

**AGENDA FOR THE REGULAR MEETING  
DUNSMUIR CITY COUNCIL  
October 19th, 2023**

**REGULAR SESSION: 6:00 pm**

**Join Zoom Meeting: <https://us02web.zoom.us/j/84424135442>**

**Or Call: +1 669 900 6833**

**Enter Meeting ID: 844 2413 5442**

As a courtesy, please turn off cell phones and electronic devices while the meeting is in session. Thank you.

- 1. CALL TO ORDER AND FLAG SALUTE**
- 2. ROLL CALL**
- 3. SPECIAL PRESENTATIONS AND ANNOUNCEMENTS**
  - A. Siskiyou Reads Proclamation “Read Across Siskiyou”**
  - B. Proclamation Against Hate**
  - C. Proclamation for Veterans Day**
  - D. Active Transportation Plan – Update from Civic Well**
  - E. Siskiyou Economic Development Council Quarterly Update**

**4. PUBLIC COMMENT**

Regular City Council meetings are posted on the City’s website to keep City residents informed of City Council actions and deliberations that affect the community. Meetings are scheduled to be televised on the 1<sup>st</sup> and 3<sup>rd</sup> Thursday of each month. Meetings that take place on dates other than the 1<sup>st</sup> and 3<sup>rd</sup> Thursday will not be televised.

This time is set aside for citizens to address the City Council on matters listed on the Consent Agenda as well as other items **not** included on the Regular Agenda. If your comments concern an item noted on the Regular Agenda, please address the Council when that item is open for public comment. **Each speaker is allocated three (3) minutes to speak. Speakers may not cede their time to another speaker.** Comments should be limited to matters within the jurisdiction of the City. Speaker forms are available from the City Clerk, 5915 Dunsmuir Ave, Dunsmuir, on the City’s website, or on the podium. The City Council can only take action on matters that are on the Agenda, but may place matters brought to their attention at this meeting on a future Agenda for consideration. If you have documents to present to members of the City Council, please provide a minimum of seven (7) copies.

- 5. COUNCIL AND STAFF COMMENTS**
- 6. COMMITTEE REPORTS**
- 7. APPROVAL OF MINUTES – of October 5<sup>th</sup>, 2023**
- 8. CONSENT AGENDA:**

- A. Check Register: 9/30-10/13/23**
- B. Revise CDBG Program Guidelines**

**9. PUBLIC HEARING:**

- A. SEDC CDBG CV1 Closeout Hearing National Objectives and Demographics**

**10. OLD BUSINESS – None**

**11. NEW BUSINESS –**

**A. Authorization to Closeout CDBG-CV1**

**B. Discussion and Possible Selection of Banking Provider**

**12. FUTURE AGENDA ITEMS**

**Future Agenda Items are topics brought to the City Council for review and/or action. All dates refer to first introductions and can be altered due to time and priority levels.**

- Proclamation Against Hate
- Proclamation for Veterans Day – Oct. 19th meeting
- Kosmont Update – Downtown Revitalization Plan
- Annual Fireworks Ban Ordinance
- Sheriff's Contract Extension
- Review of Status of Supporting County Library
- Cannabis Ordinance Revision
- Dogwood Tree Removal
- Historic District Review Board
- Park & Recreation District Joint Meeting
- Special Event Ordinance

**13. ADJOURNMENT**

**Copies of this agenda were posted at City Hall, Dunsmuir City Library, and City Website 72 hrs. prior to meeting time.**

**The City of Dunsmuir does not discriminate on the basis of race, color, national origin, religion, age, gender, sexual orientation, disability or any other legally protected classes in employment or provision of services. Persons who need accommodations for a disability at a public meeting may call City Hall at (530) 235-4822 for assistance. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to accommodate participation in the meeting.**

**CERTIFICATION**

**This is the official Dunsmuir City Council Agenda, created and posted in accordance with the Dunsmuir City Council Protocols.**

---

Wendy Perkins, Deputy City Clerk

---

Date

Siskiyou County

**PROCLAMATION of the 16th ANNUAL “READ ACROSS SISKIYOU” event**

**Sponsored By First 5 Siskiyou Children and Families Commission**

**WHEREAS**, the ultimate goal of the First 5 Siskiyou Children and Families Commission is that all of Siskiyou’s children from prenatal through 5 years of age will be healthy, ready to learn, and supported in safe, nurturing families and communities; and

**WHEREAS**, children in Siskiyou County from prenatal through 5 years of age have a successful start in life through daily reading with supportive and nurturing families, caregivers, educators and community leaders; and

**WHEREAS**, early literacy is the foundation for academic, social emotional, and economic success; and

**WHEREAS**, First 5 Siskiyou, in partnership with Siskiyou County Library and the Family/Community Resource Centers, dedicates one day each year to promote early literacy by providing the same titled book to be read by guest readers to children in various pre-schools, kindergartens, child care settings, libraries and online events throughout Siskiyou County on the same day and provide each child with a copy of that book to take home.

**THEREFORE**, the City of Dunsmuir hereby proclaims November 8 2023 as the 16th anniversary of “Read Across Siskiyou” and be it that this body enthusiastically endorses daily reading, singing and playing with children as a critical foundation for healthy development and life long success.

Signed \_\_\_\_\_ Date: \_\_\_\_\_

Juliana Lucchesi, Mayor, City of Dunsmuir

# Proclamation of the City of Dunsmuir

DECLARING

NOVEMBER 12 – 18<sup>th</sup> AS

UNITED AGAINST HATE WEEK

**WHEREAS**, the United States is a nation of immigrants and indigenous peoples, whose strength comes from diversity; and

**WHEREAS**, the Constitution enshrines equality on all individuals, regardless of race, gender, religion, sexual orientation, or political views; and

**WHEREAS**, across the United States, there exists alarming and frequent displays of hatred, as well as divisive and discriminatory rhetoric, which serve to deepen divisions and normalize hateful and racist discourse and other bigoted views by emboldened hate groups and individuals; and

**WHEREAS**, United Against Hate was created by civic leaders in direct response to the sharp rise in expressions of hate in our communities. The movement aims to empower local residents to take action in their communities and alter the course of this growing intolerance; and

**WHEREAS**, education, compassion, and cooperation are key to unlocking understanding and embracing difference between people; and

**WHEREAS**, the City of Dunsmuir is strengthened by the diversity of ethnic, cultural, racial, gender, and sexual identities of its residents; all of which contribute to the safe, welcoming, and vibrant character of our community.

**NOW, THEREFORE BE IT PROCLAIMED**, that I, Juliana Lucchesi, Mayor of the City of Dunsmuir, on behalf of the entire City Council, hereby declare November 12<sup>th</sup> through the 18<sup>th</sup>, 2023 as “United Against Hate Week” and urge our community to join together to condemn acts of hate toward any and all persons and to reaffirm our commitment to building an inclusive and equitable community for all.

Presented this 19<sup>th</sup> day of October, 2023.

---

Juliana Lucchesi, Mayor  
City of Dunsmuir

# PROCLAMATION

**WHEREAS,** Veterans Day has its origins in the November 11, 1918, armistice which brought World War I to a conclusion; and

**WHEREAS,** The Allied victory of World War I affirmed the strength of great nations acting together for high purposes; and

**WHEREAS,** The people of the United States caused through their elected representatives the designating of November 11 as a federal legal holiday which in 1954 became officially known thereafter as Veterans Day; and

**WHEREAS,** Veterans Day continues to be celebrated and commemorated with solemn observances in honor of all Americans who have served their country in times of war and conflict; and

**WHEREAS,** Veterans Day has become a significant part of our American heritage as we recognize the millions of our citizens whose military service has had a profound effect on history; and

**WHEREAS,** The courage, honor, sacrifice, and dedication which veterans of the United States armed forces have displayed in the cause of justice, freedom, and democracy are most worthy of recognition.

**NOW, THEREFORE, I,** Juliana Lucchesi, Mayor of the City of Dunsmuir, California, do hereby call upon all citizens to commend America's veterans and observe Friday, November 10, 2023, as

## *VETERANS DAY*

and ask that the day be observed with appropriate ceremonies in honor of those who have served to preserve our principles of Justice, Freedom, and Democracy.

**IN WITNESS WHEREOF,** I have hereunto set my hand and caused the seal of the City of Dunsmuir, to be affixed this 19<sup>th</sup> day of October, 2023.

