



# City of Fort Bragg

416 N Franklin Street  
Fort Bragg, CA 95437  
Phone: (707) 961-2823  
Fax: (707) 961-2802

## Meeting Agenda City Council

**THE FORT BRAGG CITY COUNCIL MEETS CONCURRENTLY  
AS THE FORT BRAGG MUNICIPAL IMPROVEMENT DISTRICT  
NO. 1 AND THE FORT BRAGG REDEVELOPMENT SUCCESSOR  
AGENCY**

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Monday, February 23, 2026

6:00 PM

Town Hall, 363 N. Main Street  
and Via Video Conference

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### CALL TO ORDER

### PLEDGE OF ALLEGIANCE

### ROLL CALL

### COUNCILMEMBERS PLEASE TAKE NOTICE

*Councilmembers are reminded that pursuant to the Council policy regarding use of electronic devices during public meetings adopted on November 28, 2022, all cell phones are to be turned off and there shall be no electronic communications during the meeting. All e-communications such as texts or emails from members of the public received during a meeting are to be forwarded to the City Clerk after the meeting is adjourned.*

### ZOOM WEBINAR INVITATION

*This meeting is being presented in a hybrid format, both in person at Town Hall and via Zoom.*

*You are invited to a Zoom webinar.*

*When: Feb 23, 2026 06:00 PM Pacific Time (US and Canada)*

*Topic: City Council Meeting*

*Join from PC, Mac, iPad, or Android:*

*<https://us06web.zoom.us/j/83602527995>*

*Or Telephone: 1 669 444 9171 US (\*6 mute/unmute; \*9 raise hand)*

*Webinar ID: 836 0252 7995*

*To speak during public comment portions of the agenda via zoom, please join the meeting and use the raise hand feature when the Mayor or Acting Mayor calls for public comment on the item you wish to address.*

### CLOSED SESSION REPORT

### AGENDA REVIEW

### 1. MAYOR'S RECOGNITIONS AND ANNOUNCEMENTS

1A. [26-91](#) Presentation of Proclamation Honoring the 30th Anniversary of Los Gallitos

Attachments: [07- Los Gallitos 30th Anniversary](#)

- 1B. [26-94](#) Honoring Dan Platt for a Lifetime of Service to Noyo Harbor and the Commercial Fishing Community  
*Attachments:* [09- Dan Platt Noyo Harbor](#)
- 1C. [26-89](#) Presentation of Proclamation Recognizing March, 2026, as Women's History Month  
*Attachments:* [06-Women's History Month](#)

## **2. PUBLIC COMMENTS ON: (1) NON-AGENDA, (2) CONSENT CALENDAR & (3) CLOSED SESSION ITEMS**

*MANNER OF ADDRESSING THE CITY COUNCIL: All remarks and questions shall be addressed to the City Council; no discussion or action will be taken pursuant to the Brown Act. No person shall speak without being recognized by the Mayor or Acting Mayor. Public comments are restricted to three (3) minutes per speaker.*

*TIME ALLOTMENT FOR PUBLIC COMMENT ON NON-AGENDA ITEMS: Thirty (30) minutes shall be allotted to receiving public comments. If necessary, the Mayor or Acting Mayor may allot an additional 30 minutes to public comments after Conduct of Business to allow those who have not yet spoken to do so. Any citizen, after being recognized by the Mayor or Acting Mayor, may speak on any topic that may be a proper subject for discussion before the City Council for such period of time as the Mayor or Acting Mayor may determine is appropriate under the circumstances of the particular meeting, including number of persons wishing to speak or the complexity of a particular topic. Time limitations shall be set without regard to a speaker's point of view or the content of the speech, as long as the speaker's comments are not disruptive of the meeting.*

*BROWN ACT REQUIREMENTS: The Brown Act does not allow action or discussion on items not on the agenda (subject to narrow exceptions). This will limit the Council's response to questions and requests made during this comment period.*

*WRITTEN PUBLIC COMMENTS: Written public comments received after agenda publication are forwarded to the Councilmembers as soon as possible after receipt and are available for inspection at City Hall, 416 N. Franklin St, Fort Bragg, during normal business hours. All comments after 2 PM on the day of the meeting will become a permanent part of the agenda packet on the day after the meeting or as soon thereafter as possible, except comments that are in an unrecognized file type or too large to be uploaded to the City's agenda software. Public comments may be submitted to [cityclerk@fortbraggca.gov](mailto:cityclerk@fortbraggca.gov).*

## **3. STAFF COMMENTS**

## **4. MATTERS FROM COUNCILMEMBERS**

## **5. CONSENT CALENDAR**

*All items under the Consent Calendar will be acted upon in one motion unless a Councilmember requests that an individual item be taken up under Conduct of Business.*

- 5A. [26-83](#) Adopt Resolution of the Fort Bragg City Council Approving Contract Amendment with Therma Inc, for the Controls Upgrade of Air Handler 1 to Include the Controls Upgrade of Air Handler 2 and Startup Assistance, Increasing the Amount of the Contract, (Amount not to Exceed \$24,145); CEQA Exemption 15301

**Attachments:** [RESO Therma Amendment](#)

[Att 1 - Change Order 1](#)

[Att 2 - Change Order 2](#)

- 5B. [26-75](#) Adopt Resolution of the Fort Bragg City Council Designating a Responsible Person for Affordable Care Act Reporting

**Attachments:** [RESO Designating A Responsible Person for ACA Reporting](#)

- 5C. [26-78](#) Receive and File Minutes of the Public Safety Committee Meeting of December 17, 2025

**Attachments:** [PSCM 2025-12-17](#)

- 5D. [26-99](#) Approve Minutes of February 9, 2026

**Attachments:** [CCM 02.09.2026](#)

## **6. DISCLOSURE OF EX PARTE COMMUNICATIONS ON AGENDA ITEMS**

## **7. PUBLIC HEARING**

*When a Public Hearing has been underway for a period of 60 minutes, the Council must vote on whether to continue with the hearing or to continue the hearing to another meeting.*

- 7A. [26-74](#) Receive a Report, Hold a Public Hearing, Consider Adoption of a Resolution of the Fort Bragg City Council Adopting Program Guidelines for the Community Development Block Grant (CDBG) Business Assistance Loan Program (BALP), and Consider Approving an Amendment to the Professional Services Agreement with Community Development Services for Loan Underwriting Services: CEQA Exemption 15061(b)(3)

