additional weight may be given to programs which have the potential to bring funding from outside of the County. Redwoods Rural Health Center's expansion, by purchasing and retrofitting existing facilities, is a good example of how programs can drive capital investment.

- ***Business Creation/Growth/Retention***

Projects which offer potential growth/creation/retention of local businesses will be weighted according to the potential number of businesses served and the impacts on the community. The Small Business Development Center's Succession Planning workshop series is an example of a program which helped prevent the loss of viable businesses in Humboldt County.

Impact on the Environment and Quality of Life (30 points)

In addition to economic impact, the Headwaters Fund Board is interested in funding projects which can demonstrate a positive impact on the environment. Describe how your project will address any of the following categories:

- ***Benefits Underserved Population***

Projects receive points for serving historically underserved/underrepresented populations within the County of Humboldt. Programs which fit this category include the Humboldt Senior Resource Center's expansion of service to Fortuna.

- ***Protects and/or Improves Natural Environments***

In line with the mission of the Headwaters Fund, programs which offer environmental protection/improvement are viewed favorably and are given appropriate scores based upon the impacts the programs may have. These programs could support sustainable land and resource usage, preserve open spaces and working landscapes, or utilize environmental knowledge in the creation of jobs or businesses. An example of this type of program would be the River Life Foundation which is committed to trail maintenance and cleanup efforts in Fortuna.

- ***Preserves Cultural Heritage and Strengthens Community Identity***

Projects will be given points based upon the ability of the program to provide opportunities to strengthen and/or preserve cultural heritage or community identity of communities in Humboldt County.

- ***Improves Existing Infrastructure***

Projects which utilize existing but unused/underused infrastructure in the county will be given points reflecting the economic, social, and cultural benefit of utilizing these facilities.

- ***Strengthens Community Leadership and Civic Participation***

Programs which serve the community by strengthening and encouraging community leadership and civic participation will be given points based upon the expected impacts upon the community. An example is the Humboldt Business Challenge grant which encouraged leadership by facilitating student business participation.

Project Design and Readiness (20 points)

Specific points are awarded for the following categories:

- ***Project Fulfills Unmet Need***

The Headwaters Fund Board wants to know in plain language what you want to do and why. This piece of your narrative should tell the story about the problem you see and how you arrived at your project design as a way to solve it. You need to clearly demonstrate that you have completed the necessary needs assessment to prove that your assumptions are correct. A project which is fulfilling an unmet community need will receive a higher ranking.

- ***Demonstrates Cross-Sector Support (i.e. government, private, or cross industry)***

Describe how your project will foster working relationships between various industries, businesses, or governmental agencies with the end goal of creating economic benefit for the residents of the County of Humboldt.

- ***Ingredients for Project Success in Place – research, planning, permitting***

Describe the work completed already on the project. What milestone or accomplishments have been achieved? What steps have been undertaken to ensure the success of the project?

- ***Project Scope Contains Sufficient Detail to Define Success***

Describe the qualifications of your staff and organization and their capacity to successfully implement this project.

- ***Visible Private Industry Sector Support (i.e. letter of support)***

Projects with visible support by private the sector will receive additional points. Provide us with letters of support from those industry leaders who will reap the economic and social benefits of your project.

- ***Timeliness of the Project and the Likelihood it Will Succeed***

Project must demonstrate that the timing is right, and the necessary ingredients for success are in place. Describe how you will achieve your objectives, what work will be completed

and in what timeframe. Your project scope should contain sufficient detail to define the project's success. Be as specific as possible. Define how you will measure progress.

- ***Project Budget Well Thought Out and Reasonable***

Project budget should demonstrate strategic planning and be realistic in terms of project cost and expected revenue. You must include a project budget and your organizational budget.

- ***Degree of Match Funding***

More points are given for projects which have greater proven match.

Attachments

You are required to submit the following documents (failure to provide all documents will result in your application being treated as incomplete and ineligible). All documents should be provided as PDF's:

Coversheet (form supplied with grant application)

Narrative

Timeline

Project Budget

List of members of the Board of Directors

Most recent IRS tax status (for nonprofits)

Current Organizational Operating Budget

It is strongly recommended that you submit:

Up to five letters of support – preferably from the private sector

It is optional to submit:

Brief (one-page) resumes of key personnel

Market Analysis

Business Plan

Associated Research

Please minimize the length and number of attachments and make sure they are relevant to the grant application. Attachments may be shortened or left out of the grant packet at staff's discretion.

Application Process

We recommend you contact the Headwaters Fund Director, at headwaters@co.humboldt.ca.us or at (707) 445-7745 to discuss your proposal before

submission. **Applicants are strongly encouraged to first submit a letter of interest.** Applications for projects which align with our purpose will be asked to submit a full grant application.

Applications should be submitted electronically at <http://gohumco.com/160/Grant-Fund>. However, hard copies are accepted if some documents are easier to submit in paper format. Mail or drop-off paper applications to: Headwaters Fund, 825 5th Street Ste 112, Eureka, CA 95501. To receive a paper copy of the application email headwaters@co.humboldt.ca.us or call 707-445-7745

All complete applications will be forwarded to the Headwaters Fund Board for review. During the review process there may be a site visit or applicants may be contacted with questions. The Board will review all eligible applications and determine award amounts. Some projects receive a lower amount than was requested. The Headwaters Fund Board will recommend projects to the Humboldt County Board of Supervisors for approval. A typical approval process can take 3-4 months from the time of application.

Applications are subject to public records acts and disclosure requirements.

Grantee Obligations

Grantees must sign a grant contract that will include a payment and report schedule, insurance requirements and monitoring requirements. Applicants must sign the contract within 6 months of receiving Board of Supervisors approval. Grantees must utilize Headwaters grant funds within 24 months of the execution of the grant contract. Exceptions to this policy will be considered for special project needs. Tribal entities will be required to sign a limited waiver of sovereign immunity as part of the contracting process.

Applicants must provide a quarterly report to staff detailing progress on the project. At the close of the project, grantees will submit a final project report detailing expenditures, outcomes (quantitative and qualitative), and a project evaluation. Grantees also will provide the Headwaters Fund with project and organizational information for the Fund's annual public report. Grantees must maintain records of all project costs that are claimed by the grantee as being covered by the Grant Fund and other funders. The grant contract may stipulate other monitoring and evaluation requirements as needed.

For More Information

For further information, updates, and application forms for the Grant Fund or the other programs of the Headwaters Fund, please check our website at <http://gohumco.com/157/Overview>. With specific questions about your proposal, email headwaters@co.humboldt.ca.us or call (707) 445-7745.