---

Juliana Lucchesi, Mayor

**CITY OF DUNSMUIR**  
**CITY COUNCIL MEETING MINUTES**  
**October 5th, 2023**

**CALL TO ORDER AND FLAG SALUTE:**

Meeting was called to order @ 6 :01 pm by Mayor Lucchesi

**ROLL CALL:**

Council members present: Bryan, Deutsch, Keisler, Clarno, Lucchesi

Absent: None

City staff present: City Manager Rief, Deputy City Clerk Perkins, Finance Director Michaelson

**SPECIAL PRESENTATIONS AND ANNOUNCEMENTS**

Anna Burkholder (Dept Fish and Wildlife) Presents Liaison Update #11 on Dunsmuir Railyard Shoreline Response Action and Restoration Project

Makes presentation and answers questions regarding the clean-up project. Also commenting Greg Mah-Hing – Jacobs Engineering, Kate Sjober- Central Valley RWQCB, Hailey Harell – CDFW OSPR, Mey Bunte, Redding R5.

**PUBLIC COMMENT**

Open at 6:33 p.m.

Peter **Arth** – Wants to talk about sidewalks and curbs. Declaration in last bill that maintenance of adjoining sidewalk is the responsibility of the property owner. Is it all residents? Is it all businesses? Is frustrated with the sidewalk repair process. If you had sidewalk damaged by city snow plow equipment, is that the resident or property owner's problem? There are heaved sidewalks all over town that are a risk to elderly, children, etc. City is claiming no responsibility for the disrepair.

**COUNCIL AND STAFF COMMENTS**

**Sherriff Dept** updates. Introduces two new deputies, from Del Norte county. Lateral movements. August Stats. 1120 hours completed to date. 15% of fiscal year is complete. Month of hrs. 626 hrs of log time. 13 cases. 7 citations. 2 traffic related, 2 warrants. 6 arrests. Two assaults. Are not seeing people out and about, the foot and vehicle traffic has been light at late night, compared to as in years past. Domestic violence incident 4800 block of Siskiyou Ave. Both parties arrested.

City Manager **Rief** – Busy 3.5 weeks. Currently have a bat study going on at new downtown water tank. Working on snow policy, snow routes and removal policies. Will review 1<sup>st</sup> meeting of November. Will have new plows and trucks ready for winter season. Public Works Building

has been a longer process than expected. Not moving as fast as we'd like. We've interviewed for 4 Public Works positions, 3 have accepted. 1 offer still to be awarded as we had one employee in this department resign. Comment on sidewalks. In Municipal code it outlines that sidewalk maintenance are the responsibility of property owner.

**Keisler** – Steampunk was a great success. Great attendance. 25 vendors. Cindy and Len Foreman and Kris Jones were a tremendous help. Keisler was not able to attend CalCities conference but he contracted pneumonia. Apologies he could not attend.

**Deutsch** – Green Waste Day coming up Oct. 21<sup>st</sup>. Group of people working on a veteran's day memorial. Working on getting a capstone project for UCLA institute of transportation studies. Working on getting a proposal. Student will be helping design a bus system for our region. Would like to give brief report on CalCities conference. Attended meeting on emergency preparation partnerships. Disappointed in Rural cities session. Was previously headed by Yreka, most of the rural cities were 10,000 or more this time. Their advice was "ask rich people" for donations. Doesn't apply to Dunsmuir.

**Clarno** – Small cities portion of conference was a little disappointing. Keynote speaker had an important message in that if you are having trouble seeing someone's point of view, look at him as a person, not a constituent. Met with representatives of 3 local banks with a potential of switching to a new bank. Since US Bank has left Dunsmuir City staff have been driving to Weed US Bank branch. Perhaps working with a new bank will result in an ATM being located in town finally?

**Bryan- No updates at this time**

**Lucchesi** – Event this Sunday 4- 8 p.m. 100<sup>th</sup> anniversary of bank robbery at Train Tunnel 13. One of the victims of this tragedy is at Dunsmuir Cemetery. Will be an event starting at 4 p.m. at this location. Public engagement for Draft Final Recommendation for Active Transportation Plan. Attended a Planning Conference in Fresno. Poverty does impact how long you live. Attending electrification of train industry conference, for freight specifically.

## **COMMITTEE REPORTS**

**Snow policy committee met** - Started discussion about perhaps doing odd/even days of week for snow plowing operation. Discussion about downtown snow removal policy. Will be on final proposal to council soon.

## **APPROVAL OF MINUTES**

Motion by Keisler 2nd by Bryan to approve minutes of September 7<sup>th</sup>, 2023

Voice Vote:           AYES: Bryan, Deutsch, Keisler, Clarno, Lucchesi  
                              NOES: None  
                              ABSENT: None  
                              ABSTAIN: None

## CONSENT AGENDA

- **Check Register: 8/26-9/29/23**
- **COPS Grant Budget Amendment – Proposed Increase Budgeted Revenue Amount**
- **Prop 68 Children’s Park Grant Sole Source Justification**

Motion to adopt consent agenda by Keisler , 2<sup>nd</sup> by Deutsch

Roll Call Vote: AYES: Bryan, Deutsch, Keisler, Clarno, Lucchesi

NOES: None

ABSENT: None

ABSTAIN: None

## PUBLIC HEARINGS: NONE

## OLD BUSINESS: None

## NEW BUSINESS:

### A. Just CAUSE for Remote Attendance

Small portion of Council Protocols has been ammended to allow for just cause for remote participation for public meetings. Pg. 46 in Protocols has been amended to included these options to the protocols.

Public comment open at 7:26 p.m. None.

Discussion: No issues adopting full list? Should personal travel be ok? Not just city

Motion by Deutsch and 2<sup>nd</sup> by Clarno to approve Just Caused Remote Attendance policy and add to Council Protocols as presented.

All in favor.

### B. Risk Management Policy and General Information on City Self Insurance and Worker’s Compensation

City is Self insured. City of Dunsmuir sets which claims they want to pay.

City taxpayers foot the bill. Dunsmuir is a member of a Joint Powers Authority called SCORE.

Public comment open at 7:41 p.m. None.

Discussion.



Clarno moves to adopt risk management policy with change in policy 1.b. that council be notified of all claims paid out quarterly, 2<sup>nd</sup> by Keisler

Roll Call Vote:       AYES: Deutsch, Keisler, Clarno, Lucchesi  
                              NOES: None  
                              ABSENT: None  
                              ABSTAIN: Bryan

**C. Skid Steer Snowplow Sole Source Justification**

**Rief opens the item. Skid Steer is a Bobcat style plow. 13 ft wide plow, can pull wings in and out.**

**No public comment.**

Keisler moves Bryan seconds to authorize the sole source purchase of a skid steer snow plow.

Roll Call Vote:       AYES: Bryan, Deutsch, Keisler, Clarno, Lucchesi  
                              NOES: None  
                              ABSENT: None  
                              ABSTAIN: None

**D. Solid Waste Rate Study Award and Authorize Contract & Budget Amendment**

**Lucchesi introduces the item. No public comment. Discussion.**

**Keisler moves Lucchesi seconds** to accept Proposal and authorize City Manager to enter into an agreement with MSW Consultants and amend solid waste budget according to budget amendment form.

Roll Call Vote:       AYES: Bryan, Deutsch, Keisler, Clarno, Lucchesi  
                              NOES: None  
                              ABSENT: None  
                              ABSTAIN: None

**E. Solid Waste Committee Restructuring/Reorganization**

Lucchesi – introduces the item. Reminds that Tibideaux was assigned to the Solid Waste Committee. Both members were appointed by have since expired. Want to advertise vacancy to appoint member. Older members are encouraged to apply.

Lucchesi and Keisler are the council members on this committee.

No public comment.

Direction given to staff to advertise the vacancies.

#### **FUTURE AGENDA ITEMS**

Proclamation Against Hate

Proclamation for Veterans Day – Oct. 19<sup>th</sup> meeting

Kosmont update

Add all other previous items here.

#### **ADJOURNMENT**

Meeting was adjourned at 8:16 p.m.

