



RIO DELL CITY COUNCIL AGENDA
REGULAR MEETING - 6:30 P.M.
TUESDAY, APRIL 21, 2020
CITY COUNCIL CHAMBERS
675 WILDWOOD AVENUE, RIO DELL

***WELCOME** - Copies of this agenda, staff reports and other material available to the City Council are available at the City Clerk's office in City Hall, 675 Wildwood Avenue. Your City Government welcomes your interest and hopes you will attend and participate in Rio Dell City Council meetings often.*

**SPECIAL PUBLIC HEALTH EMERGENCY ALTERATIONS TO MEETING FORMAT
CORONAVIRUS (COVID-19)**

Due to the unprecedented public health threats posed by COVID-19 and the resultant need for social distancing, changes to the City Council meeting format are required. Executive Order N-25-20 and N-29-20 from Governor Gavin Newsom allow for telephonic Council meetings of the City Council and waives in-person accessibility for Council meetings, provided that there are other means for the public to participate. Therefore, and effective immediately, and continuing only during the period in which state or local public health officials have imposed or recommended social distancing measures, the Rio Dell City Council will only be viewable via livestreaming through our partners at Access Humboldt via their YouTube channel or Suddenlink channels on Cable TV.

In balancing the health risks associated with COVID-19 and need to conduct government in an open and transparent manner, public comment on agenda items can be submitted via email at publiccomment@cityofriodell.ca.gov. Please note the agenda item the comment is directed to (example: D. Public Comments for items not on the agenda) and email no later than one hour prior to the start of the Council meeting. Your comments will be read out loud, for up to three minutes.

Meeting can be viewed through Access Humboldt's website at <https://www.accesshumboldt.net/> Suddenlink Channels 10, 11 & 12 or Access Humboldt's YouTube Channel at <https://www.youtube.com/user/accesshumboldt>. Public comments can be emailed to: publiccomment@cityofriodell.ca.gov.

- A. CALL TO ORDER
- B. ROLL CALL
- C. PLEDGE OF ALLEGIANCE
- D. CEREMONIAL MATTERS

E. PUBLIC PRESENTATIONS

This time is for persons who wish to address the Council on any matter not on this agenda and over which the Council has jurisdiction. As such, a dialogue with the Council or staff is not intended. Items requiring Council action not listed on this agenda may be placed on the next regular agenda for consideration if the Council directs, unless a finding is made by at least 2/3rds of the Council that the item came up after the agenda was posted and is of an urgency nature requiring immediate action. Please limit comments to a maximum of 3 minutes.

F. CONSENT CALENDAR

The Consent Calendar adopting the printed recommended Council action will be enacted with one vote. The Mayor will first ask the staff, the public, and the Councilmembers if there is anyone who wishes to address any matter on the Consent Calendar. The matters removed from the Consent Calendar will be considered individually following action on the remaining consent calendar items.

- 1) 2020/0421.01 - Approve Minutes of the April 7, 2020 Regular Meeting **(ACTION)** 1
- 2) 2020/0421.02 - Approve Resolution No. 1451-2020 Awarding the 2020 Asphalt Maintenance Project to Hooven Co., Inc., Committing to the 2020 Regional Slurry Seal Project and Amending the FY 2019/2020 Budget **(ACTION)** 8
- 3) 2020/0421.03 - Approval of Letter to the Housing and Community Development Department Related to CARES Act CDBG Funds **(ACTION)** 21

G. ITEMS REMOVED FROM THE CONSENT CALENDAR

H. REPORTS/STAFF COMMUNICATIONS

- 1) 2020/0421.04 - City Manager Staff Update **(RECEIVE & FILE)** 25

I. SPECIAL CALL ITEMS/COMMUNITY AFFAIRS

- 1) 2020/0421.05 – Discussion on Loan Forbearance Request to the State **(DISCUSSION)**
- 2) 2020/0421.06 - Discussion on Measure Z and Possible Issuance of Letter to County Board of Supervisors **(DISCUSSION/POSSIBLE ACTION)**

3) 2020/0421.07 - Update on Coronavirus (COVID-19) (**DISCUSSION**)

J. ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

1) 2020/0421.08 - Approve Resolution No. 1450-2020 Establishing a
Business Resiliency Emergency Loan Program
(**DISCUSSION/POSSIBLE ACTION**)

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K. COUNCIL REPORTS/COMMUNICATIONS

L. ADJOURNMENT

*The next regular City Council meeting is scheduled for
Tuesday, May 5, 2020 at 6:30 p.m.*

**RIO DELL CITY COUNCIL
REGULAR MEETING MINUTES
APRIL 7, 2020**

The regular meeting of the Rio Dell City Council was called to order at 6:30 p.m. by Mayor Garnes.

ROLL CALL: Present: Mayor Garnes, Councilmembers Johnson, Strahan, and Wilson

 Absent: Mayor Pro Tem Woodall (excused)

 Others Present: City Manager Knopp, Chief of Police Conner, Water/Roadways Superintendent Jensen, Wastewater Superintendent Taylor, City Clerk Dunham, and City Attorney Gans

 Absent: Interim Finance Director Dillingham and Community Development Director Caldwell

SPECIAL PUBLIC ANNOUNCEMENT

City Manager Knopp explained the format for the meeting as a result of COVID-19 concerns and said that the Mayor, City Councilmembers and staff would be participating in the meeting via teleconference.

PUBLIC PRESENTATIONS

City Manager Knopp explained that in updating the process for public comment, the format was changed slightly so the City Clerk would now read out any public comments received via email at publiccomment@cityofriodell.ca.gov.

City Clerk Dunham reported on one public comment received which she then read for the record. The comment stated:

*Presidential candidate Andrew Yang brought forward the idea of Universal Basic Income. He was chastised and attacked mercilessly. Shame on all of you who criticized Andrew Yang and the Yang gang. Did you hear me? Shame on all of you! Rio Dell should institute a universal basic income starting tomorrow. Stockton instituted Universal Basic Income with beneficial results. Thank you, Stockton, for leading the way. Now, it is time for Rio Dell to lead the North Coast. Rio Dell should be the first city to open a public city owned bank and begin universal income. \$2,000 a month would be a start. This would allow us to support many of the local businesses. What good is a local business if nobody pays for anything? With Universal Basic Income, first advocated for by Andrew Yang, we can save this community. This virus requires us to think outside of the box. Thank you for your time.
Gator on Davis St.*

CONSENT CALENDAR

Mayor Garnes asked if any councilmember, staff or member of the public, would like to remove any item from the consent calendar for separate discussion. No items were removed.

Motion was made by Wilson/Johnson to approve the consent calendar including approval of Minutes of the March 17, 2020 Regular meeting; approval of Minutes of the March 27, 2020 Special meeting; and to receive and file the Check Register. Motion carried 4-0.

REPORTS/STAFF COMMUNICATIONS

City Manager/Staff Update

City Manager Knopp provided highlights of the staff report and said that staff was working on implementation and expansion of Zoom meetings. He commented that an error was encountered with regard to the public comment email address in that two different addresses were published. As such, both addresses were included so comments would go to either email address. In addition, he said that letters were sent to the State related to municipal forbearance on the City's water and sewer loans, reported on the development of the Rio Dell Volunteer Corp in conjunction with the Chamber of Commerce and Rio Dell Community Resource Center with over 20 volunteers signed up to date. He noted that they distributed a total of 36 food packages to the elderly and disabled and said that people wishing to get on the list should call City Hall. Two pandemic newsletters in addition to a postcard advisory on flushable wipes were issued through an EDDM mailing, bids were received on the 2020 Asphalt Maintenance Project, and upcoming discussions would include economic development and retention strategies.

Mayor Garnes asked for comments on the staff update.

Councilmember Wilson referred to the Police Department update and asked if 355 Center St. was the location of the River Bluff Cottages.

Chief Conner responded that it was.

Councilmember Wilson thanked the Chief for adding those stats to the report and asked for clarification on the codes on the types of calls for service.

Chief Conner explained that FU stands for "follow-up" and 415 is "disturbing the peace". He commented that some of the residents are having trouble getting along with others because they are not used to being around other people.

Councilmember Johnson commended staff for issuing informative newsletters and to Mayor Garnes for her letter addressing concerns.

SPECIAL CALL ITEMS/COMMUNITY AFFAIRS

Discussion on 2020 Asphalt Maintenance Project

City Manager Knopp provided a staff report and said that award of the bid on the project would be delayed until the April 21, 2020 regular meeting to allow staff sufficient time to develop the materials for the required budget adjustment that will also incorporate the results of the 2020 Regional Slurry Seal Project bid results. He noted that as the City Council may recall, the ATP Project is scheduled to begin soon and this project is immediately adjacent to the ATP Project. The project was broken into three phases and based on the bid results and slurry seal bid results, it appears that the City will be able to accomplish all portions of the project with potentially only a small budget adjustment.

He asked for a consensus of the Council to move forward with the entire project, with options to be discussed at the next meeting, or to cancel the project. He said that related to the slurry seal project, the City made a commitment to the City of Fortuna to proceed.

Mayor Garnes asked if the delay of the project was related to the COVID-19 virus.