**Attachments:** [02232026 Report CDBG BALP PGs PSA](#)

[Att 1 - RESO CDBG BALP PGS](#)

[Att 2 - CDBG BALP PGs](#)

[Att 3 - CDS PSA Amend No 3](#)

[Att 4 - Exhibit A for CDS Amend 3](#)

[Att 5 - NOPH](#)

[Att 6 - 02232026 Presentation](#)

## **8. CONDUCT OF BUSINESS**

- 8A. [26-62](#) Receive Report, Receive Public Works and Facilities Committee Recommendation, and Provide Direction on Street Rehabilitation Funding, Strategies, Location, and Scope

**Attachments:** [02232026 Road Crew and Oak Street Investigation](#)  
[Att 1 - Equipment Purchase Summary](#)  
[Att 2 - Lumos Proposal for Oak Street Utility Investigation](#)  
[Att 3 - Road Crew Presentation](#)

**9. CLOSED SESSION**

**ADJOURNMENT**

*The adjournment time for all Council meetings is no later than 10:00 p.m. If the Council is still in session at 10:00 p.m., the Council may continue the meeting upon majority vote.*

**NEXT REGULAR CITY COUNCIL MEETING:  
6:00 P.M., MONDAY, March 9, 2026**

STATE OF CALIFORNIA     )  
  )ss.  
COUNTY OF MENDOCINO    )

I declare, under penalty of perjury, that I am employed by the City of Fort Bragg and that I caused this agenda to be posted in the City Hall notice case on February 19, 2026.

\_\_\_\_\_  
Diana Paoli  
City Clerk

**NOTICE TO THE PUBLIC:**

**DISTRIBUTION OF ADDITIONAL INFORMATION FOLLOWING AGENDA PACKET DISTRIBUTION:**

- *Materials related to an item on this Agenda submitted to the Council/District/Agency after distribution of the agenda packet are available for public inspection upon making reasonable arrangements with the City Clerk for viewing same during normal business hours.*
- *Such documents are also available on the City of Fort Bragg’s website at <https://city.fortbragg.com> subject to staff’s ability to post the documents before the meeting.*

**ADA NOTICE AND HEARING IMPAIRED PROVISIONS:**

*It is the policy of the City of Fort Bragg to offer its public programs, services and meetings in a manner that is readily accessible to everyone, including those with disabilities. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities.*

*If you need assistance to ensure your full participation, please contact the City Clerk at (707) 961-2823. Notification 48 hours in advance of any need for assistance will enable the City to make reasonable arrangements to ensure accessibility.*

*This notice is in compliance with the Americans with Disabilities Act (28 CFR, 35.102-35.104 ADA Title II).*



# City of Fort Bragg

416 N Franklin Street  
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## Text File

File Number: 26-91

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**Agenda Date:** 2/23/2026

**Version:** 1

**Status:** Business

**In Control:** City Council

**File Type:** Staff Report

**Agenda Number:** 1A.

Presentation of Proclamation Honoring the 30th Anniversary of Los Gallitos



# Proclamation

## Honoring the 30th Anniversary of Los Gallitos

**WHEREAS**, Los Gallitos has proudly served the Fort Bragg community for 30 years, becoming a beloved local establishment known for its authentic Mexican cuisine, warm hospitality, and welcoming atmosphere; and

**WHEREAS**, rooted in the rich culinary and cultural traditions of Mexico, Los Gallitos has shared its heritage through generations of family recipes, vibrant flavors, and a deep spirit of hospitality that reflects the heart of Mexican culture; and

**WHEREAS**, for three decades, Los Gallitos has been more than just a restaurant — it has been a gathering place where families celebrate milestones, friends reconnect, visitors experience the heart of our community, and traditions are honored and passed on; and

**WHEREAS**, through dedication, hard work, and a strong commitment to preserving cultural heritage while serving the broader community, Los Gallitos has enriched Fort Bragg's cultural diversity and strengthened the vibrancy of Downtown; and

**WHEREAS**, small businesses like Los Gallitos are the backbone of our community, embodying resilience, entrepreneurship, and the multicultural fabric that makes Fort Bragg special; and

**WHEREAS**, reaching 30 years in business is a remarkable achievement that reflects perseverance, adaptability, and a steadfast commitment to family, culture, and community; and

**NOW THEREFORE**, I, Jason Godeke, Mayor of the City of Fort Bragg, on behalf of the entire City Council, do hereby recognize and celebrate the 30-Year Anniversary of Los Gallitos and extends its sincere congratulations and gratitude to the owners, employees, and patrons who have made this milestone possible.

The City of Fort Bragg proudly honors Los Gallitos for three decades of authentic Mexican heritage, outstanding food, and meaningful community connection — and looks forward to many more years of success.

SIGNED this 23rd day of February, 2026

ATTEST:

\_\_\_\_\_  
JASON GODEKE, Mayor

\_\_\_\_\_  
Diana Paoli, City Clerk  
No. 07-2026



# City of Fort Bragg

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## Text File

File Number: 26-94

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**Agenda Date:** 2/23/2026

**Version:** 1

**Status:** Consent Agenda

**In Control:** City Council

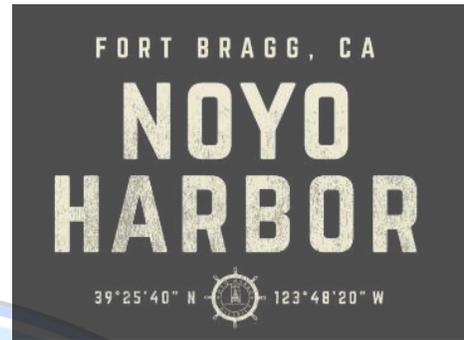
**File Type:** Proclamation

**Agenda Number:** 1B.

Honoring Dan Platt for a Lifetime of Service to Noyo Harbor and the Commercial Fishing Community

# PROCLAMATION

## Honoring Dan Platt for a Lifetime of Service to Noyo Harbor and the Commercial Fishing Community



**WHEREAS**, Noyo Harbor stands as a cornerstone of Fort Bragg’s identity, history, and working waterfront; and

**WHEREAS**, Dan Platt has devoted his life to the commercial fishing industry, representing generations of fishermen who have shaped our coastal community; and