---

**Mayor Lucchesi**

**ATTEST:**

---

**Deputy City Clerk Perkins**

## Check Register Report

Date: 10/13/2023

Time: 9:14 am

Page: 1

BANK: U.S. BANK

Check Number	Check Date	Status	Void/Stop Date	Reconcile Date	Vendor Number	Vendor Name	Check Description	Amount
U.S. BANK Checks								
58212	10/02/2023	Printed			10265	BRUCE DEUTSCH	Cal Cities Annual Conference	437.72
58213	10/06/2023	Printed			514	ADVANCED INFOSYSTEMS	Oct 2023 Utility billing	397.88
58214	10/06/2023	Printed			9885	ANTHONY CATLETT	trailer tire replace	553.12
58215	10/06/2023	Printed			10824	BAKER, WINTU	QTRLY Fire Call outs July-Sept	100.50
58216	10/06/2023	Printed			10858	BOBCAT OF REDDING	2023 Compact track loader T770	88,226.00
58217	10/06/2023	Printed			99016	CALIFORNIA BLDG STANDARDS COMM	July-Sept 2023	29.70
58218	10/06/2023	Printed			10744	CALL CENTER SALES PRO	October 2023 answering service	188.44
58219	10/06/2023	Printed			5325	REBECCA CATLETT	Sept Oct 2023 City Cleaning	132.00
58220	10/06/2023	Printed			9820	CITY OF DUNSMUIR	wtr dep retrn acct201801	1,314.24
58221	10/06/2023	Printed			6325	CLEMENS WASTE REMOVAL	weight dump fees Sept2023	7,368.53
58222	10/06/2023	Printed			6630	ANTHONY CONGI	3rd QTR Fire Call outs 2023	243.50
58223	10/06/2023	Printed			7899	JOHN A. DELGADO	3rd QTR Fire Call outs 2023	237.00
58224	10/06/2023	Printed			8600	DEPT OF CONSERVATION	July to Sept 2023	50.90
58225	10/06/2023	Printed			10149	DIVISION OF THE STATE ARCHITECT	July- Sept 2023 DSA 796	56.00
58226	10/06/2023	Printed			9830	DUNSMUIR VOL. FIREMAN'S ASSOC	QTRLY Fire Call outs July-Sept	600.00
58227	10/06/2023	Printed			10862	ESTLICK, CRAIG	QTRLY Fire Call outs July-Sept	16.00
58228	10/06/2023	Printed			9303	FASTENAL COMPANY	20 oz orange drink rt	3,369.47
58229	10/06/2023	Printed			5219	FERGUSON ENTERPRISES INC,1423	15-16 pneu test ball plug	554.01
58230	10/06/2023	Printed			9273	RONALD L. GRIFFITH	QTRLY Fire Call outs July-Sept	29.00
58231	10/06/2023	Printed			18600	JOSEPH HATTEN	3rd QTR Fire Call outs 2023	224.00
58232	10/06/2023	Printed			18610	A.C. HEILMAN	3rd QTR Fire Call outs 2023	21.50
58233	10/06/2023	Printed			10571	HINES, LINDSEY	QTRLY Fire Call outs July-Sept	14.00
58234	10/06/2023	Printed			10572	HINES, THELMA MARIELLA	QTRLY Fire Call outs July-Sept	22.50
58235	10/06/2023	Printed			19592	MARLENE HINES	QTRLY Fire Call outs July-Sept	7.50
58236	10/06/2023	Printed			19597	MARTIN HINES	QTRLY Fire Call outs July-Sept	55.00
58237	10/06/2023	Printed			19595	PATRICK J. HINES	QTRLY Fire Call outs July-Sept	42.00
58238	10/06/2023	Printed			21809	NICHOLAS B. IMHOFF	QTRLY Fire Call outs July-Sept	159.00
58239	10/06/2023	Printed			7260	L.N. CURTIS AND SONS, INC	cal fire tactical pants	436.47
58240	10/06/2023	Printed			10789	MACKINNON, WOLMAR	QTRLY Fire Call outs July-Sept	100.50
58241	10/06/2023	Printed			31625	MEYER & SONS HEATING	plumbing parts Pine Street	393.07
58242	10/06/2023	Printed			31605	EUGENE MEYER	3rd QTR Fire Call outs 2023	159.00
58243	10/06/2023	Printed			31610	LOU MEYER	3rd QTR Fire Call outs 2023	29.00
58244	10/06/2023	Printed			10880	MONTGOMERY, FARAH	county reimbursed payments	715.40
58245	10/06/2023	Printed			10753	PACE ANALYTICAL SERVICES, LLC	www biweekly 23i0644	424.73
58246	10/06/2023	Printed			31209	PAUL R. MALONE ATTY.	North Parking lot at City Hall	3,000.00
58247	10/06/2023	Printed			9468	JOSHUA S. PAULUS	QTRLY Fire Call outs July-Sept	7.50
58248	10/06/2023	Printed			44240	RAMSHAW'S ACE HARDWARE	escabbard for 32"-36" saw	60.55
58249	10/06/2023	Printed			10616	RENTAL GUYS	20' office for PW shop	373.25
58250	10/06/2023	Printed			47100	S.C.O.R.E.	2nd qtr premium Workers comp	19,524.11
58251	10/06/2023	Printed			58030	SHASTA CO. TREASURER -TAX	smt014-060-003-000 wwtp	175.10
58252	10/06/2023	Printed			47669	SISKIYOU OPPORTUNITY CENTER	blue bag program Sept 2023	594.60
58253	10/06/2023	Printed			5050	THOMPSON, DAVE	3rd QTR Fire Call outs 2023	490.50
58254	10/06/2023	Printed			10875	TOMPKINS, MARIAH	QTRLY Fire Call outs July-Sept	29.00
58255	10/06/2023	Printed			10731	VYVE	city hall internet 172-576567	171.09
58256	10/06/2023	Printed			10731	VYVE	WWTP internet	116.09
58257	10/13/2023	Printed			1910	AT&T	9391082577	162.65
58258	10/13/2023	Printed			2800	BAXTER AUTO PARTS, INC.	truck307,308,314 lights	1,252.55
58259	10/13/2023	Printed			9000	CABITTO'S SMALL ENGINE REPAIR	corner chisel fieles, bar oil	130.25
58260	10/13/2023	Printed			10783	CIVICWELL	ATP 4-440Duns Aug2023	7,988.74
58261	10/13/2023	Printed			9393	DUNSMUIR RECREATION DISTRICT	Tauhindauli Park Maint Sept23	218.00
58262	10/13/2023	Printed			9850	DUNSMUIR TRUE VALUE	Sept. 2023 Supply	154.00

# Check Register Report

Date: 10/13/2023

Time: 9:14 am

Page: 2

City of Dunsmuir

BANK: U.S. BANK

Check Number	Check Date	Status	Void/Stop Date	Reconcile Date	Vendor Number	Vendor Name	Check Description	Amount
<b>U.S. BANK Checks</b>								
58263	10/13/2023	Printed			25317	KENNY & NORINE	Dunsmuir city general Legal	486.00
58264	10/13/2023	Printed			10881	LUCIEN, BEVERLY	overpayment acct 151120	368.44
58265	10/13/2023	Printed			31212	MANFREDI'S DEPOT	Sept. 2023 Fuel City	1,429.17
58266	10/13/2023	Printed			33130	MT SHASTA CITY	cdbg-cv subsistence payments	34,753.83
58267	10/13/2023	Printed			10753	PACE ANALYTICAL SERVICES LLC	drinking wa weekly	840.40
58268	10/13/2023	Printed			10616	RENTAL GUYS	85' boom genie rental 9/11	6,790.72
58269	10/13/2023	Printed			10677	SHASTA VALLEY PEST CONTROL	Oct. 2023 Pest control	200.00

**Total Checks: 58**

**Checks Total (excluding void checks): 186,024.22**

**Total Payments: 58**

**Bank Total (excluding void checks): 186,024.22**

**Total Payments: 58**

**Grand Total (excluding void checks): 186,024.22**



# CITY OF Dunsmuir

## STAFF REPORT

**RE:** Revise program guidelines for CDBG-CV1 based on corrections requested by State

**MEETING DATE:** 10/19/2023

**SUBMITTED BY:** Blake Michaelson, Finance Director

**PURPOSE OF REPORT:** ☐ Information only ☐ Discussion ☒ Action Item

### WHAT IS BEING ASKED OF THE CITY COUNCIL:

Correct the CDBG-CV1 guidelines based on review done by state

### BACKGROUND/DISCUSSION:

On April 6th, 2023, The California Department of Housing and Community Development reviewed the Program Guidelines for 20-CDBG-CV1-00120 and requested the following corrections be made:

- 1) These are written for the State program. These need to be CDBG-CV specific without references to items that are specific to the State program and not relevant to CV.
- 2) The guidelines state that these are grants and calls them grants throughout the document, but all the guidance relates to what appears to be forgivable loans, not grants. Project description also indicates loans rather than grants.
- 3) There is guidance related to Revolving Loan Funds which would not be relevant to grants.
- 4) Will all of these have PI? How will that be determined—or will some be wholly funded with PI? Please include an explanation of how PI was allocated.
- 5) Are you funding new businesses? How are they providing a COVID Nexus?
- 6) Cannot replace lost revenue – only provide working capital or pay operating expenses going forward.
- 7) COVID Nexus – FFE's and/or Capital Improvements, if being funded.