City Manager Knopp explained that municipal workers and projects are considered essential services so the delay is probably not due to the virus.

He commented that regarding the slurry seal project, the question is whether the other agencies are going to move forward as they may be reconsidering the financial commitment. He clarified that the City is not concerned with the financial commitment because the reserves are in a strong position.

Councilmember Wilson noted that the bid results are encouraging but if the contractors doing the slurry seal project are coming from out of the County, they may want to wait until the pandemic is over.

Mayor Garnes pointed out that the County has also shut down hotels to non-essential people.

City Manager Knopp indicated that staff would be working with the City of Fortuna although staff had not encountered any reason to believe that the project would not be moving forward.

Councilmember Johnson pointed out that with regard to the asphalt maintenance project, the bids would not have come in as low without the options for additives.

He commented that when the City went out door-to-door to convince citizens to support Measure J, the three main objectives of the funding was for economic development, streets and public safety. He said that it would behoove the City to complete the project with the additives. Councilmember Wilson agreed.

City Manager Knopp stated that formal adoption of the project would come back to the Council at the April 21, 2020 regular meeting.

Discussion on Utility Late Charges and Shutoffs

City Manager Knopp provided a staff report and noted that Mayor Garnes requested this item be agendaized for discussion. He referred to the attachment to the staff report of Governor Gavin Newsom's Executive Order N-42-20 suspending statewide water shutoffs for nonpayment. He said that regarding potential waiver of fees, the City Council has the authority to waive late fees under certain circumstances but it may not necessarily be appropriate at this time. He commented that staff has been working on creating language related to recently adopted legislation (SB 998) and under that bill, the City has the option to waive late charges when a customer enters into a payment agreement pursuant to SB 998. He noted the City would not be shutting off water this billing cycle and that with the next billing cycle, the plan would be in place for customers to enter into payment plans so that might be the appropriate time to initiate the waiver of late fees.

City Attorney Gans explained that in terms of the waiver of late fees, each instrument within the water and sewer agreements, are specific covenants that restrict the ability to voluntarily waive fees so the City would want to do that in conjunction with the State Water Board and communication with them. He noted that the City has already written to the State and engaged them for potential forbearance of the loans during the COVID-19 period. It would be in the City's best interest to continue to account for those fees at this time, then in moving forward, to explore potential options.

Councilmember Wilson said that he understands the covenants that apply to the City's debt but expressed concern that people are applying for unemployment benefits which they are not yet getting. As far as the late fees, they are accumulative so if they get a late fee and are unable to pay the full balance, they get an additional late fee so once they get behind it becomes difficult to catch up. He thought payment plans were a good idea but wanted to make sure that somebody wasn't inadvertently using the late fee as a reason for not paying their bill. He suggested the customer be required to sign a waiver stating the reason for not paying the bill as a hardship due to COVID-19. He added that he would like the City to do whatever possible to relieve the pressure from customers in the short-term.

City Attorney Gans explained that there are multiple protections available for ratepayers right now; first and foremost is the actual order prohibiting shutoffs under Governor Newsom's order, so that is the first principal protection. In terms of the City adopting some sort of policy, for the ratepayers that come into arrears during this time period, there is still a lot of flexibility as the new state law requires the City to engage in a financial hardship and assessment on an individual ratepayer basis which provides the opportunity to enter into a payment plan

which was implemented by state law prior to COVID-19. He noted that the City is getting geared up for that and so there are a lot of protections and the City is treating it as somewhat of an urgency issue and tonight's discussion is not the end of it. The City is actually already engaged in communication with the State Water Board on the principal covenant holder for both water and sewer. As such, the City needs to communicate with them very carefully before adopting any citywide policy, including any actual waiver of fees. There is a collateral source pledge to the State for the respective systems and advised the City not to violate its debt covenant with the State.

Councilmember Wilson agreed that the City should follow the necessary procedures.

Mayor Garnes commented that at this point, if a customer is late on their payment and they are willing to enter into a payment agreement, the City has the ability to waive late fees. She agreed with some type of waiver form stating the reason they are unable to pay their bill as it relates to COVID-19. In addition, she agreed to allow the State to reply before over-reaching and violating the covenants.

City Attorney Gans reiterated that there currently is a moratorium on utility shutoffs.

Consensus of the Council was to wait for the State to respond to the City forbearance request before taking any action on a citywide policy related to waiver of fees.

Discussion on Coronavirus (COVID-19)

City Manager Knopp provided a staff report and explained that one of the biggest economic concerns related to the pandemic is the deferral of sales taxes and property taxes. He noted that staff was continuing to watch potential impacts and pointed out that the City is in a good financial position as far as its reserves. In the short-term, the City would be able to handle the deferral of certain revenues.

He reviewed actions recently taken by the city, which included:

- Installation of hand sanitizer stations
- Enhanced cleaning
- Restrictions of access to WWTP
- Implementation of at-home work stations
- Updated Continuity of Government Plan
- Update of Council Chambers for social distancing
- Cancellation of League of California Cities meeting
- Implemented teleconferencing for meetings
- Attended White House conference calls
- Provided updates on COVID-19 through citywide newsletters
- Implemented closure of front counter at City Hall and Police Department

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He added that the City engaged in educational efforts of the community, which is probably the most important thing they are doing by effectively getting the message out. He noted that a third pandemic newsletter would be going out, specific to the business community. He asked the Council to focus on ways to help the business community rebound from this pandemic.

Councilmember Johnson commented that this is the normal time for preparation of the 2020/2021 budget and asked if the Governor allowed cities to waive or delay the process.

City Manager Knopp commented that there had not been any changes in that regard and the challenge is to keep normal business moving forward as usual. He said that staff was able to push forward the streets projects and would be turning the focus on the budget process.

Councilmember Wilson asked if budget meetings would be held remotely.

City Manager Knopp explained that meetings would continue to be conducted via teleconference as long as necessary and that the City would attempt to adhere to the adopted budget schedule.

Mayor Garnes reported on numerous calls taking place on COVID-19 noting that calls with the White House are on Wednesday, with the County on Tuesday and Thursday and on Monday a call with the League of California Cities Region 2. She reported on a meeting last Thursday with St. Joseph Health System and the hospital administrator, Roberta Luskin-Hawke. She indicated that she worked in the past with Dr. Fauci and was instrumental with aids clinical testing. She said we are lucky to have her here and that she is very good at setting up and handling this type of pandemic.

She expressed the need to thank essential workers such as hospital staff, first responders and grocery clerks and let them know how much they are appreciated. It was suggested perhaps a sign in the window or some type of display on the City's main street to thank them and to encourage them to keep doing what they are doing.

She said if anyone would like to donate they can do so at stjoeshum.org She also commented that there is an online tool to chat with a physician for anyone experiencing COVID-19 symptoms. She noted that they are doing whatever they can to keep people out of the hospital unless it is a dire emergency. I-pads are also being made available to allow isolated people to be able to communicate. She said that St. Joseph Health System is open to suggestions for ideas on ways to support the community during this unprecedented time. She noted that the hospital converted their intensive care unit (ICU) from 12 beds to 32 and 16 at Redwood Memorial Hospital. The hospitals also made rooms into negative pressure rooms. She announced that both Redwood Memorial Hospital and the Open Door Clinic are doing COVID-19 testing. She encouraged everyone to wear protective masks other than the

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N-95 masks which should be reserved for medical personnel and first responders, suggesting homemade masks as an option. She said that there is a cover-your-face order for Humboldt County now in place.

Mayor Garnes then reminded everyone to complete their census forms.

She also reported that she did a public service announcement on Humboldt Strong which will play on YouTube and Newscast.

COUNCIL REPORTS/COMMUNICATIONS

Councilmember Wilson reported on a meeting of the Humboldt Waste Management Authority (HWMA) scheduled for Thursday and said that the meeting would be held using the same Zoom meeting format as the City.

ADJOURNMENT

Motion was made by Strahan/Johnson to adjourn the meeting at 7:25 p.m. to the April 21, 2020 regular meeting. Motion carried 4-0.

Debra Garnes, Mayor

Attest:

Karen Dunham, City Clerk



675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
(707) 764-5480 (fax)

DATE: April 21, 2020
TO: Mayor and Members of the City Council
FROM: Kyle Knopp, City Manager
SUBJECT: Resolution No. 1451-2020 Awarding the 2020 Asphalt Maintenance Project to Hooven & Co., Inc., Committing to the 2020 Regional Slurry Seal Project and Amending the Fiscal Year 2019-20 Budget

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Approve Resolution No. 1451-2020 Awarding the 2020 Asphalt Maintenance Project to Hooven & Co., Inc., Committing to the 2020 Regional Slurry Seal Project and Amending the Fiscal Year 2019-20 Budget.

BACKGROUND AND DISCUSSION

In March staff put the 2020 Asphalt Maintenance Project out to bid. The Project consists of asphalt pavement repair and maintenance on Eeloa, Fern and Riverside Streets. On April 2, 2020 two bids were received as follows:

	<u>Hooven & Co. Inc.</u>	<u>Mercer-Fraser Company</u>
Base Bid	50,786.00	54,092.00
Additive Alternate 1	14,190.00	16,747.00
Additive Alternate 2	52,822.00	85,764.00
Total \$	\$ 117,798.00	\$ 156,603.00

It is recommended that the Project be awarded to Hooven & Co., Inc. in the amount of \$117,798, for the base bid and additive alternates 1 and 2.