**WHEREAS**, a proud second-generation fisherman, Dan has been part of the fishing community since childhood and has actively worked the waters of the West Coast since the 1970s, participating in every major West Coast fishery and embodying the dedication, resilience, and integrity of the commercial fishing lifestyle; and

**WHEREAS**, Dan most recently served as a Commissioner of the Noyo Harbor District from 2021 until his retirement, bringing decades of real-world experience, wisdom, and steady leadership to the Commission during a critical time for the harbor; and

**WHEREAS**, throughout his distinguished career, Dan generously shared his knowledge and leadership by serving as President and Board Member of the Salmon Trollers Marketing Association, participating on the California Nearshore Fishery Advisory Panel, and representing the Open Access fleet on the Pacific Fishery Management Council’s Groundfish Advisory Panel; and

**WHEREAS**, his service at the local, state, and federal levels has strengthened fisheries policy, supported working fishermen, and helped preserve the economic vitality and maritime heritage of Fort Bragg and Noyo Harbor; and

**WHEREAS**, Dan Platt’s lifetime of hard work, mentorship, and commitment to sustainable fisheries has left a lasting legacy on our harbor and on the generations who follow in his wake;

**NOW THEREFORE BE IT RESOLVED, I, Jason Godeke**, Mayor of the City of Fort Bragg, on behalf of the entire City Council, do hereby recognize and commend Dan Platt for his lifetime of dedication to the commercial fishing industry and for his distinguished service to the Noyo Harbor District. The City of Fort Bragg extends its deepest gratitude for his leadership, perseverance, and enduring contributions to our community, and wishes him continued health, fulfillment, and calm seas in the years ahead.

SIGNED this 23<sup>rd</sup> day of February, 2026

ATTEST:

\_\_\_\_\_  
Diana Paoli, City Clerk  
No. 09-2026

\_\_\_\_\_  
JASON GODEKE, Mayor



# City of Fort Bragg

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## Text File

File Number: 26-89

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**Agenda Date:** 2/23/2026

**Version:** 1

**Status:** Business

**In Control:** City Council

**File Type:** Proclamation

**Agenda Number:** 1C.

Presentation of Proclamation Recognizing March, 2026, as Women's History Month



**P R O C L A M A T I O N**  
**RECOGNIZING MARCH 2026 AS WOMEN'S HISTORY MONTH**

**WHEREAS**, Women's History Month has been observed yearly during the month of March in Mendocino County since 1983, and it has been observed nationally since 1987; and

**WHEREAS**, the Mendocino Women's Political Coalition (MWPC) presents the Women's History Gala Celebration with local chapter of the American Association of University Women (AAUW); and

**WHEREAS**, the aforementioned woman's organizations continue to work to increase and acknowledge the roles of the woman at all levels of community and public service, and to become knowledgeable about issues that affect woman's equality and to foster networks that extend and expand the creative, social, and political strength of women; and

**WHEREAS**, promoting and celebrating the equality and achievements of all women continue to be at the core of this 2026 celebration of Women's History; the tradition of the annual Women's History Gala Celebration is to recognize and honor particular women who exemplify each year's designated theme for contributions in their communities through their fields of work; and

**WHEREAS**, on Sunday, March 1, 2026, the public is invited to attend the 42<sup>nd</sup> Annual Women's History Gala Celebration at 12:00 p.m., at the SPACE Theater in Ukiah. Local women to be honored embody this year's theme of "Women Leading the Change, Shaping a Sustainable Future." The theme recognizes women throughout the county who work tirelessly for environmental and financial sustainability as well as community resilience, leadership succession and intergenerational equity.

**NOW, THEREFORE, I, Jason Godeke**, Mayor of the City of Fort Bragg, on behalf of the entire City Council, do hereby proclaim March as "Women's History Month."

SIGNED this 23rd day of February, 2026

\_\_\_\_\_  
**JASON GODEKE, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Diana Paoli, City Clerk**



# City of Fort Bragg

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## Text File

File Number: 26-83

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**Agenda Date:** 2/23/2026

**Version:** 1

**Status:** Passed

**In Control:** City Council

**File Type:** Resolution

**Agenda Number:** 5A.

Adopt Resolution of the Fort Bragg City Council Approving Contract Amendment with Therma Inc, for the Controls Upgrade of Air Handler 1 to Include the Controls Upgrade of Air Handler 2 and Startup Assistance, Increasing the Amount of the Contract, (Amount not to Exceed \$24,145); CEQA Exemption 15301

**RESOLUTION NO. \_\_-2026**

**RESOLUTION OF THE FORT BRAGG CITY COUNCIL APPROVING CONTRACT AMENDMENT WITH THERMA INC. FOR THE CONTROLS UPGRADE OF AIR HANDLER 1 TO INCLUDE THE CONTROLS UPGRADE OF AIR HANDLER 2 AND STARTUP ASSISTANCE, INCREASING THE AMOUNT OF THE CONTRACT, (AMOUNT NOT TO EXCEED \$24,145)**

**WHEREAS**, During the replacement of air handler units (AHU) 1 and 2 at the CV Starr center (PWP-00135) it was determined that the controls system for AHU 1 was not functioning properly. This prompted the city of Fort Bragg to sign a contract with City on-call controls contractor Therma in the amount of \$16,100 for the upgrade of the controls for AHU 1; and

**WHEREAS**, after discussion with Therma, the opportunity arose to upgrade the controls for AHU 2 at materials cost, in the amount of \$5,315.00 via change order 1; and

**WHEREAS**, A secondary site visit to assist with official start up, functional testing, and commissioning was requested via Change order 2 in the amount of \$2,730.00; and

**NOW, THEREFORE, BE IT RESOLVED** that the Fort Bragg City Council does hereby approve a Contract Amendment with Therma, Inc. to provide an upgraded controls system for AHU 2 and assist with startup and functional testing through Commissioning and authorizes the City Manager to execute same (Amount Not to Exceed \$24,145).

**BE IT FURTHER RESOLVED** that this project is categorically exempt from pursuant to Section 15301 of the California Environmental Quality Act because the work consists of minor alteration, repair, maintenance of existing structures, facilities, or mechanical equipment and involves negligible or no expansion of the existing or former use.