The corrections have been completed and require City Council approval to adopt them before the Program Activity can be fully closed out.

### OPTIONS:

Approve revisions or provide different direction

### FISCAL IMPACT:

☐ None ☐ Yes Budgeted Item? ☐ Yes ☐ No

Budget Adjustment Needed? ☐ Yes ☐ No If yes, amount of appropriation increase: \$40,000

Affected fund(s): ☐ General Fund ☐ Water OM Fund ☐ Sewer OM Fund ☒ Other: CDBG fund 82

### Comments:

**SUGGESTED MOTIONS:** via consent - Accept revisions to CDBG-CV1 program guidelines

☒ **Attachments:** Revised program guidelines

# **Microenterprise Financial Assistance Program Guidelines**

**Funded by**

**City of Dunsmuir in MOU with  
Siskiyou County, Etna, Fort Jones,  
Montague, Mount Shasta, Tulelake,  
Weed, and Yreka**

**With**

**Community Development Block Grant  
Coronavirus Relief Funds (CDBG-CV)**

Adopted: \_\_/\_\_/\_\_\_\_

## TABLE OF CONTENTS

1.0	INTRODUCTION .....	1
2.0	MICROENTERPRISE FINANCIAL ASSISTANCE PROGRAM OVERVIEW .....	1
2.1	Program Administrator .....	1
2.2	Program Service Area .....	1
2.3	Source of Program Funds.....	1
2.4	Eligible and Ineligible Grant/Grant Applicants .....	2
3.0	CDBG-CV PROGRAM REQUIREMENTS .....	3
3.1	Eligible Uses of Funds .....	3
3.2	Ineligible Uses of Funds .....	3
3.3	Grant Requirements – CDBG-CV National Objectives.....	5
3.4	Grant/Grant Requirements – CDBG-CV Public Benefit .....	5
3.5	Grant/Grant Requirements – CDBG-CV and Program Underwriting Criteria .....	5
3.6	Other Federal Requirements .....	5
3.7	Duplication of Benefits .....	7
4.0	GRANT/GRANT PROCESSING AND APPROVAL .....	8
4.1	Program Marketing .....	8
4.2	Fair Lending Compliance.....	8
4.3	Grant/Grant Application Process .....	9
4.4	Grant Applicant Confidentiality.....	9
4.6	No Conflict of Interest Allowed.....	9
4.7	General Grant/Grant Closing Process – CDBG-CV Drawdown Process .....	10
5.0	DESCRIPTION OF GRANTS.....	10
5.1	Determination of Grant.....	10
6.0	GRANT/GRANT CLOSING.....	10
6.1	Commitment Letter.....	10
6.2	Grant/Grant Documentation: .....	10
6.3	Grant Disbursement:.....	10
7.0	GRANT/GRANT MONITORING AND COMPLIANCE FILES .....	11
8.0	FORGIVENESS MONITORING AND REPORTING .....	11
9.0	PROGRAM OVERSIGHT BY GRANTEE .....	11
9.1	Oversight of Program Administrator .....	11
9.2	Oversight of Grant Servicing Agent .....	11

**DUNSMUIR – SISKIYOU COUNTY**  
**COMMUNITY DEVELOPMENT BLOCK GRANT CORONAVIRUS RELIEF**  
**(CDBG-CV)**  
**MICROENTERPRISE GRANT PROGRAM GUIDELINES**

**1.0 INTRODUCTION**

The City of Dunsmuir (hereinafter called “Grantee”) has established a Microenterprise Financial Assistance Program, (hereinafter called the “Program”). The Program is designed to provide Financial Assistance (hereinafter called “FA”) that will stimulate economic growth and improve the living conditions of LMI business owners and their employees throughout Siskiyou County, by providing financial relief to businesses with five or fewer employees, one or more of whom is the owner, that conform to CDBG-CV microenterprise eligibility criteria. The Program guidelines that follow have been formally adopted by the Grantee and approved by the state CDBG-CV program.

**2.0 MICROENTERPRISE FINANCIAL ASSISTANCE PROGRAM OVERVIEW**

**2.1 Program Administrator**

The Grantee will secure the services of a qualified program administrator (hereinafter called “the Administrator”) who has experience in originating business assistance Grants and is familiar with state CDBG-CV requirements. The Administrator’s detailed scope of services will be negotiated and included in a formal agreement for services executed between the Grantee and Administrator. In general, the Administrator will market the Program, accept and process applications, underwrite and recommend approval of grants, ensure proper grant closing and disbursement of funds, maintain grant files and fiscal records and support the Grantee’s staff in administration of CDBG-CV funding and program income used to fund this Program. The Administrator will follow and ensure compliance with these guidelines.

**2.2 Program Service Area**

Financing under this Program is available to all eligible microenterprises located in the jurisdictional limits of Siskiyou 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.

**2.3 Source of Program Funds**

The Program is capitalized with CDBG-CV funds provided by HUD to the State of California Department of Housing and Community Development, (hereinafter called the “Department”), from the 2020 CARES Act. CDBG-CV funds are federal funds and as such have a number of federal requirements that must be met, as described below.



## **2.4 Eligible and Ineligible Grant/Grant Applicants**

### Eligible Grant Applicants

Eligible Program Grant applicants, (hereinafter called “Program Participant”) must fall into one of the following three categories:

- Businesses
  - Existing microenterprises 51% or more owned and operated by a U.S. Citizen(s) or permanent legal resident(s) who are classified as Low-Moderate income per HCD’s State Income Limits for the year in which grant funds are awarded. 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 Siskiyou as a “Doing Business As” (DBA)] with a valid Business License. The CDBG-CV Notice: Allows grantees to consider individuals that apply for/hold jobs to be “households of one” for purposes of meeting income eligibility requirements, rather than considering the individual’s total family size and income; and
  - Existing microenterprises where 51% or more of the employees 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 Siskiyou as a “Doing Business As” (DBA)] with a valid Business License. The CDBG-CV Notice: Allows grantees to substitute records showing the type of job and the annual wages/salary of the job, instead of the individual’s income.
  - Startup creditworthy microenterprises 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 Siskiyou as a Doing Business As] with a valid Business License. Start-ups must show how they are addressing a need related to the preventing, preparing for or responding to the disruption or impact of COVID.
  - Existing or startup creditworthy microenterprise that provides goods or services to a predominately low-to-moderate income area (LMA) and meets CDBG-CV federal and state LMA benefit regulatory requirements.

### Ineligible Grant Applicants

Ineligible Program Grant applicants include:

- Non-profit organizations
- The Program participant’s physical place of business is located outside of the jurisdictional boundaries of the eligible jurisdictions listed in Section 2.2.
- The Program participant’s physical place of business is located on tribal lands.
- The Program participant or any one of its principals is on the Federal debarred list.
- The Program participant or any of its principals have defaulted on any Federal debt.
- The Program participant has tax liens.
- The Program participant has received funds in excess of demonstrated need and has incurred a duplication of benefits (see Section 3.7 for more detail).

- The Program participant or any of its principals have a relationship with the Grantee that violates

CDBG-CV Conflict of Interest guidelines.

- The Program participant's goods or services involve the distribution, sale or use of cannabis or products containing cannabis or cannabis derivatives.