City staff has been working with the City of Fortuna on a regional bid for street slurry sealing over the past two years. Last approved on January 15, 2019, the project has experienced delays outside of the control of the city. Additionally, in consultation with the City Engineer and Humboldt County Public Works the proposal for using Type II Accelerated Cure Slurry Seal on Blue Slide Road was eliminated. This section of roadway would be more appropriately addressed with the typical chip seal, which the County and City could work on together in the future for an overall project specific to Blue Slide Road. Because of this change, additional slurry seal area was made available, and redesignated for Belleview Avenue and slight additions to Painter, Pacific, Bridge and Edwards streets. See the attached maps for the current project.

The bid results have been received and the City of Rio Dell's portion of the base bid is \$96,860. There were three additive alternates included in the bid and the total for those items is \$30,760. It is recommended that the City commit to participate in the project for both the base bid and additive alternates for a total of \$127,620.

There is currently \$184,768 in unexpended funds available in the Capital Budget for street slurry sealing and maintenance. An additional \$85,000 is needed to fund the recommended projects which total \$269,768 with contingencies as shown on the next page.

Asphalt Maintenance	117,798
Slurry Seal	<u>127,620</u>
	245,418
Contingency	<u>24,350</u>
	<u>\$ 269,768</u>

The requested budget adjustment moves \$55,000 in funds that are currently budgeted for street maintenance to capital projects. Based on actual expenditures to date and forecasted spending through year-end it is anticipated that these funds are available to transfer. The adopted budget for the Gas Tax fund had revenues exceeding expenditures by \$46,974. It is recommended that an additional \$30,000 of this be added to the Capital Budget to allow for construction of the proposed streets projects.

ATTACHMENTS

Resolution 1451-2020 Awarding Streets Projects and Amending the FY 2019-20 Budget
Project Maps



**RESOLUTION NO. 1451-2020
A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF RIO DELL
AWARDING THE 2020 STREET ASPHALT MAINTENANCE PROJECT
TO HOOVEN & COMPANY, INC.,
COMMITTING TO THE 2020 REGIONAL SLURRY SEAL PROJECT
AND AMENDING THE FISCAL YEAR 2019-20 BUDGET**

WHEREAS, the City of Rio Dell desires to conduct asphalt pavement repair and maintenance on Eeloa, Fern and Riverside Streets and prepared plans, specifications and contract documents for the work; and

WHEREAS, on March 9, 2020, the City of Rio Dell issued and publicized a notice inviting bids (“Notice”) with a base bid and two additive alternate items for the Public Works Project, entitled 2020 Street Asphalt Maintenance (“Project”), pursuant to Section 20160 et seq. of the California Public Contract Code and the Rio Dell Municipal Code; and

WHEREAS, the Notice required all bids for the Project to be sealed and delivered to Rio Dell City Hall on or before April 2, 2020, at 8:30 AM, at which time the submitted bids were opened and read in an open forum; and

WHEREAS, two bid proposals were received as follows:

	<u>Hooven & Co. Inc.</u>	<u>Mercer-Fraser Company</u>
Base Bid	50,786.00	54,092.00
Additive Alternate 1	14,190.00	16,747.00
Additive Alternate 2	52,822.00	85,764.00
Total \$	\$ 117,798.00	\$ 156,603.00

WHEREAS, the City of Fortuna bid a Countywide Accelerated Cure Slurry Project which included various streets located in the City of Rio Dell; the base bid result for the City’s portion was \$96,860 with three additive alternate items of \$30,760, for a total of \$127,620.

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

1. That the Project plans and specifications for the 2020 Street Asphalt Maintenance are hereby approved;
2. That the contract for construction services for the Project be awarded to the lowest responsible bidder, Hooven & Company, Inc., in the amount of \$117,798, for the base bid and additive alternates 1 and 2;

3. That the City Manager is authorized to execute a contract with Hooven & Company, Inc. for construction services and, if necessary, to negotiate change orders within the overall Project budget, in substantial conformance with the Project plans and specifications;
4. That the City commits to the slurry seal project bid by the City of Fortuna, for the amount of \$127,620, for the base bid and additive alternates;
5. That the City Manager is authorized to execute an agreement with the City of Fortuna for participation in the Countywide Slurry Seal Project and, if necessary, to negotiate change orders within the overall slurry seal budget;
6. That the City Manager is hereby authorized and directed to take such actions as he may deem necessary and proper to effectuate and consummate the contracts, subject to final review and approval by the City Attorney;
7. That the City of Rio Dell FY 2019-20 Budget is hereby amended to provide additional funding of \$85,000 for the approved Streets Projects as follows:

FUND			INCREASE/ (DECREASE)
Expenditures:			
5108 18 024	Streets TDA	Streets	(22,200.00)
6500 14 024	Streets TDA	Capital Projects	22,200.00
Various 18 026	Streets RSTP	Streets	(23,000.00)
6500 14 026	Streets RSTP	Capital Projects	23,000.00
Various 18 021	Streets SB 1	Streets	(10,000.00)
6500 14 021	Streets SB 1	Capital Projects	10,000.00
6500 14 020	Streets Gas Tax	Capital Projects	30,000.00

PASSED AND ADOPTED by the City Council of the Rio Dell on this 21st day of April, 2020 by the following vote:

- Ayes:
- Noes:
- Abstain:
- Absent:

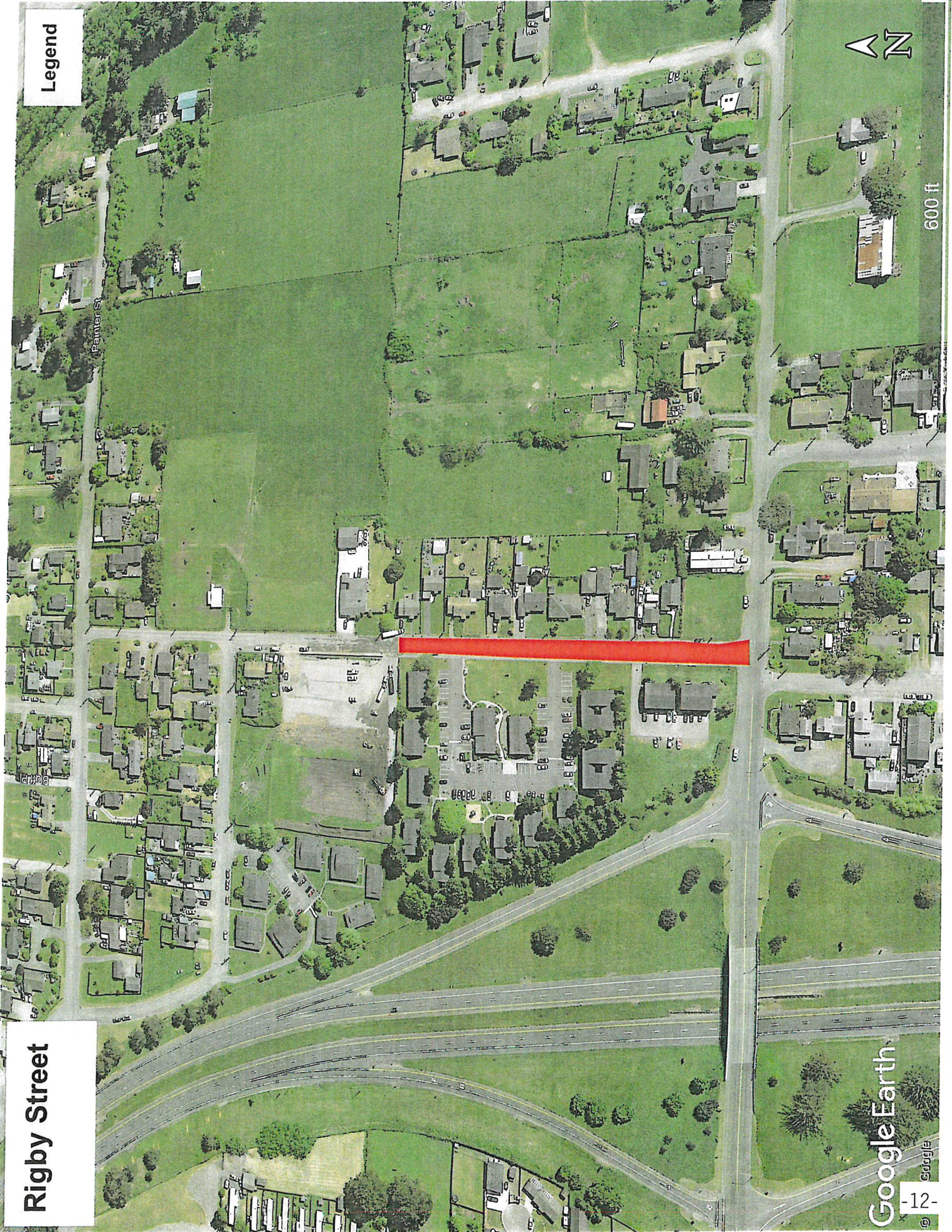
Debra Garnes, Mayor

ATTEST:

Karen Dunham, City Clerk

Rigby Street

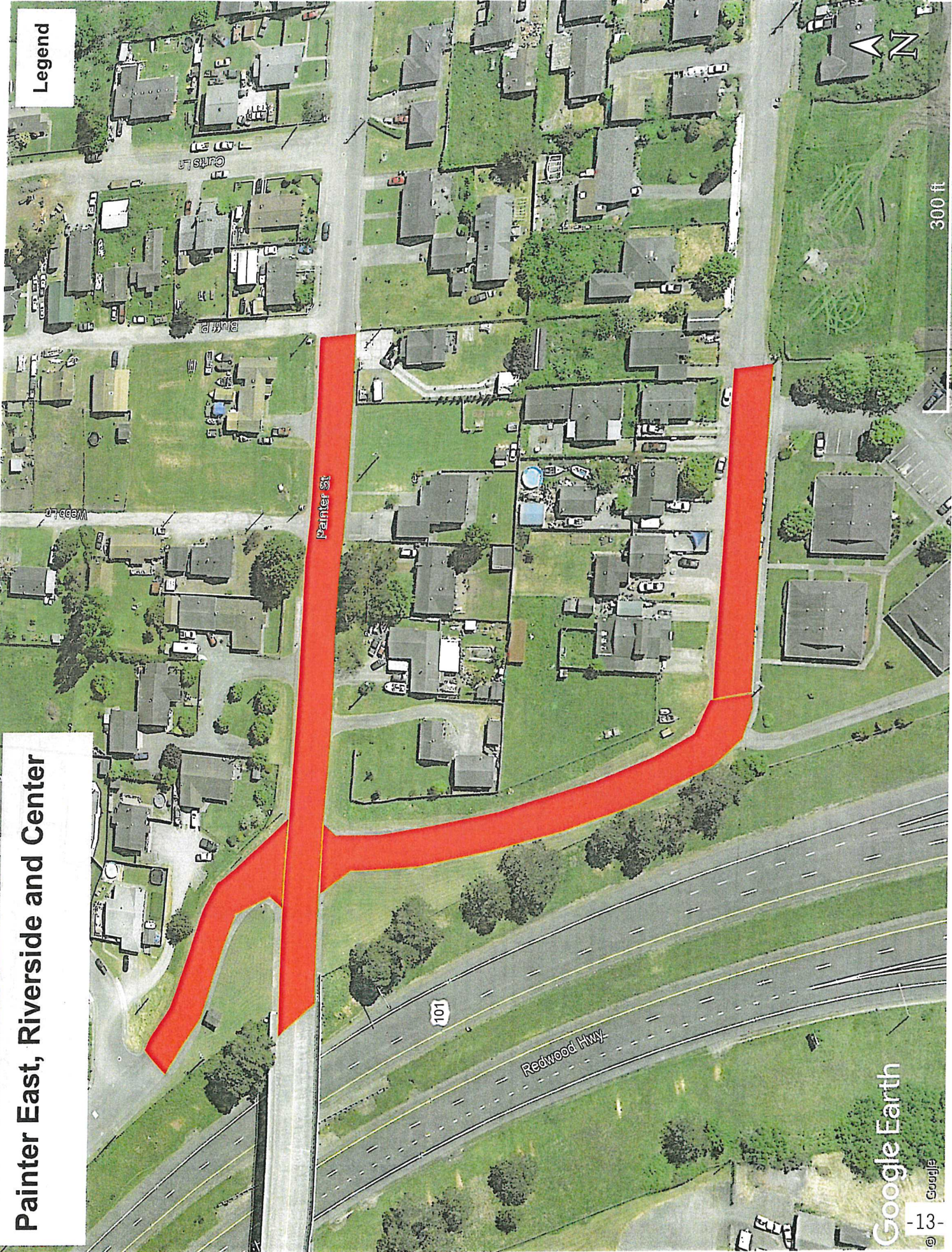
Legend



Google Earth

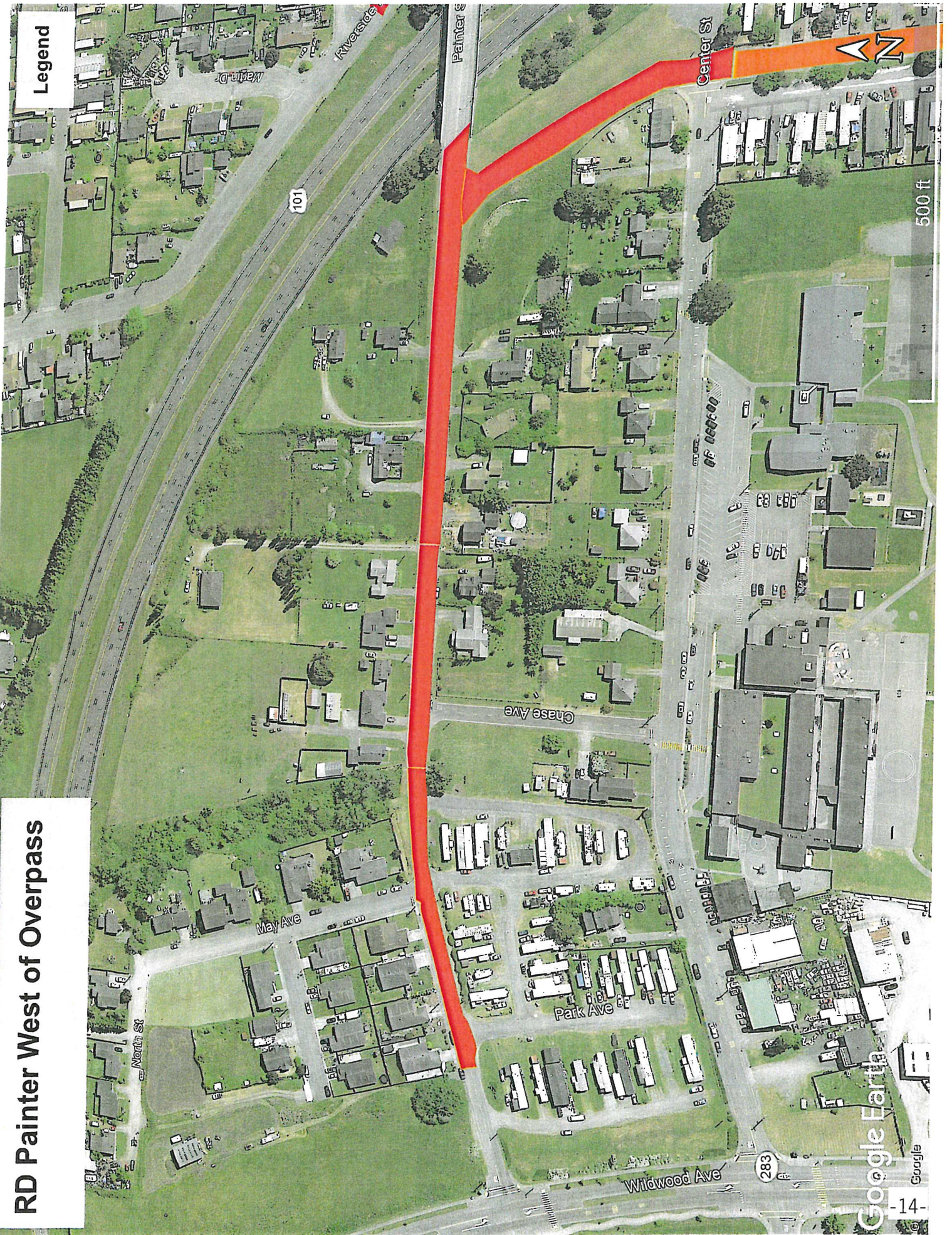
Painter East, Riverside and Center

Legend



RD Painter West of Overpass

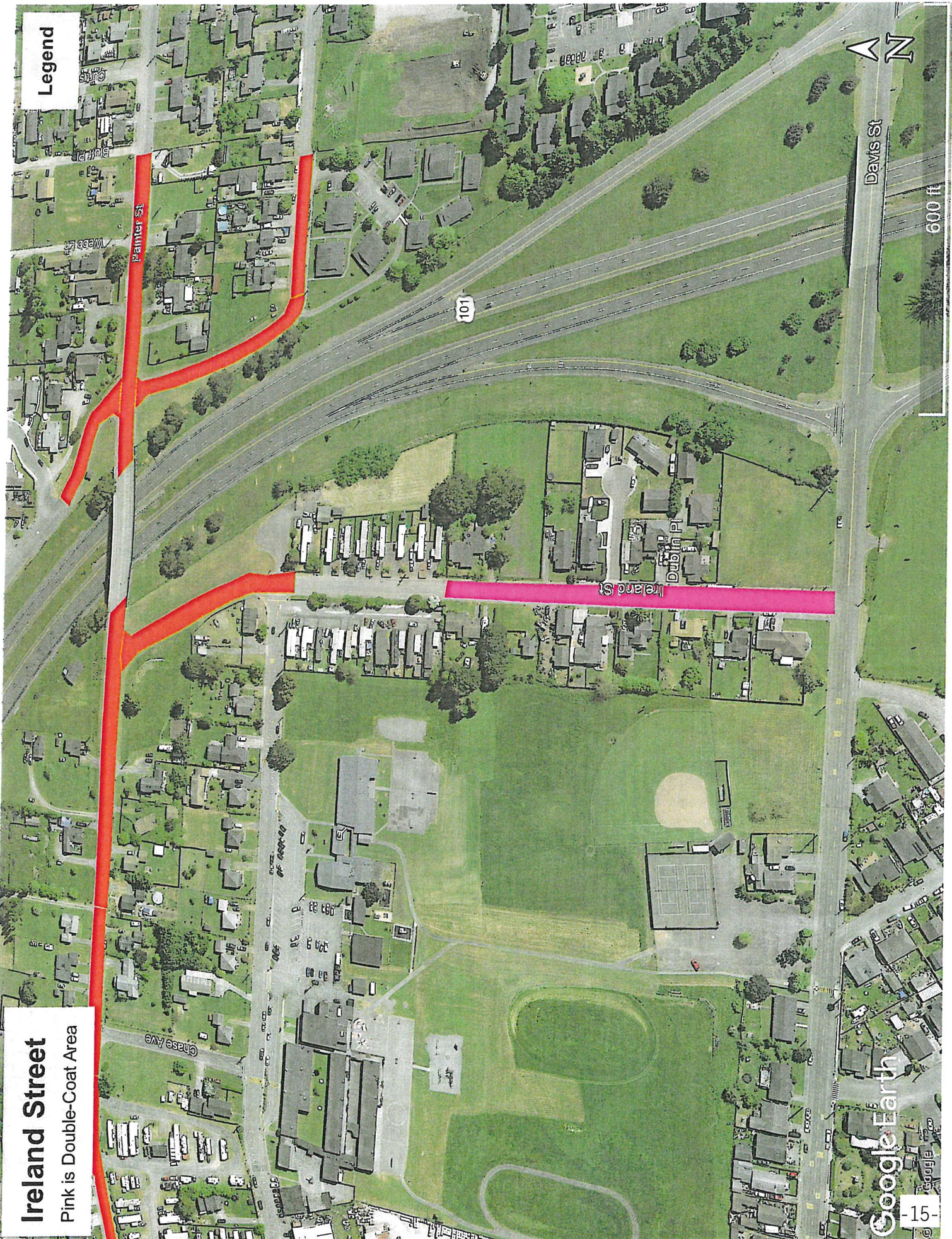
Legend



Ireland Street