The above and foregoing Resolution was introduced by Councilmember \_\_\_\_\_, seconded by Councilmember \_\_\_\_\_, and passed and adopted at a regular meeting of the City Council of the City of Fort Bragg held on the 23<sup>rd</sup> day of February, 2026, by the following vote:

- AYES:**
- NOES:**
- ABSENT:**
- ABSTAIN:**
- RECUSED:**

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**Jason Godeke**  
**Mayor**

**ATTEST:**

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**Diana Paoli**  
**City Clerk**



Attention: Carlos Hernandez  
**CV Starr**

**2 February 2026**

**CV Starr AHU Retro fit Change Order 1**  
416 N Franklin St  
Fort Bragg, CA

**Therma Controls Proposal**  
**Quote # 26-0058**

We have based our proposal on:

1. CO-1 to 1113677 for 2<sup>nd</sup> AHU to be retro-fitted with new controls during same mobilization

<b>Base Scope Price:</b>	<b>\$5,315.00</b>
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**Base Scope of Work:**

- A. **Procurement** of Distech control components for one (1) air-handling units (AHUs) to replace the existing Johnson Controls (JCI) control systems on AHU-2
- B. **Reuse of Existing Panel:** The existing AHU control panel will remain in place and be reused as part of this scope.
- C. **Engineering Services:** Provide program (reuse same program from AHU1), startup support, point-to-point verification, and functional performance testing for the control systems identified above.
- D. **System Configuration:** Set up alarming, trending, and scheduling for all associated equipment.
- E. **Warranty:** Provide a one-year parts warranty for all material furnished under this scope.
- F. **Sequence of Operations:** All control logic will be developed in accordance with the Sequence of Operations (SOO) provided by the Engineer of Record

**Exclusions:**

1. Overtime unless approved.
2. Control of any equipment of any kind not listed in the above scope of work.
3. Undisclosed building deficiencies requiring repairs will be quoted as additional scope.
4. Additional Commissioning support is specifically excluded
5. Third Party Inspections are excluded.
6. All control wiring and/or installation of "ship loose" control devices not directly connected to Distech hardware or Distech communications network except as stated in above SOW.
7. 120V Power to all control and transformer panels is by Electrical Contractor.
8. All Fire Alarm System devices furnished, installed, powered, controlled, and interlocked to mechanical equipment by others.
9. Roof Penetrations, flashing, roof repair/patching and Wall/Floor coring, cutting/patching/painting.
10. Electrical conduit and wiring installation above 39 volts; except as stated in above SOW.
11. Additional Graphics of any kind not stated in above scope.
12. Light Switches, Light Panels and associated Wiring.
13. Repair of any existing mechanical component(s) for the system(s) included in this project.
14. Air Balance
15. Plans and As-Built Drawings, Shop Drawings.
16. Acceptance Testing as required for Title-24 compliance is not included in mechanical scope and/or pricing as listed above; state requirements for Title-24 Acceptance Testing are not yet

fully defined – certification, testing and documentation fees that may result from associated state/code requirements, once established, will be the responsibility of the owner.

17. Access to existing facility is assumed to be without any delays.
18. Valves, wells, and controls that require water piping of any fashion is to be installed by others.
19. All VFD's and/or motor starters to be provided and installed by others

### **Terms & Conditions**

1. This quote letter is to be incorporated into the contract. Any terms and conditions stated herein supersede any other contract statements or wording which may conflict.
2. This quotation is valid for 30 days.
3. Not responsible for hazardous material (before, during and after disposal).
4. Design Build: Where Therma's work includes design or engineering services, plans and specifications produced by Therma is not intended or suitable for installation by any party other than Therma. The owner and engineer of record will indemnify and hold Therma harmless in writing from any design liability if work based on Therma's design documents is installed by another party.
5. All changes resulting from concealed conditions are excluded.
6. Formal change order documentation to our contract shall be provided to Therma in a reasonable period of time defined as within 30 days, when Therma is directed by the Contractor or Client to perform work outside of the contractual scope of work and a change order cannot be provided to Therma prior to the work being started.
7. Our payment terms are as follows: Net 30 days beginning on the first day of the following month after monthly payment is submitted. Any retention is due within 30 days after the final invoice, turn-over package, and lien releases (if applicable) are delivered to you. There will be a late fee of 1% charged per month or portion thereof on outstanding balances.
8. The customer is responsible for any bank fees associated with credit card or electronic transfer payment processing. Credit card transactions shall be subject to a 3% processing fee.
9. We do not offer cash discounts for early payment invoices, unless specifically offered in the inclusion above.
10. No bond fees.
11. No participation in liquidated damages.
12. No back charges are to be assigned to Therma without previous written notification from your firm within 48 hours of an incident and corresponding written assent from Therma.
13. In the event an executed agreement is not received within 30 days after issuing the Notice to Proceed, Therma may exercise its rights to bill for any and all accrued costs. If payment is not received within 60 days from date of invoice, Therma may exercise its right to stop work for non-payment.

We appreciate the opportunity to provide you with this proposed pricing and look forward to our future involvement with this project. If you have any questions, please feel free to give us a call. If we are to proceed, please issue a subcontract or purchase order at your earliest convenience.

Sincerely,

*Megan Murphy*

Megan Murphy  
Therma Controls Division



Attention: Carlos Hernandez  
**CV Starr**

**2 February 2026**

**CV Starr AHU Retro fit Change Order 2**  
416 N Franklin St  
Fort Bragg, CA

**Therma Controls Proposal**  
**Quote # 26-0059**

We have based our proposal on:

1. CO-2 to 1113677 for return visit to support CX

<b>Base Scope Price:</b>	<b>\$2,730.00</b>
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**Base Scope of Work:**

- A. **Return visit for CX support, not to exceed 12 hours.**

**Exclusions:**

1. Overtime unless approved.
2. Control of any equipment of any kind not listed in the above scope of work.
3. Undisclosed building deficiencies requiring repairs will be quoted as additional scope.
4. Additional Commissioning support is specifically excluded
5. Third Party Inspections are excluded.
6. All control wiring and/or installation of "ship loose" control devices not directly connected to Distech hardware or Distech communications network except as stated in above SOW.
7. 120V Power to all control and transformer panels is by Electrical Contractor.
8. All Fire Alarm System devices furnished, installed, powered, controlled, and interlocked to mechanical equipment by others.
9. Roof Penetrations, flashing, roof repair/patching and Wall/Floor coring, cutting/patching/painting.
10. Electrical conduit and wiring installation above 39 volts; except as stated in above SOW.
11. Additional Graphics of any kind not stated in above scope.
12. Light Switches, Light Panels and associated Wiring.
13. Repair of any existing mechanical component(s) for the system(s) included in this project.
14. Air Balance
15. Plans and As-Built Drawings, Shop Drawings.
16. Acceptance Testing as required for Title-24 compliance is not included in mechanical scope and/or pricing as listed above; state requirements for Title-24 Acceptance Testing are not yet fully defined – certification, testing and documentation fees that may result from associated state/code requirements, once established, will be the responsibility of the owner.
17. Access to existing facility is assumed to be without any delays.
18. Valves, wells, and controls that require water piping of any fashion is to be installed by others.
19. All VFD's and/or motor starters to be provided and installed by others