### **3.0 CDBG-CV PROGRAM REQUIREMENTS**

#### **3.1 Eligible Uses of Funds**

The uses of Program funds are restricted to eligible uses as approved by the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG-CV) Program and the Department's CDBG-CV Guidelines. All Program funds to eligible for-profit businesses will be disbursed as Grants as per the forgiveness guidelines established for this program and approved the Department.

Beneficiaries must provide evidence of how CDBG-CV funds will help prevent, prepare for, and respond to coronavirus.

Grant funds will be capped at \$100,000 (determined by underwriting) and must have a direct 'Economic Loss Tie Back' that originates to the COVID-19 Pandemic and government mandated lockdowns that began in March of 2020. Eligible beneficiaries must provide documentation to justify funds, up to and including: loss of revenue; loans taken to remain open; proof of reduction in employment; payroll records; receipts of protective equipment and utilities to promote social distancing and higher hygiene standards; records of arrears in commercial rent/mortgage and utilities; and other forms of documentation as determined adequate by the Program Administrator.

Grant proceeds may be used, but not limited to cover the following eligible costs:

- Capital improvements, such as the rehabilitation and expansion of leased or owned Real Property subject to Federal and State of CA prevailing wage requirements (including engineering and architectural plans and local permits or fees) related to the preventing, preparing for or responding to the disruption or impact of COVID.
- Purchase of Furniture, Fixtures and Equipment (FF&E) related to the preventing, preparing for or responding to the disruption or impact of COVID – including manufacturing equipment. NOTE: FF&E may trigger Federal and State of CA prevailing wage requirements if installation is a significant part of the total cost of the FF&E. Examples might include the installation of a restaurant exhaust hood, light fixtures or a "built on site" walk in cooler.
- Payroll expenses for retained/newly created employees
- Utility, rent, and mortgage assistance
- Working capital and Operating Expenses

#### **3.2 Ineligible Uses of Funds**

Program funds **CANNOT** be used to cover the following:

- Research & Development expenses for products or services that are not ready for sale defined as products or services that are at the prototyping, product testing and marketing testing stages of development.
- The reimbursement of Program participant expenses incurred prior to Grant approval by Grantee and the Department.
- The reimbursement of Program participant expenses incurred prior to the completion and clearance

of HUD Part 58 National Environmental Policy Act (NEPA).

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

- Grants to businesses that **DO NOT** meet federal CDBG program’s definition of eligible microenterprise; thus, the project does not meet a CDBG National Objectives as defined in Section 3.3.
- Projects that do not meet Federal CDBG-CV underwriting criteria as defined in Section 3.5.
- Businesses that are not generating sufficient positive cash flows to provide reasonable assurance of Grant award amounts, established by the Grantee and the Department.
- Speculative investments (e.g., use of Grant proceeds as an equity investment in another venture or an investment in a publicly traded business).
- Use of Grant funds for other businesses owned by the Program participant.
- 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-CV 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 LMI 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 Program participant 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 Grant proceeds.
- Construction/rehabilitation of buildings or portions thereof, used for the general conduct of government.
- Businesses who principal service is the conducting of political activities.
- The relocation of a business where the relocation violates CDBG-CV regulations as defined in Section 105, Anti-Pirating Rule.

### **3.3 Grant Requirements – CDBG National Objectives**

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

- A CDBG supported microenterprise assistance activity (carried out in accordance with the provisions of section 105(a)(23) of the Act or 570.482(c) and limited to microenterprises) with respect to those owners of microenterprises and persons developing microenterprises assisted under the activity who are low- and moderate-income persons. Persons determined to be low and moderate income may be presumed to continue to qualify as such for up to a three-year period.
  - A microenterprise is defined as a commercial enterprise that has five (5) or fewer employees, one or more of whom owns the enterprise of five (5) or fewer individuals where one or more of whom owns the enterprise.
- An owner(s) of a microenterprise receiving financial assistance from the CDBG program must be certified as an LMI individual In order to meet this requirement:
  - Program participant must agree to work with the Grantee or Grantee’s Agent to complete and submit to the Grantee or the Grantee’s Agent all necessary documentation to complete the CDBG Part 5 Income Certification for each business owner.

### **3.4 Grant/Grant Requirements – CDBG-CV Public Benefit**

As the Program serves CDBG eligible microenterprises as defined in Section 3.3 the Grant is exempt from CDBG Public Benefit requirements.

### **3.5 Grant/Grant Requirements – CDBG-CV and Program Underwriting Criteria**

#### CDBG-CV Underwriting Criteria

Eligible Program applicants are underwritten in accordance with CDBG-CV underwriting criteria. As the Program services CDBG-CV eligible microenterprises, Grantee has determined that CDGB underwriting criteria will be limited to the following as per 24 CFR 570.209, and have been updated to incorporate HUD’s CDBG-CV Federal Waivers (**FR-6218-N-01**).

Underwriting Criteria for Special Economic Development Activities must be developed and utilized consistently in the evaluation of projects to ensure:

1. Activities prevent, prepare for, and/or respond to coronavirus;
2. Project costs are eligible, reasonable, clearly identified, and committed;
3. The project is financially feasible;
4. The return on the owner’s equity investment will not be unreasonably high; and
5. CDBG-CV funds are disbursed on a pro rata basis with other finances provided to the project and not being substituted for non-Federal financial support.

The Program underwriting process will require some of the same that was requested by other COVID-19 directed aid programs, such as the Paycheck Protection Program and Economic Injury Disaster Loan (e.g., historic business financial statements and tax returns, historic personal financial statements and tax returns, personal credit reports, financial projections, payroll reports, outstanding balances, receipts for eligible expenses)

### **3.6 Other Federal Requirements**

here are a number of other federal laws and requirements that are triggered by use of CDBG-CV funding. The Grantee and Administrator will take the lead and ensure compliance with these other CDBG-CV regulations in conformance with standards set by the HUD. Impacts these federal regulations will have on a proposed project will be explained to the Program participant at the time of Grant application.

National Environmental Policy Act (NEPA) regulations require an Environmental Review Record (ERR) to be submitted for each project / business funded with CDBG-CV monies **prior** to authorization to use grant funds for award or approval of funds. The Grantee is required to complete the proper NEPA review along with any state review under California's Environmental Quality Act (CEQA) review. The ERR level of review is based on the type of project proposed and ALL aggregated activities to be undertaken. The Administrator may complete the ERR for the Grantee but the Grantee must sign and take legal responsibility for the review.

Davis Bacon Federal Prevailing Wage Compliance is required when CDBG-CV funding is used to pay for certain construction costs. This can add additional costs to projects that require CDBG-CV funds for construction (for example: equipment installation or tenant improvements). In addition, state prevailing wage may be triggered in the use of CDBG-CV funding. Grant processing staff 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 Grant and subsidized with the CDBG-CV funds.

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

Acquisition laws, both federal and state, must be followed when CDBG-CV 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-CV funding. Grant processing staff will work with Grant applicants to ensure the business is in compliance 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.

Dunn & Bradstreet number and check for debarment: All businesses who wish to receive funds under this Program will be required to obtain a Dunn's number. The Dunn's number is free and can be obtained online. In addition, prior to funding, the Grantee 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 Grantee collect certain income and demographic data from the business and any new hires resulting from the investment of CDBG-CV funds. Applicants will be required to obtain all proper licenses and insurance to operate legally in the community.

**UPDATE 11/03/22:** Due to a switch from DUNS number to the Universal Entity Identifier (UEI) to perform federal debarment checks, obtaining a DUNS number will no longer be required. Businesses will now be required to obtain a UEI through SAM.gov in order to be eligible.

Using CDBG-CV Program Income (PI) funds first is required. Grantee must always use local PI on hand for the same activity first prior to drawing down funds from a state open grant. If the Grantee has local CDBG program income funds allocated to the activity, then the Grantee will expend local program income first to fund a Grant prior to requesting open grant funds from the Department.

### **3.7 Duplication of Benefits**

If a program applicant intends to use CDBG-CV funds to help mitigate the economic downturns caused by the COVID-19 pandemic, the Program Operator will ensure that funds provided to applicants are

Siskiyou County CDBG-CV Microenterprise Grant Program Guidelines

non- duplicative. This Program will determine that a Duplication of Benefits has occurred for an applicant when the amount of funding that an applicant has received is greater than their total need for assistance to meet that particular need. Funding can come in the form of grants, subsidized loans, forgivable loans, insurance payments, and other direct assistance directly tied to the National Disaster declaration for the COVID-19 pandemic.