Pink is Double-Coat Area

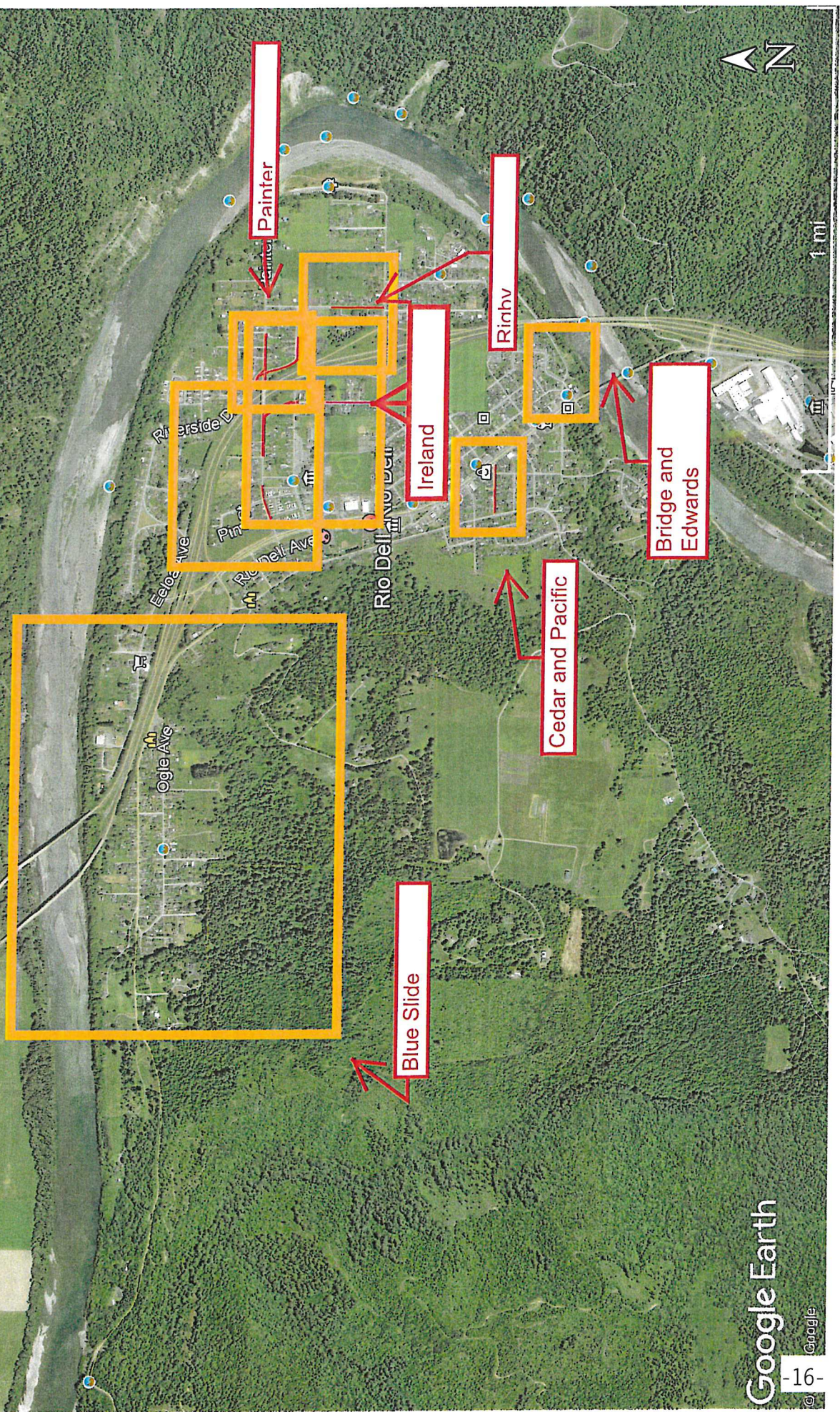
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City of Rio Dell

Slurry Seal Location Maps

Legend



Cedar and Pacific

Legend



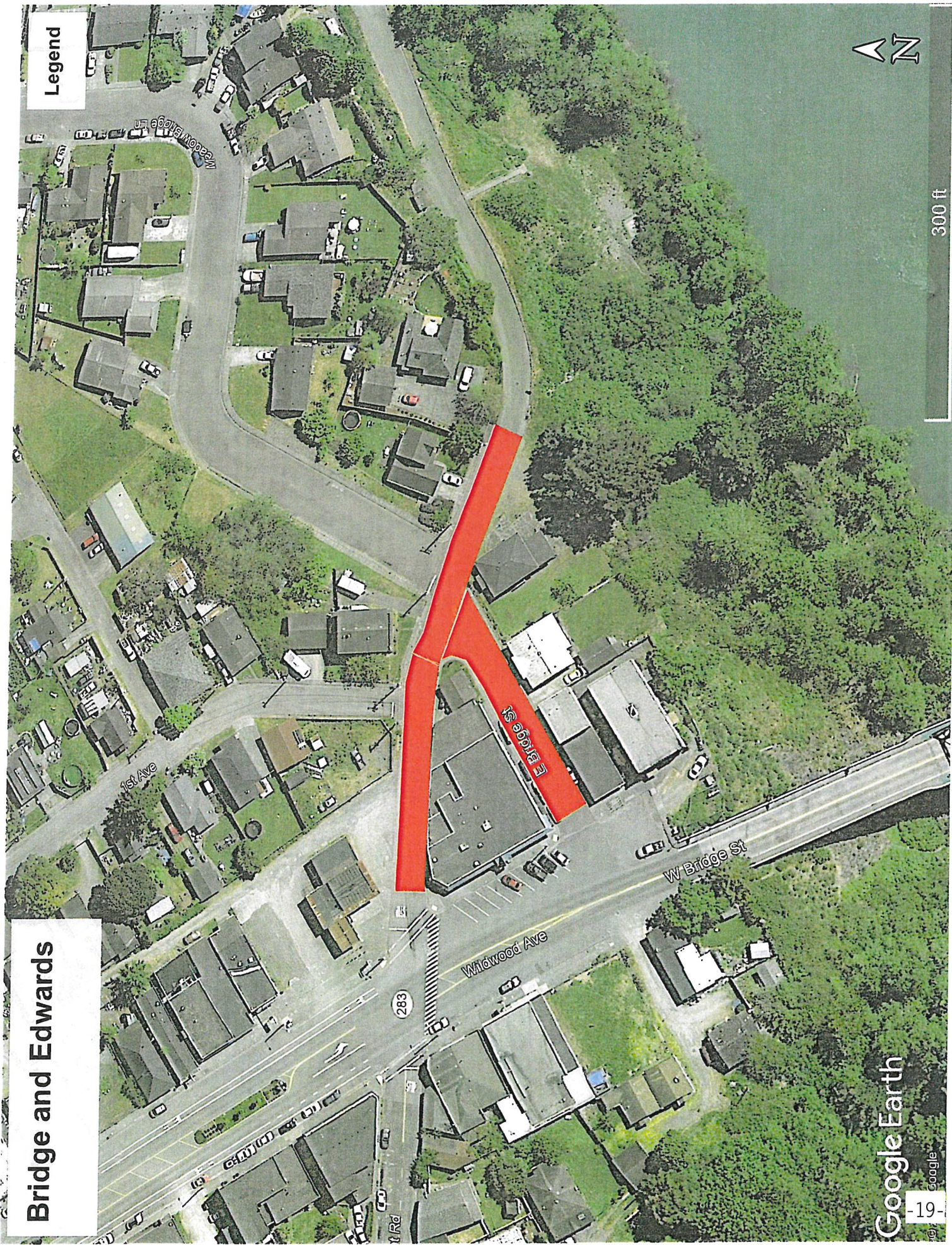
Additive Alternatives #1 and #2, Blue Slide and Belleview