**Terms & Conditions**

1. This quote letter is to be incorporated into the contract. Any terms and conditions stated herein supersede any other contract statements or wording which may conflict.
2. This quotation is valid for 30 days.

3. Not responsible for hazardous material (before, during and after disposal).
4. Design Build: Where Therma's work includes design or engineering services, plans and specifications produced by Therma is not intended or suitable for installation by any party other than Therma. The owner and engineer of record will indemnify and hold Therma harmless in writing from any design liability if work based on Therma's design documents is installed by another party.
5. All changes resulting from concealed conditions are excluded.
6. Formal change order documentation to our contract shall be provided to Therma in a reasonable period of time defined as within 30 days, when Therma is directed by the Contractor or Client to perform work outside of the contractual scope of work and a change order cannot be provided to Therma prior to the work being started.
7. Our payment terms are as follows: Net 30 days beginning on the first day of the following month after monthly payment is submitted. Any retention is due within 30 days after the final invoice, turn-over package, and lien releases (if applicable) are delivered to you. There will be a late fee of 1% charged per month or portion thereof on outstanding balances.
8. The customer is responsible for any bank fees associated with credit card or electronic transfer payment processing. Credit card transactions shall be subject to a 3% processing fee.
9. We do not offer cash discounts for early payment invoices, unless specifically offered in the inclusion above.
10. No bond fees.
11. No participation in liquidated damages.
12. No back charges are to be assigned to Therma without previous written notification from your firm within 48 hours of an incident and corresponding written assent from Therma.
13. In the event an executed agreement is not received within 30 days after issuing the Notice to Proceed, Therma may exercise its rights to bill for any and all accrued costs. If payment is not received within 60 days from date of invoice, Therma may exercise its right to stop work for non-payment.

We appreciate the opportunity to provide you with this proposed pricing and look forward to our future involvement with this project. If you have any questions, please feel free to give us a call. If we are to proceed, please issue a subcontract or purchase order at your earliest convenience.

Sincerely,

*Megan Murphy*

Megan Murphy  
Therma Controls Division



# City of Fort Bragg

416 N Franklin Street  
Fort Bragg, CA 95437  
Phone: (707) 961-2823  
Fax: (707) 961-2802

## Text File

File Number: 26-75

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**Agenda Date:** 2/23/2026

**Version:** 1

**Status:** Passed

**In Control:** City Council

**File Type:** Resolution

**Agenda Number:** 5B.

Adopt Resolution of the Fort Bragg City Council Designating a Responsible Person for Affordable Care Act Reporting

Approval of the Resolution designates the person responsible for furnishing 1094-C and 1095-C forms to comply with Affordable Care Act (ACA) reporting requirement for the City of Fort Bragg, that is an Applicable Large Employer (ALE) under the federal Affordable Care Act.

**RESOLUTION NO. \_\_\_\_\_-2026**

**RESOLUTION OF THE FORT BRAGG CITY COUNCIL DESIGNATING A RESPONSIBLE PERSON FOR AFFORDABLE CARE ACT REPORTING**

**WHEREAS**, the City of Fort Bragg (the “agency”) is an Applicable Large Employer (ALE) under the federal Affordable Care Act (ACA); and

**WHEREAS**, federal regulations require governmental ALEs to designate an individual responsible for furnishing and filing ACA forms; and

**WHEREAS**, the Agency aims to comply with ACA reporting mandates; and

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Fort Bragg hereby as follows:

1. **Designation:** The role of Human Resources Manager is designated as the individual responsible for the Agency’s ACA reporting.
2. **Scope:** This responsibility covers the reporting for all full-time employees as required by ACA reporting requirements.
3. **Agency Information:** The Agency’s legal details are City of Fort Bragg, 416 N. Franklin St., Fort Bragg, CA 95437, and EIN 94-6000335.
4. **Designated Person Information:** The designated person’s details are Juli Mortensen, Human Resources Manager, 416 N. Franklin St., Fort Bragg, CA 95437, and EIN 94-6000335.
5. **Acknowledgement:** The designated person acknowledges and certifies their ACA reporting responsibility for the Agency.
6. **Authorization:** The Human Resources Manager is authorized to execute this resolution and related documents to formalize this designation.

**The above and foregoing Resolution was introduced by Councilmember \_\_\_\_\_, seconded by Councilmember \_\_\_\_\_, and passed and adopted at a regular meeting of the City Council of the City of Fort Bragg held on the 23<sup>rd</sup> day of February, 2026, by the following vote:**

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

---

**Jason Godeke  
Mayor**

**ATTEST:**

---

**Diana Paoli**  
**City Clerk**



# City of Fort Bragg

416 N Franklin Street  
Fort Bragg, CA 95437  
Phone: (707) 961-2823  
Fax: (707) 961-2802

## Text File

File Number: 26-78

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**Agenda Date:** 2/23/2026

**Version:** 1

**Status:** Filed

**In Control:** City Council

**File Type:** Committee Minutes

**Agenda Number:** 5C.

Receive and File Minutes of the Public Safety Committee Meeting of December 17, 2025



# City of Fort Bragg

416 N Franklin Street  
Fort Bragg, CA 95437  
Phone: (707) 961-2823  
Fax: (707) 961-2802

## Meeting Minutes Public Safety Committee

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Wednesday, December 17, 2025

3:00 PM

Town Hall, 363 N. Main Street

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### MEETING CALLED TO ORDER

Chair Peters opened the meeting at 3:00PM.

### ROLL CALL

Present are Chair Lindy Peters and Councilmember Scott Hockett.