Typical sources of funding that could be duplicative include any funding source linked to CARES Act Programs. This includes SBA Grants such as the Payment Protection Program (PPP), Economic Injury and Disaster Grants (EIDL), funds from an Economic Development Association (EDA) funded Revolving Loan Fund, open CDBG-CV programs and other HUD programs, FEMA Assistance, HHS assistance, USDA assistance, IRS Programs, Treasury Assistance, Labor Assistance, and direct state/local assistance as allocated in the 2020 CARES Act. Other sources of assistance received, such as from charitable or regional community foundations, will additionally be monitored and accounted for.

Monitoring for duplication of benefits will occur beginning with the intake process when prospective applicants to the Program complete self-certification forms. The prospective applicant to the Program will be required to provide documentation to establish two requirements to determine a duplication of benefits:

- 1) Total assistance that the applicant needs with documentation for the need to include but not limited to: pro-formas of annual business revenue up to AND after March 2020 (profit/loss statements), payroll information, cost estimates for proposed capital expenses, etc.
- 2) Total assistance that the applicant has received with documentation of sources, availability, purpose, and eligible uses.

Total assistance that the applicant needs:

After the applicant has self-certified their need, it will be reviewed to assess that the need stated is necessary, reasonable, and meets the parameters of the Program. Documentation will be used to cross reference the applicant's stated need by reviewing the applicant's business expenditures and revenues up until March 2020. Those figures will be compared with their current financial figures and must demonstrate a significant gap. For capital expenses that the applicant is proposing to be reimbursed by CDBG-CV1 funds, such as personal protective equipment, façade improvements, and other equipment that can be used to promote social distancing measures throughout business operations, the applicant will provide third-party documentation to justify those costs, such as invoices, receipts, or catalogs.

Total assistance that the applicant has received:

After the applicant's need has been determined to be necessary and reasonable, the sources of assistance that the applicant has received will be reviewed for duplicative benefits. Any non-duplicative amounts of funding will be excluded from the total assistance received when compared with the applicant's stated need.

The applicant will be asked to identify all sources of financial assistance received since the onset of the 2020 COVID-19 pandemic, excluding personal and private funding sources. For each source, the applicant will identify:

- The name and classification of source (for example: SBA/Federal)
- The type and amount of resource provided (Grant, grant, credit/\$150,000)
- Timing of source; when can it be used and when does it expire
- Availability of source; does the applicant have legal control of the source or is it received through a pass-through entity/subrecipient

- Purpose of the source; are eligible expenses restricted or specific to a single purpose

Funding sources will be determined to be non-duplicative in the following cases:

- 1) Funds are for different purposes
- 2) Funds are for the same purpose but are used at different times

An example of the first case would be an applicant receiving aid from PPP for payroll expenses but plans on using CDBG-CV1 funds to purchase protective equipment such as plexiglass screens and face masks. Because the funds are intended for different purposes, they are not duplicative. An example of the second case would be that the same applicant used PPP funds for payroll expenses from May to July 2020. Public health guidelines required that the applicant had to close again in August, further affecting business revenue. That applicant could then utilize CDBG-CV1 funds for payroll expenses after the period it used PPP funds if it demonstrates a financial necessity.

Funds that are determined to be non-duplicative will be subtracted from the amount of total assistance that the applicant has received to determine the identified Duplication of Benefits (DOB) amount. This final DOB figure will be compared to the applicant's stated need, and if it is less than the need, the applicant will be eligible for assistance not-to-exceed the difference between the need and DOB.

Due to the evolving and extenuating circumstances that come with the progression of the pandemic, the Duplications of Benefits check will allow for hardship extensions linked to financial necessity. For example, if public health recommendations lead to more business closures due to escalating cases, this can be accounted for by adjusting an applicant's statement of need. Additionally, if it is determined that the scope of work and need has expanded, funds that are for the same purposes may no longer be duplicative.

In the event of an applicant incurring a duplication of benefits after having received CDBG-CV assistance, whether by misreporting or withholding information about assistance received, the applicant must agree to repay any and all assistance that is deemed duplicative, defined in Section 10.7.

## **4.0 GRANT/GRANT PROCESSING AND APPROVAL**

### **4.1 Program Marketing**

Program marketing will be conducted by Program Operator staff. The designated staff for the Grantee may arrange local media coverage with ads in local papers, utilize social media platforms, and create dedicated web resources. Marketing brochures may be distributed to local chamber of commerce and business networking organizations. Flyers may be sent to all local business owners in the program's service area. Program operator staff will work closely with the Grantee 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**

This program will be implemented in ways consistent with the Grantee'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 Program 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 Grant applicants will be kept confidential.

#### **4.3 Grant/Grant Application Process**

Grant applications will be processed on a first come first served basis. The Administrator will accept Grant 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 out instructions with requests for additional information.

Grant files will be set up as applications are received and proper information gathered. Technical assistance will be provided as needed to help the business provide proper information for Grant underwriting. The business will be required to provide proper financial information and agree to have credit checks conducted as part of Grant processing. The Administrator 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 Grantee's staff fill out financial forms for applicant.

Grant applicants are responsible for providing accurate and timely information to the program administration staff as part of the Grant 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. Program participant(s) will provide financial information from the past performance of the business with explanations of special circumstances of past performance. If the Grant applicant does not provide required information and documentation to the Administrator in a timely fashion, then any delays in the Grant approval process are not the responsibility of the Grantee or Administrator.

Once the Administrator has compiled a complete Grant file with all the financial and underwriting information needed to show Grant is eligible under these guidelines, then a Grant committee approval memo will be drafted.

#### **4.4 Grant Applicant Confidentiality**

Persons serving as the Administrator and Grantee for this Program will not disclose any of the Program participants personal confidential information as part of Grant approval process. All confidential information of businesses will only be disclosed to persons required to view the information as part of Grant review and approval. All personal and business confidential information of Grant applicants will be kept in a locked secured storage facility and not be available to persons outside of the program. If the Grantee or Administrator or Department get a request for public records for a Grant applicant then only non-confidential information, as verified by legal counsel, will be provided.

#### **4.6 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 Grant committee and officers, employees, and agents of the Grant committee, the administrative agent, contractors and similar agencies) in connection with the planning and implementation of the CDBG-CV program shall directly or indirectly be eligible for 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 Grantee's legal

counsel.

#### **4.7 General Grant/Grant Closing Process – CDBG-CV Drawdown Process**

Upon approval by the CDBG-CV Program Administrator, the Grantee will prepare for the Grant closing. The Program participant will sign all the necessary documents and agreements. The Grantee will request a drawdown of CDBG-CV funds from the Department, will issue payment to the listed owner of the Microenterprise, and will issue a 1099 upon the end of the tax year.

### **5.0 DESCRIPTION OF GRANTS**

#### **5.1 Determination of Grant**

Program Grants will not exceed \$100,000. All amounts will be determined after the applicant undergoes a duplication of benefits check.

Grant amounts will be determined based on the level of financial need and the reasonableness of the costs to be paid for by CDBG-CV. If there are not sufficient CDBG-CV funds for the project then the program Administrator can assist in locating other public or private funding to leverage CDBG-CV funding with.

### **6.0 GRANT/GRANT CLOSING**

#### **6.1 Commitment Letter:**

Once the Grant request has been approved, a commitment letter outlining the terms and conditions of the Grant approval will be prepared and provided to the Grant applicant. The commitment letter will contain detailed information on the amount and conditions. Once acceptance of the terms and conditions has been received, preparation for Grant closing will begin.

#### **6.2 Grant/Grant Documentation:**

Grant documents will be drawn as is appropriate using DocuSign or similar documents for the type of Grant. If the program participant 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. The program participant, or its representative, will be required to sign all the necessary documents and agreements.

#### **6.3 Grant Disbursement:**

Grant/Grant disbursement will take place only after all conditions have been met, Grant documents executed. Grant disbursement(s) will be prepared according to the terms of Grant approval. The procedure for Grant disbursement will vary dependent upon the purpose of the Grant funding. Regardless of the purpose, all requests for disbursement must be authorized by the program participant, or its authorized representative, and the Administrator must approve all disbursements.