Legend



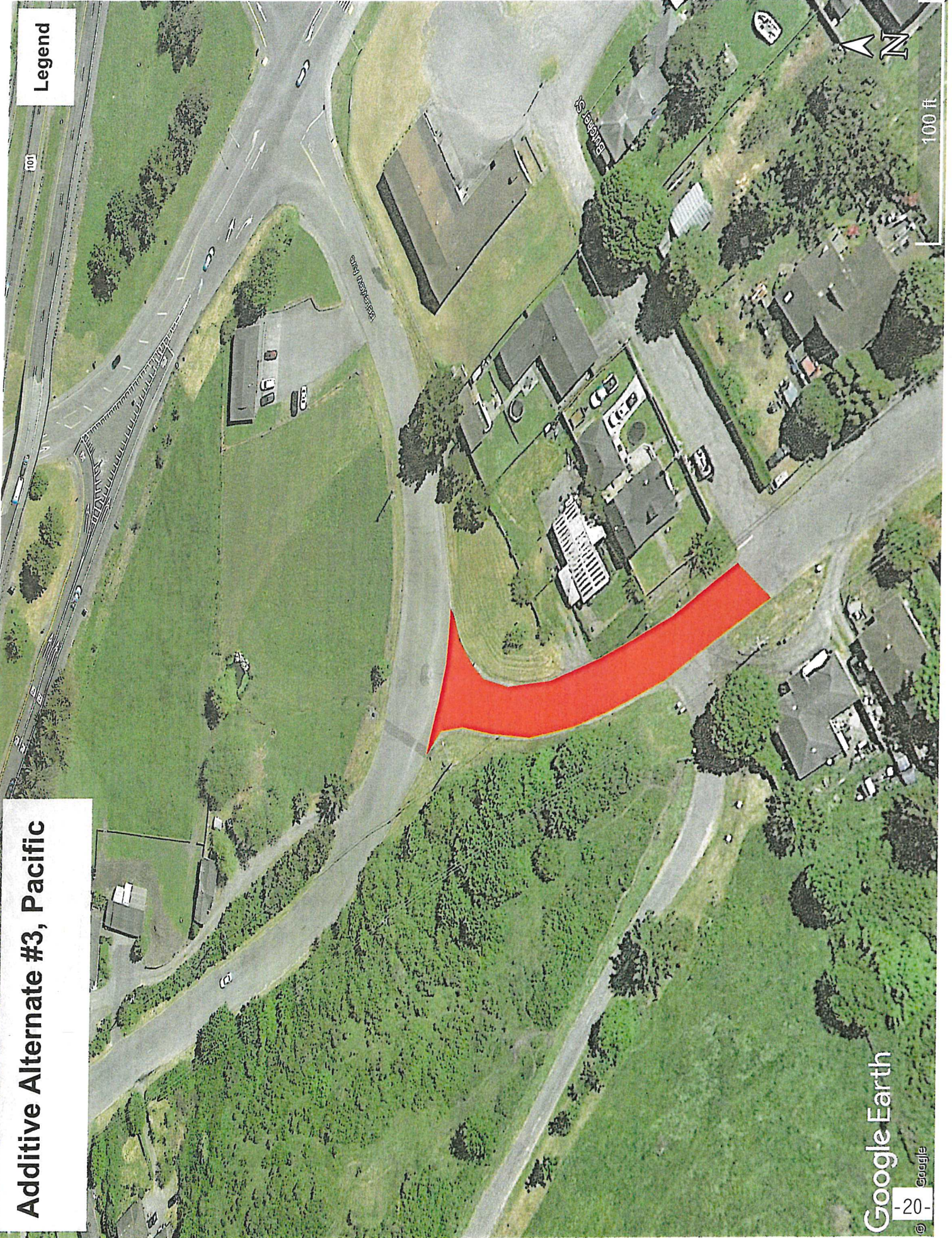
Bridge and Edwards

Legend



Additive Alternate #3, Pacific

Legend





*Rio Dell City Hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
cityofriodell.ca.gov*

April 21, 2020

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Approval of Letter to the Housing and Community Development Department
Related to CARES Act CDBG funds

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the Mayor to sign.

BACKGROUND AND DISCUSSION

The League of California Cities participated in discussions with HCD and urged the department to create a noncompetitive and streamlined distribution process for CARES Act CDBG dollars to non-entitlement jurisdictions (under 50,000). As such, HCD has proposed a simplified application and distribution method mirroring the process for entitlement grantees.

As part of the federal CARES Act, HCD will receive \$19,331,744 in CDBG-CV funding for non-entitlement jurisdictions “to be used to prevent, prepare for, and respond to the coronavirus (COVID-19).” An expedited and efficient method of delivery is necessary given the urgency of the situation.

Fund deployment needs to happen as quickly and efficiently as possible, in a way that all 163 non-entitlement jurisdictions can receive support for COVID-19 response.

- Communities would receive the funds through a formula similar to entitlement jurisdictions, which is noncompetitive;
- Communities could use the funds for activities directly related to COVID-19 response, including economic development as an approved activity;
- There will be a streamlined application process for communities to access the funds; and
- Funds would not be subject to the 50 percent rule.

Eligible activities must be related to COVID-19 response and recovery. Eligible activities include:

- Public services to respond to COVID-19 impacts;
- Public facility improvements to increase capacity for healthcare facilities;
- Housing facilities for persons experiencing homelessness; and

- Economic development.

Costs incurred in COVID-19 response prior to allocation may be eligible for reimbursement as per the CARES Act.

The allocation is determined by the following method (the higher of the two products is chosen):

- o Population, weighted at 25 percent;
 - o People in poverty, weighted at 50 percent; and
 - o Overcrowded units, weighted at 25 percent.
- OR
- o Population weighted at 20 percent;
 - o People in poverty, weighted at 30 percent; and
 - o Pre-1940 housing units, weighted at 50 percent.

Rio Dell's allocation is estimated at \$70,485.

///

*Rio Dell City Hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
cityofriodell.ca.gov*



April 21, 2020

Gustavo Velasquez
Director
California Department of Housing & Community Development
2020 West El Camino Avenue
Sacramento, CA 95833

Re: Public Comment on **Distribution Plan for CDBG CARES Act Funds**, and
Expedited Allocation of FY 2019-2020 CDBG Economic Development Funds for
Non-Entitlement Communities

Dear Director Velasquez:

We are writing on behalf of the City of City of Rio Dell to state our strong support for the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Amendments to the 2015-2020 Consolidated Plan and 2019-2020 Annual Action Plan. More specifically, we are encouraged to see changes to the distribution methodology proposed by the Department of Housing and Community Development (HCD) for Community Development Block Grants CARES Act (CDBG-CV) funding.

As part of the federal CARES Act, HCD will receive \$19,331,744 in CDBG-CV funding for non-entitlement jurisdictions "to be used to prevent, prepare for, and respond to the coronavirus (COVID-19)." With the COVID-19 statewide shelter-at-home order, many businesses, jurisdictions, and local economies have been negatively impacted – especially, the smallest jurisdictions that have access to fewer resources and support for response and recovery. Support to re-open and keep businesses open in these communities will make a significant difference in recovery.

In Rio Dell, we are experiencing major impacts from COVID-19 and the estimated amount we receive will be used to for business assistance and public services in response to this crisis.

An expedited and efficient method of delivery is necessary given the urgency of the situation. Under the CARES Act, all entitlement communities will receive their initial CDBG-CV allocations within thirty days of enactment of the Act. We agree with HCD that since non-entitlement communities are facing similar impacts, it is inappropriate to use HCD's traditional lengthy Notice of Funding Availability process to distribute these funds as it simply will take too long.

Fund deployment needs to happen as quickly and efficiently as possible, in a way that all 163 non-entitlement jurisdictions can receive support for COVID-19 response. The following

proposed amendments show HCD's clear intent and deliberative action to help our businesses and communities during this challenging time:

- Communities would receive the funds through a formula similar to entitlement jurisdictions, which is noncompetitive.
- Communities could use the funds for activities directly related to COVID-19 response, including economic development as an approved activity.
- There will be a streamlined application process for communities to access the funds.
- Funds would not be subject to the 50 percent rule.