### 1. APPROVAL OF MINUTES

- 1A. [25-551](#) Approve Minutes of the Special Public Safety Committee Meeting of November 19, 2025.

Chair Peters motions, Councilmember Hockett seconds the motion. Minutes were approved as presented.

### 2. PUBLIC COMMENTS ON NON-AGENDA ITEMS

None.

### 3. CONDUCT OF BUSINESS

- 3A. [25-552](#) Review Fire Sprinkler Ordinance

Chair Peters began by stating that this agenda item would be heard at a future meeting and continued on to the following agenda item.

- 3B. [25-553](#) Continue Discussion Regarding Dispatch Services for the Fort Bragg Police Department

Communications and Records Manager, Marla Swan, began by introducing the Dispatch Center layout and overview of dispatch operations for both the Fort Bragg Police Department and Ukiah Police Department.

She continued by presenting the statistical performance for 911 calls under the State's policy. She stated that their dispatch center is well above the State's policy average with a 99.07 % answering rate where as the State's policy expects 90% of 911 calls being answered within 15 seconds and 95% of 911 calls being answered within 20 seconds. Considering that they average about 164 calls per day, which can be up to 280 calls per day around the holidays, their answering rate is phenomenal and the numbers represent their dedication.

Swan went into a minimal explanation regarding the background in becoming a Dispatcher. She

emphasized that only 1% of society is capable of becoming a Dispatcher due to all the training factors and demanding protocols.

In conclusion Swan introduced the new version of the Computer Aided Dispatch (CAD) System that has been more beneficial to both Dispatch and officers due to faster and more efficient responses.

Public comments made by:  
Jenny Shattuck  
Morgan Peterson

Chair Peters commended the Dispatch Center for its outstanding contributions to public safety and reiterated the many ways its staff works to keep the community safe.

**4. MATTERS FROM COMMITTEE / STAFF**

None mentioned at this meeting.

**ADJOURNMENT**

Chair Peters adjourned the meeting at 3:48 PM.



# City of Fort Bragg

416 N Franklin Street  
Fort Bragg, CA 95437  
Phone: (707) 961-2823  
Fax: (707) 961-2802

## Text File

File Number: 26-99

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**Agenda Date:** 2/23/2026

**Version:** 1

**Status:** Filed

**In Control:** City Council

**File Type:** Minutes

**Agenda Number:** 5D.

Approve Minutes of February 9, 2026



# City of Fort Bragg

416 N Franklin Street  
Fort Bragg, CA 95437  
Phone: (707) 961-2823  
Fax: (707) 961-2802

## Meeting Minutes City Council

*THE FORT BRAGG CITY COUNCIL MEETS CONCURRENTLY  
AS THE FORT BRAGG MUNICIPAL IMPROVEMENT DISTRICT  
NO. 1 AND THE FORT BRAGG REDEVELOPMENT  
SUCCESSOR AGENCY*

Monday, February 9, 2026

6:00 PM

Town Hall, 363 N. Main Street  
and Via Video Conference

### AMENDED

### CALL TO ORDER

Mayor Godeke called the meeting to order at 6:00 PM

### ROLL CALL

**Present:** 5 - Mayor Jason Godeke, Vice Mayor Marcia Rafanan, Councilmember Tess Albin-Smith, Councilmember Lindy Peters and Councilmember Scott Hockett

### CLOSED SESSION REPORT

None.

### AGENDA REVIEW

Mayor Godeke moved Item 8B to be heard before Item 7A.

### 1. MAYOR'S RECOGNITIONS AND ANNOUNCEMENTS

**1A. [26-54](#)** Presentation of Proclamation Declaring February Teen Violence Awareness Month

Councilmember Albin-Smith read and presented Proclamation Declaring February Teen Violence Awareness Month to Project Sanctuary Volunteer and Outreach Coordinator Chelsea Lorenz.

**1B. [26-53](#)** Presentation of Proclamation Declaring February as Black History Month

Councilmember Peters read and presented Proclamation Declaring February as Black History Month to Police Chief Eric Swift.

### 2. PUBLIC COMMENTS ON: (1) NON-AGENDA, (2) CONSENT CALENDAR & (3)

### CLOSED SESSION ITEMS

(1) George Reinhardt

### 3. STAFF COMMENTS

Police Chief, Eric Swift commended Officers Pacheco and Martinez for life saving response to citizen in distress. Economic Development Manager, Sarah McCormick gave an update on

projected work schedules related to broadband. City Manager, Isaac Whippy discussed City Business and future City events including Meet the City Manager and Police Chief.

#### **4. MATTERS FROM COUNCILMEMBERS**

Councilmembers reported on Oneka Desalination Buoy and future surveys on Economic Development and Mill Site topics.

#### **5. CONSENT CALENDAR**

**A motion was made by Councilmember Peters, seconded by Vice Mayor Rafanan, that the Consent Calendar be adopted. The motion carried by the following vote:**

**Aye:** 5 - Mayor Godeke, Vice Mayor Rafanan, Councilmember Albin-Smith, Councilmember Peters and Councilmember Hockett

- 5A.** [25-439](#) Adopt Resolution of the Fort Bragg City Council Approving Side Letter Amending Article 1 - Preamble and Article 11 - Cost of Living Adjustments and One-Time Payments of the Fort Bragg Employee Organization/Service Employees International Local 1021 2025-2029 Memorandum of Understanding to Include non-exempt, full-time Broadband Classifications and Update Cost-of-Living Provisions

**This Resolution was adopted on the Consent Calendar.**

Enactment No: RES 5003-2026

- 5B.** [26-36](#) Adopt Resolution of the Fort Bragg City Council Declaring its Intent to Vacate Certain Right-of-Ways and Set Public Hearing for Same

**This Resolution was adopted on the Consent Calendar.**

Enactment No: RES 5004-2026

- 5C.** [26-58](#) Adopt City Council Resolution Approving Professional Services Agreement with Nichols Consulting Engineers, Chtd. (NCE) to Provide Professional Engineering Services for the Stormwater Asset Management Plan and Authorizing City Manager to Execute Contract (Amount Not to Exceed \$82,566.00); Categorical Exemption §15262

**This Resolution was adopted on the Consent Calendar.**

Enactment No: RES 5005-2026

- 5D.** [26-47](#) Accept Certificate of Completion for the Water Treatment Plant Rehabilitation Project and Direct City Clerk to File Notice of Completion