## **7.0 GRANT/GRANT MONITORING AND COMPLIANCE FILES**

Following closing, monitoring files will be set up. At a minimum the first legal file shall include (if applicable):

- Grant Agreement

The second is a credit file which shall contain the day-to-day administrative records of the Grant. The credit file shall contain, at a minimum, the Grant application and financial information associated with the application, Grant memorandum, disbursement records, reports of site visits, updated financial information provided by program participant, CDBG-CV compliance data and other routine information related to the Grant.

## **8.0 CLOSEOUT MONITORING AND REPORTING**

The guidelines for Grant closeout will abide by minimum standards established by the Department per Appendix H of the CDBG-CV NOFA: Program Expectations for Economic Development Activities. Qualified applicants that meet the following terms and conditions and meet one of the listed National Objectives will receive full grant closeout.

## **9.0 PROGRAM OVERSIGHT BY GRANTEE**

### **9.1 Oversight of Program Administrator**

The Grantee's CDBG-CV Authorized Representative or appointed staff will serve as the primary contact with the State CDBG-CV program representative for the Program. Grantee's CDBG-CV Authorized Representative or appointed staff will be responsible for securing services of a qualified Administrator for implementation of this Program.

The Administrator will follow these adopted program guidelines. The Grantee's CDBG-CV Authorized Representative or appointed staff will work directly with the Administrator and be kept informed of all marketing efforts and outreach. The Administrator will provide a monthly tracking sheet to the Grantee's CDBG-CV Authorized Representative or appointed staff that shows all applications received and in different stages of process.

As per the agreement between the Grantee and Administrator, all required reports for the Program will be reviewed and approved by the Grantee's CDBG-CV Authorized Representative or appointed staff prior to any signatures by the Grantee's CDBG-CV Authorized Representative or other approved party. For financial reporting, the Grantees CDBG-CV Authorized Representative or appointed staff will ask for the Grantee's fiscal staff to review and approve each fiscal report.

Once a Grant is able to be approved, the Grantee's CDBG-CV Authorized Representative or appointed staff will review the Grant package and coordinate the Grant self-certification. If approved, the Grant self-certification will be submitted by Grantee's CDBG-CV Authorized Representative, appointed staff or Administrator to the State for review and approval, as necessary.

### **9.2 Oversight of Grant Servicing Agent**

The Grant servicing agent will be the Grantee who will comply with local Grant servicing policies outlined in this document when collecting payments. The Grantee's CDBG-CV Authorized Representative or appointed staff will work closely with the Administrator in monitoring the Grantee's existing economic development Grants. The Administrator will give monthly reports on the status of Grant payments to be reviewed by the Grantee's Program oversight staff and fiscal staff as well.

### Version Control Document

Version Number	Date	Amendments
1.0	5/20/21	Original Adopted Guidelines- Dunsmuir City Council
2.0	11/3/22	Amended to include all of Siskiyou County; update for UEI requirements – Dunsmuir City Council
3.0		Amended to reference CDBG-CV and CARES Act, clarifying grants, inclusion of PI, COVID nexus- Dunsmuir City Council

**RESOLUTION NO. 2021-06**

**A RESOLUTION APPROVING AN AMENDMENT TO THE 2020 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM- CORONAVIRUS RESPONSE ROUND 1 (CDBG-CV1) STANDARD AGREEMENT TO ADD ADDITIONAL FUNDS FROM THE 2020 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM- CORONAVIRUS RESPONSE ROUND 2 AND 3 NOFA DATED DECEMBER 18, 2020**

**WHEREAS**, the California Department of Housing and Community Development Department has announced the availability of \$165,293.00 allocated to the City of Dunsmuir under the Community Development Block Grant – Coronavirus Round 2 and \$53,857.00 allocated to the City of Dunsmuir under the Community Development Block Grant – Coronavirus Round 3 (hereinafter, “CDBG-CV2+3”) Grant for a total available of \$219,150; and

**WHEREAS**, under the provision of said CDBG-CV2+3 Grant applications may be submitted by one “lead” eligible entity on behalf of a partnership between eligible entities to create a “pool” of grant funds; and

**WHEREAS**, participating in said partnership is advantageous in that it allows for a greater benefit to Siskiyou County businesses, reduces administrative costs, and increases the proportion of funding available to beneficiaries; and

**WHEREAS**, a public hearing notice was duly processed in considering authorizing the submittal of this CDBG-CV2+3 application that amends the CDBG-CV1 Microenterprise Assistance activity which meets the federal Citizen Participation requirements; and

**WHEREAS**, the City of Dunsmuir desires to maintain the MOU partnership with neighboring jurisdictions of Siskiyou County, Etna, Fort Jones, Montague, Mount Shasta, Tulelake, Weed and Yreka that applied for the existing CDBG-CV1 Microenterprise Assistance Activity by adding additional CDBG-CV2+3 funds.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Dunsmuir as follows:

**SECTION 1:** The City Council of the City of Dunsmuir has reviewed and hereby approves the submission to the State of California (“State”) of application(s) to add additional funding to the City’s existing CDBG-CV1 Standard Agreement with the State (“Standard Agreement”) for the following new CDBG- CV2 and CV3 activities pursuant to the State’s December 2020 CDBG-CV2 and 3 Notice of Funding Availability (“NOFA”) :

**Current CDBG-CV1 Activities**

Economic Development-Microenterprise: Not to exceed \$60,224.00

**Current Program Income Allocated to CDBG-CV1 Activities**

Economic Development-Microenterprise: Not to exceed \$65,000.00

**Amount of New CDBG-CV2 and 3 Funds to Be Added to Activities**

Economic Development- Microenterprise: Not to exceed \$219,150.00

**Total Amount of All CDBG-CV Activities**

Economic Development- Microenterprise: Not to exceed \$344,374.00

**SECTION 2:**

The City of Dunsmuir hereby approves the use of Program Income in an amount not to exceed \$0.00 for the new CDBG-CV2 and CV3 activities described in Section 1 above.

**SECTION 3:**

The City of Dunsmuir acknowledges compliance with all state and federal public participation requirements in the development of its application(s) for the new CDBG-CV2 and CV-3 activities described in Section 1 above.

**SECTION 4:**

The City of Dunsmuir hereby authorizes and directs the City Manager of the City of Dunsmuir, or designee\*, to execute and deliver all applications and act on the City's behalf in all matters pertaining to all such applications.

**SECTION 5:**

If an amendment to the Standard Agreement is approved as contemplated above, the City Manager of the City of Dunsmuir, or designee\*, is authorized to enter into, execute and deliver an amendment to the Standard Agreement and any and all other documentation why may be required by the State from time to time for the purposes of this grant.

**SECTION 6:**

If an amendment to the Standard Agreement is approved, the City Manager of the City of Dunsmuir, or designee\*, is authorized to sign and submit Funds Requests and all required reporting forms and other documentation as may be required by the State of California from time to time in connection with this grant.

**SECTION 7:**

The City desires to maintain the partnership established in the CDBG-CV1 application via an updated MOU between Dunsmuir, Siskiyou County, Etna, Fort Jones, Montague, Mount Shasta, Tulelake, Weed and Yreka. Dunsmuir will serve as a lead applicant if partner jurisdictions listed above have committed funds under the following conditions:

(1) The selected lead agency, The City of Dunsmuir, will submit the grant on behalf of the partnership and will be the grant recipient responsible to administer the amended CDBG-CV1/CDBG-CV2+3 Grant, be accountable to California Department of Housing and Community Development for proper expenditure of the funds, and will be the point of contact for the other partners.

(2) Should the City receive the requested amendment to the CDBG-CV1 Grant, the City's participation in the grant is contingent on that prior to the expenditure of any funds, a Memorandum of Agreement (MOA) will be submitted to the City Council for review and approval.

(3) The MOA will document the activity delivery process, will identify and establish relationships necessary to achieve the project's goal; and will include a description and role of each partner.

(4) The City's role, in addition to the administrative responsibilities as a lead applicant, will be part of an advisory committee that review the goals, determines economic development activities and fund use priorities, and oversees CDBG-CV1/CDBG-CV2+3 Grant progress.

(5) The City will utilize the Siskiyou County Economic Development Council as a subrecipient to conduct regular administration and management of the CDBG-CV1 Grant.