We would also encourage HCD to commit to approving applications and providing grant agreements in an expeditious way to hasten the delivery of CDBG-CV support within thirty (30) days of the approval of these plan amendments.

Furthermore, we support the effort to accelerate the allocation of FY 2019 and FY 2020 CDBG Economic Development funds through an over the counter process, and encourage HCD to facilitate access by local agencies to these funds by:

- Streamlining the application process to reduce administrative burdens on local agencies.
- Offering webinars, technical assistance and ensure the availability of knowledgeable staff to assist communities attempting to complete applications.
- Providing a quick turnaround on approved applications to ensure expedited access to funding.

With these points in mind, we strongly support HCD's efforts to amend their plans in a way that California's non-entitlement communities can access this relief as quickly as possible. If you have any questions, feel free to contact city staff at 707-764-3532

Respectfully,

Debra L. Garnes
Mayor
City of Rio Dell

cc: Senator Woods and Assembly member McGuire
Sara Sanders, League of California Cities (Via email: sanders@cacities.org)
League of California Cities (Via email: cityletters@cacities.org)



Staff Update – 2020-04-21

City Council

City Manager

Various discussions with City Attorney on Enforcement of PHO orders.

Volunteer Corp

Submitted an Initial Damage Estimate to OES – COVID-19

Discussion with City Engineer on strategy regarding State and Federal funds moving forward.

Discussion with City Engineer on next ATP application.

US Census EDDM

Essential Workers Banner

City Clerk

Processed four (4) Building Permits

50 W. Center St. - ADA Restroom Upgrade at Fire Hall

132 Painter St. – Re-Roof Residence

441 Fourth Ave. – Re-Roof Residence

149, 149 ½, 207 and 209 Ash St. Sewer Laterals and Cleanouts

Misc.

Submitted Bureau of Labor Statistics Employment Data Report

Submitted Quarterly Seismic Report

Submitted Quarterly AB 1473 California Building Standards Fee Report

Submitted Quarterly SB 1186 Disability Access Fee Report

Submitted Monthly CHF/CIRB Report on Building Activity

Responded to multiple emails from City Clerk ListServ related to COVID-19

City Attorney

Human Resources, Risk & Training

Finance Department



Public Works Water

Public Works Wastewater

Public Works Streets, Buildings and Grounds

Public Works City Engineer

Public Works Capital Projects

Police Department

The Department had the following statistics for the period of April 1, 2020 to April 14, 2020. This period of time saw a below average number of calls for service, a below average number of reports, and a significantly lower than average number of arrests compared to last year. The onset of the Covid-19 pandemic as caused the department to be less proactive. This is the primary reason for the reduction in the number of calls for service and reports. The number of arrests has also decreased as the jail is not accepting arrestees unless they have committed a serious felony or domestic violence. The summation of Calls for Service is greater than the total as multiple officers can now be assigned to the same call for service.

Officer	Calls for Service	Reports	Arrests
Conner	21	2	0
Beauchaine	37	4	0
Landry	12	3	1
Mitchell	26	3	3
Valk	35	3	1
Fielder	15	0	0
Totals	134	15	5
Averages	9.6 per day	7.5 per week	2.5 per week
2019 Yearly Average	6.4 per day	10.3 per week	4.6 per week

Calls or Service at 355 Center Street

Type	Date	Time	Location	Primary Unit	Case #
415	4/2/2020	07:28:42	355 CENTER ST	6S1	
415	4/5/2020	11:25:56	355 CENTER ST	6A1	
FU	4/1/2020	08:47:22	355 CENTER ST	6S1	
HAILED	4/11/2020	22:32:32	355 CENTER ST	R614	

During the period April 1, 2020, to April 14, 2020, there were six calls for service related to animal control issues. Two dogs were transported to Miranda’s Rescue during this reporting period.

Officer Evie Valk gave her notice and her final day of work will be April 16, 2020. She is going to work for the National Guard full-time as a mechanic at the Eureka armory.



On April 12, 2020, two men came to the station. One of the men wanted to report that he had been assaulted while the other was there to translate, as the victim had limited English skills. The victim had rented a location in Rio Dell to grow marijuana. On Easter Sunday, he had gotten into an argument with the man who lived at this residence. Words were spoken and the suspect produced a pistol. He pointed the weapon at the victim and pulled the trigger. The gun did not fire. The suspect then struck the victim in the head with the pistol. As the victim was an untreated diabetic, the excitement of the incident caused problems with his blood sugar and he was transported to the hospital by ambulance. He also appears to be suffering from a concussion. The case is still under investigation.

On April 14, 2020, Officer Fielder responded to a Rio Dell residence to take a missing person report. The missing person was the subject of a search warrant served by the Sheriff's Office last month. He left a note for his wife telling her that he had taken one of their cars and was going to go as far north as he could before he walked into the woods and starved himself to death. Officer Fielder put out a request for agencies to look for the missing person. Later that same day, a State Parks ranger in Mendocino County located the car on Highway 1. State Parks law enforcement made a search of the nearby area in their jurisdiction and on April 15, 2020, the Mendocino County Sheriff's Department took up the search. It is unknown at this time if the missing person is suicidal or attempting to avoid prosecution for his crimes.

Code Enforcement

During the period of April 1, 2020 through April 14, 2020, the Department opened five new junk vehicle cases and did not close any. There were eleven open cases at the end of the time period that this report covers.

During the period of April 1, 2020, to April 14, 2020, the Department did not open or close any cases. There remained 56 open cases at the end of this reporting period.

Community Development Department

Preliminary review of Humboldt HyGrade plans at HRDBP.

Meet with Allan Baird and discuss SWPP and fill permit for Wendt parcel at HRDBP.

Review and approve Solar Plans for 551 Pacific Avenue.

Final/Electrical inspection 543 Rigby Avenue.

Prepare Newsletter information.

Prepare letters to local businesses regarding financial assistance.

Attend SB 743 webinar regarding new CEQA requirement of Vehicle Miles Traveled (VMT) analysis.

Letter to Peter Van Der Zee regarding ivy encroaching onto the sidewalk.



Follow-up letter to owners of E&J regarding need to restrict access (lock) to receptacle and the need to replace cracked/broken window.

Follow up on Dinsmore Ranch Timberland Conversion Permit, conversation with Tim Meyers with CDF. Approve TCP.

Research State regulations regarding hemp infused personal lubricants as a cottage industry.

Continue work on Housing Element.

Prepare rough draft of Census flyer.

Review and approve Building Permit applications for 441 Fourth Avenue and the RDFPD bathroom remodel.

Prepare HRBP update. (Attached)

Review Environmentally Sensitive Habitat Area (ESHA) regulations in response to GHD inquiry regarding new waterline and respond.

Review Humboldt 454 Plan of Operation for distribution.

Intergovernmental

Humboldt-Rio Dell Business Park

See Attachment.



Applicant: Northwestern 101
Application Submitted: March 24, 2020
Hearing Date: April 28, 2020



The Applicant, Northwestern 101, LLC (formerly Hakuna Matata Collective, LLC), is requesting a Conditional Use Permit (CUP) to permit 25,340 square feet (sf) (canopy area) of mixed-light commercial cannabis cultivation. The cultivation would occur within seven (7) greenhouses built to a maximum of 42,400 sf. On-site processing (drying and trimming) is also proposed to occur within the head house which is attached to and included in the square footage for the greenhouse. The headhouse will be divided into separate areas, including office space, utilities, processing, shipping, and storage areas.

Development on-site would be phased. The estimated project phases are as provided below:

- ◆ Phase I: Construction of Greenhouses #1 and #2, headhouse, parking lot, landscaping, and on-site Septic.
- ◆ Phase II: Construction of Greenhouses #3 and #4 (planned to commence approximately 6 months after completion of Phase I).
- ◆ Phase III: Construction of Greenhouses #5, #6, and #7 (planned to commence approximately 8 months after completion of Phase II).

Applicant: Rio Dell Holdings
Application Submitted: February 10, 2020
Hearing Date: May 26, 2020 (Maybe May 12th Special Meeting)

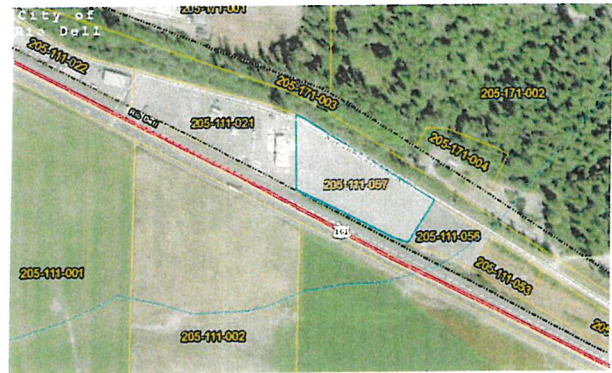


The applicant, Rio Dell Holdings, has made application to modify their previous Conditional Use Permit and Subdivision approval. The revised project would subdivide the 15+/- acre parcel into four parcels. Approximately 202,000 square feet canopy is being proposed. Awaiting additional information.