**This Certificate of Completion was accepted on the Consent Calendar.**

- 5E.** [26-48](#) Accept Certificate of Completion for the Bio Solids Material Storage Building Project and Direct City Clerk to File Notice of Completion

**This Certificate of Completion was accepted on the Consent Calendar.**

- 5F.** [26-60](#) Receive and File Minutes of the Visit Fort Bragg Committee Meeting of December 09, 2025  
**These Committee Minutes was received and filed on the Consent Calendar.**
- 5G.** [26-66](#) Receive and File Minutes of the Community Development Committee Meeting of December 1, 2025  
**These Committee Minutes was received and filed on the Consent Calendar.**
- 5H.** [26-51](#) Approve Minutes of January 26, 2026  
**These Minutes were approved on the Consent Calendar.**
- 5I.** [26-52](#) Approve Minutes of Special Meeting of January 26, 2026  
**These Minutes were approved on the Consent Calendar.**

## **6. DISCLOSURE OF EX PARTE COMMUNICATIONS ON AGENDA ITEMS**

None.

- 8B.** [26-61](#) Receive Recommendation from the Parks and Recreation Committee and Provide Direction on Recreational Features for inclusion in the Reservoir and Community Forest Project (WTR-00024) Environmental Impact Report (EIR)

Mayor Godeke introduced Item 8B. Assistant Director of Engineering, Chantell O'Neal presented staff report. Councilmembers asked clarifying questions.

Public Comment: Will Harris, Ross Koski, Kathy Westfall, Don Bainbridge, Aaron Vargas, Justin Kay, Dave Larkin, Jenny Shattuck, Doug Kurtis, Mary Pardini, Tam Vadan, Amy Hansen, Deegan Hansen, Brian Early, Monty Bradley, Kylie Felicich, Jacob Patterson, and Jay Rosenquist.

Direction: Councilmembers advised staff to include on the Environmental Impact Report specific high impact features including dirt bike track.

**Mayor Godeke recessed the meeting at 7:31 PM; the meeting reconvened to open session at 7:41 PM.**

## **7. PUBLIC HEARING**

- 7A.** [26-59](#) Receive a Report, Hold a Public Hearing, and Consider Adoption of Resolution of the Fort Bragg City Council Revising the City's Fee Schedule for Various City Fees and Services for Calendar Year 2026-27

Mayor Godeke introduced Item 7A. City Manager, Isaac Whippy presented two staff reports and reported on Administration, Finance, and Economic Development proposed fee changes. Associate Planner, Sarah Peters reported on proposed Community Development fee changes. Assistant Director of Engineering, Chantell O'Neal reported on proposed Public Works fee changes. CV Starr Manager, Moneque Wooden reported on proposed CV Starr and Parks & Recreation fee changes. Councilmembers asked clarifying questions.

**Mayor Godeke opened the public hearing at 8:49 PM**

Public Comment: David Jensen, Jacob Patterson, Paul Clark, Sarah Bodnar, Jay Rosenquist, and Michelle Blackwell.

**Mayor Godeke closed the public hearing at 9:03 PM**

**A motion was made by Mayor Godeke, seconded by Councilmember Peters, that the Fee Schedule Resolution 5006-2026 be adopted as amended. The motion carried by the following vote:**

**Aye:** 4 - Mayor Godeke, Councilmember Albin-Smith, Councilmember Peters and Councilmember Hockett

**No:** 1 - Vice Mayor Rafanan

Enactment No:

**A motion was made by Mayor Godeke, seconded by Councilmember Peters, that the Fee Waiver Resolution 5007-2026 be adopted. The motion carried by the following vote:**

**Aye:** 5 - Mayor Godeke, Vice Mayor Rafanan, Councilmember Albin-Smith, Councilmember Peters and Councilmember Hockett

Enactment No:

**8. CONDUCT OF BUSINESS****8A. [26-65](#)** Presentation of Fort Bragg Blues Festival 2026

Mayor Godeke introduced Item 8A. Events Coordinator Pam Bell gave presentation on Blue Festival 2026 events. Councilmembers asked clarifying questions.

Public Comment: Jay Rosenquist.

**8C. [26-50](#)** Presentation from Hoch Consulting: Community Survey Results and Draft Recycled Water Feasibility Study

Mayor Godeke introduced Item 8C. Engineering Technician, Kevin McDannold introduced panelists from Hoch Consulting. Presentation was given on Water Feasibility Study.

Councilmembers asked clarifying questions

Public Comment: Jay Rosenquist and Andrew Jordan

**8D. [26-55](#)** Receive Report and Consider Adopting City Council Resolution Approving Contract Amendment with HDR Engineering, Inc. for the Water Treatment Plan Rehabilitation Project for Bid and Construction Services, Project No. WTR-00017, Increasing the Amount of the Design Contract with HDR Engineering, Inc., and Authorizing the City Manager to Execute Same (Not To Exceed \$600,288; Account 615-6006-0731); CEQA Exemption 15301, 15304

Mayor Godeke introduced Item 8D. Assistant City Engineer, Alfredo Huerta reported on HDR close out and recommended a motion of contract amendment Resolution.

Public Comment: None.

**A motion was made by Councilmember Peters, seconded by Vice Mayor Rafanan, that the Resolution be adopted. The motion carried by the following votes:**

**Aye:** 5 - Mayor Godeke, Vice Mayor Rafanan, Councilmember Albin-Smith, Councilmember Peters and Councilmember Hockett

Enactment No: RES 5008-2026

**8E. [26-69](#)**

Receive Report and Consider Adopting City Council Resolution, Pursuant to Government Code Section 54221, Declaring Remnant Right-of-Way Property as Not Necessary for City Use and Determining Such Property as Exempt Surplus, Finding Such Declaration Exempt from Environmental Review Under the California Environmental Quality Act and Taking Related Actions

Mayor Godeke introduced Item 8E. Assistant City Engineer, Alfredo Huerta reported on the disposal of Exempt Surplus property and recommended Council adopt the Resolution.

Public Comment: None.