PASSED AND ADOPTED at a regular meeting of the City Council of the City of Dunsmuir held on March 18<sup>th</sup> 2021 by the following vote:

AYES: Arth, Bryan, Deutsch, Kiesler, Lucchesi

NOES: None

ABSENT: None


ABSTAIN: None

  
Matthew Bryan, Mayor, City of Dunsmuir

**STATE OF CALIFORNIA**

City of Dunsmuir

I, Deputy City Clerk of City of Dunsmuir, 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 of the City of Dunsmuir on this March 18<sup>th</sup> 2021.

  
Wendy Perkins, Deputy City Clerk of City of Dunsmuir  
State of California

Public Hearing:

- CDBG CV1 Closeout hearing: national Objectives and demographics



**CITY OF DUNSMUIR  
NOTICE OF PUBLIC HEARING**

**NOTICE IS HEREBY GIVEN** that the City Council of the City of Dunsmuir will conduct a Public Hearing at 6 p.m., or soon thereafter, on October 19<sup>th</sup> in Dunsmuir Council Chambers 5902 Dunsmuir Ave, Dunsmuir, CA or by zoom: <https://us02web.zoom.us/j/84424135442> Meeting ID: 844 2413 5442 or phone +1 669 900 6833 to consider the following item:

**SUBJECT:**

**CLOSEOUT OF PROGRAM(S) IN THE STATE COMMUNITY DEVELOPMENT BLOCK GRANT CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT (CDBG-CV) – The City Council will review:**

- The total amount of funds drawn down for the activity: 20-CDBG-CV1-00120
- The activity type: Microenterprise Assistance
- The national objective: low-to-moderate Clientele: Microenterprise (LMCMC)
- The grant activity accomplishment for CDBG-CV funds for COVID-19 related activities that benefit low- and moderate-income residents.

On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act in response to the impacts of the COVID-19 pandemic. The State Department of Housing and Community Development (HCD) published a Notice of Funding Availability (NOFA) for Community Development Block Grant Coronavirus Aid, Relief, and Economic Security (CDBG-CV1) funds. Eligible cities and counties submitted applications for CDBG-CV1 funds under the NOFA. The City of Dunsmuir was eligible to receive funds based on a formula allocation provided by HCD.

Eligible activities paid for with State CDBG funds must meet one of the three National Objectives listed in CDBG Federal Statutes as follows: benefit to low-income households or persons (also called Low/Mod Benefit), slum and blight (addressing physical problems in specific neighborhoods) or meeting urgent community development need (a need resulting from a state or federal declared disaster or posing unforeseen risks to health and safety). In addition, eligible activities must be used directly to prevent, prepare for or respond to COVID-19 and meet CDBG requirements as provided and directed by HCD in the published NOFA and outlined in their plan as follows:

- Public services to respond to COVID-19 impacts
- Public facility improvements to increase capacity for healthcare facilities and improve public facility safety
- Housing facilities for persons experiencing homelessness, including acquisition and rehabilitation
- **Economic development to support needs of local businesses to retain and bring back jobs impacted by COVID-19**

The City of Dunsmuir submitted an application under this NOFA, when released, for a Microenterprise Assistance program for \$632,000.00. The City additionally allocated \$65,000.00 in Program Income dollars towards this program.

The City promotes fair housing and makes all its programs available to low- and moderate-income families regardless of age, race, color, religion, sex, national origin, sexual preference, marital status or handicap.

**Where You Come In:**

The purpose of this public hearing/meeting is to give community members an opportunity to make their comments known regarding what types of eligible activities the City should be applying for under the State CDBG program.

Any member of the public may appear at [or virtually participate in] the meeting and be heard on the item described in this notice, or members of the public may submit written comments to the City Clerk prior to the meeting by personal delivery or by mail to: City Clerk's Office 5915 Dunsmuir Ave, Dunsmuir, CA 96025 [wperkins@ci.dunsmuir.ca.us](mailto:wperkins@ci.dunsmuir.ca.us)

If you require special accommodations to participate in the public hearing, please contact W. Perkins 530-235-4822 ext. 102. If you are unable to attend the public hearing, you may direct written comments to the **City of Dunsmuir**, at 5915 Dunsmuir Ave, Dunsmuir, CA 96025, or you may telephone 530-235-4822. In addition, information is available for review at the above address between the hours of 9:00AM to 4:30PM Monday through Friday.



## Affidavit of Posting Notice

I, (Name of Official Designated in Resolution) \_\_\_\_\_, hereby certify that on the \_\_\_\_\_ day of \_\_\_\_\_ (month), \_\_\_\_\_ (year), I did post the notice of public hearing concerning discussion of closure and remittal of remaining funds, if any, under the California Department of Housing and Community Development, Community Development Block Grant Program at the following \_\_\_\_\_ (number) locations listed below, which are available to the public. These postings will be available from \_\_\_\_\_ (date) to \_\_\_\_\_ (date).

Location 1:	
Location 2:	
Location 3:	
Location 4:	
Location 5:	

I, (name) \_\_\_\_\_, Clerk of \_\_\_\_\_ (city, county, or jurisdiction name), State of California, hereby certify the above and foregoing is true and correct.

Dated at \_\_\_\_\_ (location), California, this \_\_\_\_\_ (date) day of \_\_\_\_\_ (month), 20\_\_\_\_.

Signature of Clerk

(This may not be the same person as the official designated in the Resolution who is certifying the posting)

Title



# CITY OF Dunsmuir

## STAFF REPORT

**RE:** Authorization to closeout CDBG-CV1

**MEETING DATE:** 10/19/2023

**SUBMITTED BY:** Blake Michaelsen, Finance Director

**PURPOSE OF REPORT:** ☐ Information only ☐ Discussion ☒ Action Item

### WHAT IS BEING ASKED OF THE CITY COUNCIL:

Closeout the CDBG-CV1 grant

### BACKGROUND/DISCUSSION:

The Public hearing heard earlier in this meeting provided specifics on the grant. This item is to close the grant out and submit all documentation to the state.

### OPTIONS:

Closeout or provide direction

### FISCAL IMPACT:

☐ None ☐ Yes Budgeted Item? ☐ Yes ☐ No

Budget Adjustment Needed? ☐ Yes ☐ No If yes, amount of appropriation increase:

Affected fund(s): ☐ General Fund ☐ Water OM Fund ☐ Sewer OM Fund ☒ Other: CDBG fund 82

### Comments:

**SUGGESTED MOTIONS:** Motion to closeout the CDBG-CV1 grant and direct staff to process all necessary documents

☐ **Attachments:**



# CITY OF Dunsmuir

## STAFF REPORT

**RE:** Discussion and Possible Selection of Banking Provider

**MEETING DATE:** 10/19/2023

**SUBMITTED BY:** Blake Michaelsen, Finance Director

**PURPOSE OF REPORT:** ☐ Information only ☒ Discussion ☒ Action Item

### WHAT IS BEING ASKED OF THE CITY COUNCIL:

Discuss and select a new banking provider for city's general fund cash account

### BACKGROUND/DISCUSSION:

City's current banking provider is US Bank. US Bank moved their branch outside city limits. Staff has been driving to Weed. Staff issued an RFP on 9/22/23. 3 banks responded. Staff, along with Treasurer and Finance Committee Chair, interviewed the 3 banks on 10/5/23. After the presentations/interviews, group decided not to recommend 1 bank and move forward with additional questions for 2 banks. At the time of this staff report, all ratings haven't been received. Finance Committee Chair Clarno and City Manager may be able to provide the recommendation from the group. The 3 banks are in Mt Shasta. 2 of the banks have minimal interest in providing a 24 hour atm. All the banks had zero interest in providing a branch. The 2 banks are very close, and either would be an excellent option.

### OPTIONS:

Select a new bank provider, or provide other direction

### FISCAL IMPACT:

☐ None ☐ Yes Budgeted Item? ☐ Yes ☐ No

Budget Adjustment Needed? ☐ Yes ☐ No If yes, amount of appropriation increase:

Affected fund(s): ☐ General Fund ☐ Water OM Fund ☐ Sewer OM Fund ☐ Other:

### Comments:

**SUGGESTED MOTIONS:** Motion to select \_\_\_\_\_ as the city's banking provider and direct staff to work with bank on the transition

☐ **Attachments:**