- ◆ Proposed Parcel 1 will be 3.71 acres, and developed with 89,000 square feet of greenhouses and 70,000 square feet of mixed-light canopy.
- ◆ Proposed Parcel 2 will be 6.66 acres, and developed with 105,000 square feet of greenhouses and 88,000 square feet of mixed-light canopy.
- ◆ Proposed Parcel 3 will be 2.68 acres, and developed with 50,000 square feet of greenhouses and 44,000 square feet of mixed-light canopy.
- ◆ Proposed Parcel 4 will be 1.97 acres, and developed with a 4,500 square foot metal building to be used for cannabis extraction manufacturing.

Applicant: Humboldt HyGrade
Application Submitted: Expected May 2020
Hearing Date: June 23, 2020

The applicant, Humboldt HyGrade, is expected to make application sometime next month. The applicant will be proposing a 62,500 square foot, two story building. Cannabis activities will include 22,000 square feet of indoor cultivation, a drying/curing room, a propagation room, a clone/nurse room, a processing and packaging room, a retail area and reception/office area.



Applicant: Northwestern 707
Application Submitted: Expected May 2020
Hearing Date: May 26, 2020 (Maybe May 12th Special Meeting)

The applicant, Northwestern 707, is expected to make application within a few weeks. This is the same group as Northwestern 101 (formerly Hakuna Matata Collective, LLC). Based on preliminary discussions, they will be proposing 52,970 square feet of mixed-light cultivation greenhouses. On-site processing (drying and trimming) is also proposed to occur within the head house which will be attached to the greenhouses. The headhouse will be divided into separate areas, including office space, utilities, processing, shipping, and storage areas.





*Rio Dell City Hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
cityofriodell.ca.gov*

April 21, 2020

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Approval of Resolution No. 1450-2020 Establishing a Business Resiliency
Emergency Loan Program

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Receive public comment and Approve Resolution No. 1450-2020.

BACKGROUND AND DISCUSSION

The City Council established an Economic Development Fund with a current balance of \$300,000 and an approved expenditure level of \$45,000 in the current budget. The original goal for these funds was that they be used to expand the economic base of the City. However, COVID-19 has created unprecedented levels of uncertainty, risk and fear of the failure of existing businesses and an actual economic contraction.

A group of area economic Development leaders has been meeting for several weeks to discuss options. This group is primarily led by the Redwood Region Economic Development Corporation (RREDC) Humboldt Area Foundation (HAF) and staff from the County who also manage the Headwaters Fund. The group has been urgent immediate and flexible local options.

State and Federal relief to local businesses has been slow to materialize. Therefore, the proposal before the City Council seeks to speed up access to liquidity and capital that local businesses need to survive. Currently, the cities of Arcata and Fortuna have created similar programs and more are expected with the process potentially moving towards a more regional program.

Right now, the funds can only be used for businesses physically located in Rio Dell. However, the Resolution as written would allow the City Manager the authority to modify the program to include regional elements as they develop and are in the interests of Rio Dell economically.

Currently, there has been no specific request from businesses located within Rio Dell for this assistance. No outreach has been conducted however.

This program will attempt to minimize risk. However, no loan is without risk, and this program is specifically designed to attempt to assist businesses on the verge of closure. This program

comes with a higher than typical degree of risk. If the County is able to get authorization, the City may use its funds, or a portion of its funds, for a loan loss fund, rather than direct loan funds. This would spread the risk among regional partners. RREDC is willing to service the loans. This would reduce the administrative input of the City to run the program. The North Coast Small Business Development Center (SBDC) is willing, able, and extremely interested in providing business counseling associated with the program. The regional collaborative will include some or all of these elements.

The regional group is also seeking consistent lending terms to ease the administration of this program. The proposal is as follows:

- Loan Limits: \$10,000 in local program funds, \$25,000 if combined with regional program
 - Loan Rate: 2.5% APR simple interest
 - Loan Terms:
 - Payments deferred for six months from close;
 - five year amortized thereafter;
 - unsecured;
 - no prepayment penalty.
 - Underwriting: COVID-19 related gross revenue impact; Bank referral; SBDC Loan Counseling; Describe how loan will provide resiliency (term operations extended, reduction in impact to A/P, making existing payroll obligations, etc)
 - Servicing: TBD
 - Eligible Uses:
 - payroll;
 - accounts payable (immediate and necessary);
 - rent/mortgage payments;
 - Utilities;
-

The goal is to have any loan refinanced through the Small Business Administration (or other federal and state programs) or be paid off through the amortized schedule.

The City would provide up to \$50,000 from the Economic Development Fund for this purpose. The risk to these funds would be high. Provision of this lending option would provide some bridge assistance and time to businesses. In theory this could help businesses “bridge” the time period until an economic recovery begins. For the City and the general public, retention of jobs, and the economic and tax base of the community is of fundamental importance. However, loans are likely to be unsecured and again, come with high risk.

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RESOLUTION NO. 1450-2020



**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIO DELL
ESTABLISHING AN EMERGENCY BUSINESS LOAN FUND FOR A RAPID RESPONSE TO
COVID-19 IMPACTS ON LOCAL BUSINESSES:**

WHEREAS, the impacts from the COVID-19 virus; the associated measures to protect public health; and local, regional, and national orders to shutter all but essential businesses; has had a dramatic negative effect on local businesses; and

WHEREAS, those businesses most impacted may need a very rapid response from local agencies, lenders, and business support providers to survive these impacts; and

WHEREAS, it is in the community interest to minimize the disruption to businesses that provide a range of goods and services by ensuring adequate access to capital while other sources of state and federal funding is pending; and

WHEREAS, the City is working with regional partners to streamline lending, create a regional Business Resiliency Emergency Loan Program, connect businesses to technical assistance, and share resources and information; and

WHEREAS, the City has approximately \$300,000 available in the Economic Development Fund, which could be budgeted to fund the Business Resiliency Emergency Loan Program; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Rio Dell that:

1. A Business Resiliency Emergency Loan Program is hereby established and funded with \$50,000 from the Economic Development Fund;
2. That the City of Rio Dell FY 2019-20 Economic Development Budget is hereby amended to provide funding for the Emergency Loan Program by increasing appropriations in account 5115 06 003 by \$5,000;
3. The City Manager is directed to work with regional economic development partners, including local banks, SBA lenders, the Humboldt Area Foundation, Headwaters Fund, and others to regionalize the program to the extent practicable;
4. The City Manager is authorized to finalize the program terms according to regional

collaboration and local need;

5. The City Manager is authorized to execute any agreements necessary to implement the program with all necessary expedience commensurate with the urgency of the COVID-19 impact on the economy, including but not limited to loan agreements, servicing agreements, and MOUs.

BE IT FURTHER RESOLVED that this Resolution shall become effective upon approval and adoption by the City Council.

I HEREBY CERTIFY that the forgoing Resolution was PASSED, APPROVED and ADOPTED at a regular meeting of the City Council of the City of Rio Dell on April 21, 2020 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Debra Garnes, Mayor

ATTEST:

I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify the above and foregoing to be a full, true and correct copy of Resolution No. 1450-2020 adopted by the City Council of the City of Rio Dell on April 21, 2020.

Karen Dunham, City Clerk, City of Rio Dell



This Master Loan Participation Agreement is dated April 21, 2020 between the City of Rio Dell ("CITY") and the Redwood Region Economic Development Commission ("RREDC"), with respect to Business Resilience Emergency Loan Program, is made subject to the following terms and conditions:

CITY desires to assist valued local businesses and employers through the difficult times brought about by the response to the COVID 19 pandemic. To assist in this effort, CITY will transfer \$50,000 to RREDC to be used to purchase participations in loans originated by RREDC to local Rio Dell businesses, nonprofits and government organizations that require funding during this period.

RREDC agrees to sell and CITY agrees to purchase an ownership interest in loans that will represent a applicable portion of all principal and interest and other payments made in connection with the loan, other than origination fees and costs reimbursed to RREDC. The participation includes an undivided ownership interest in RREDC's note, including RREDC's collateral, security agreement and other loan documents where appropriate.

RREDC will be responsible for all negotiation of terms and conditions, subject to the conditions outlined below. RREDC will administer all loan repayment billing, collection, and loan servicing. RREDC agrees will exercise the same degree of care and discretion in servicing as it would if it were servicing and collecting solely for its own account. RREDC may sell additional participations in the loans so long as it retains at least a [20%] interest in each loan. CITY shall not purchase more than 50% interest in any one loan unless specifically approved by CITY in writing. Loans under this master participation agreement shall accrue interest not less than 2.5%

While RREDC may change the terms of the underlying loan agreement as in its best judgement it deems appropriate, it agrees it will not decrease the interest rate or forgive principal on any loan participated in by CITY without the consent of CITY.

CITY agrees to advance \$50,000 to be used to purchase existing and future loan participations. RREDC will give a full monthly accounting of which loans have purchased, what the unused balance of CITY's funds are, what payments have been received and have been or will be remitted to CITY, and any notification of material changes in the borrowers' condition that may affect the ultimate ability of the borrower to repay the loan in full.

If there is any balance left in CITY's account on September 30, 2020, it shall be returned to CITY. This agreement shall be governed under the laws of the state of California.

Kyle Knopp, City of Rio Dell

Gregg Foster, RREDC