**A motion was made by Councilmember Peters, seconded by Vice Mayor Rafanan, that the Resolution be adopted. The motion carried by the following vote:**

**Aye:** 5 - Mayor Godeke, Vice Mayor Rafanan, Councilmember Albin-Smith, Councilmember Peters and Councilmember Hockett

Enactment No: RES 5009-2026

**9. CLOSED SESSION**

**ADJOURNMENT**

**Mayor Godeke adjourned the meeting at 10:32 PM.**

\_\_\_\_\_  
JASON GODEKE, MAYOR

\_\_\_\_\_  
Stephanie Remington, Administrative Assistant

IMAGED (\_\_\_\_\_)



# City of Fort Bragg

416 N Franklin Street  
Fort Bragg, CA 95437  
Phone: (707) 961-2823  
Fax: (707) 961-2802

## Text File

File Number: 26-74

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**Agenda Date:** 2/23/2026

**Version:** 1

**Status:** Passed

**In Control:** City Council

**File Type:** Resolution

**Agenda Number:** 7A.

Receive a Report, Hold a Public Hearing, Consider Adoption of a Resolution of the Fort Bragg City Council Adopting Program Guidelines for the Community Development Block Grant (CDBG) Business Assistance Loan Program (BALP), and Consider Approving an Amendment to the Professional Services Agreement with Community Development Services for Loan Underwriting Services: CEQA Exemption 15061(b)(3)



## CITY COUNCIL STAFF REPORT

---

**TO:** City Council

**DATE:** February 23, 2026

**DEPARTMENT:** Economic Development Department

**PREPARED BY:** Lacy Sallas, Grants Coordinator

**PRESENTER:** Lacy Sallas, Grants Coordinator

**AGENDA TITLE: RECEIVE A REPORT, HOLD A PUBLIC HEARING, CONSIDER ADOPTION OF A RESOLUTION OF THE FORT BRAGG CITY COUNCIL ADOPTING PROGRAM GUIDELINES FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) BUSINESS ASSISTANCE LOAN PROGRAM (BALP), AND CONSIDER APPROVING AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH COMMUNITY DEVELOPMENT SERVICES FOR LOAN UNDERWRITING SERVICES**

---

### RECOMMENDATION

Adopt a Resolution Adopting Program Guidelines for the Community Development Block Grant (CDBG) Business Assistance Loan Program (BALP) and Approve an Amendment to the Professional Services Agreement with Community Development Services for Loan Underwriting Services

---

### BACKGROUND

In 2024, the City of Fort Bragg applied to use the City's Community Development Block Grant (CDBG) Program Income funds to operate a Business Assistance Loan Program (BALP). The City has completed contracting with HCD which allows the City to use up to \$570,000 to fund the BALP, including loans to qualified businesses, loan underwriting services, staff expenses to operate the BALP, and staff expenses for general administration of the CDBG program. A Standard Agreement was executed between the City and HCD on October 23, 2025 and expires October 22, 2028. The contract expenditure period runs from October 23, 2025 to July 22, 2028. Closeout of the award will take place between July 23, 2028 and October 22, 2028, or sooner, should funds be exhausted. The BALP is expected to kick off in February 2026 and run through June 2028 or until all funds are expended, whichever happens first. Prior to program initiation, the City Council must adopt Program Guidelines, which govern program operation; and approve a professional services agreement for loan underwriting services. Consistent with CDGB requirements, a public hearing will be held to solicit input from the public regarding the proposed activities prior to approval of the Program Guidelines.

### DISCUSSION AND ANALYSIS

AGENDA ITEM NO. 7A

The BALP is an economic development program providing financial assistance to support local businesses with creation and/or retention of jobs filled primarily by low-moderate income persons, which is an eligible CDBG Economic Development Activity. This activity meets the Low/Moderate Jobs (LMJ) National Objective through creation and/or retention of jobs, of which at least 51% are filled by low-moderate income persons. The City has operated a variety of business loan programs throughout the years as funding is available, most recently leveraging funding through annual CDBG, COVID-19 CDBG, and State and Local Fiscal Recovery Funds. The City's loan programs have assisted many local businesses and continue to be sought after programs.

Historically, the CDBG-funded program has operated without loan fees, with interest rates starting at 1%. The Fort Bragg Business Boost Loan Program, recently implemented and funded by SLFRF, includes modest loan fees, along with a slight interest rate increase. These changes, which do not appear to have deterred applicants, were implemented as a cost recovery measure to help fund the program in perpetuity. Because the Boost program is a revolving loan program, availability of loan funds will be dependent upon repaid loans.

While CDBG funding does not currently allow for revolving loan programs, like the Boost, the City could continue to apply to use Program Income funds for a BALP, essentially simulating a revolving loan program. Loan repayments collected would be deposited into the Program Income account and held for future use as contracted with HCD, for a BALP or other CDBG-eligible activity. The reintroduction of the CDBG program increases the likelihood that the City will have funds available for loans when they are most needed. Proposed Program Guidelines are included herein as Attachment 2. Program Guidelines have been updated using the most recent CDBG template; while largely similar to the last iteration, there are a handful of updates. In this iteration of Program Guidelines, we propose continuing the CDBG loan program sans fees, to keep the program accessible to all business owners. CDBG allows for funds to be used for Activity Delivery and General Administration, which will be used to cover expenses typically covered by loan fees (underwriting, recording, etc.). The draft Program Guidelines propose increasing the minimum interest rate from 1% to 2.5%, to more closely align the program with the Boost and to assist in cost recovery for loan servicing over time. The proposed range of 2.5-5% is still significantly lower than a market rate loan. Following is a brief overview of the main points of the program:

### **Program Guidelines Brief**

**Program Overview:** The BALP will provide financial assistance to qualifying businesses within City limits by providing low-interest, flexible-term loans.

**Eligible Businesses:** For-profit businesses located within City limits.

**Loan Amounts:** Minimum of \$35,000 (supports at least one job) and Maximum of \$210,000 (supports at least six jobs). These limits were adjusted to correspond with the CDBG job creation/retention requirement of at least one job per \$35,000 loaned. The

maximum loan is capped at \$210,000 to ensure that funding is available to assist multiple businesses throughout the life of the program.

Loan Fees: None.

Interest Rates: May range from 2.5% to 5%, determined on case by case basis, based on risk factors.

Terms: Typically, 10 years, but may range from five to 30 years, based on project costs, security, and capacity to repay. Repayment is required – these are not forgivable loans or grants. Flexible repayment terms will be determined on a case-by-case basis, based on debt-service capacity of each applicant. Typically, loan payments will begin within three months of disbursement. Should job creation and/or retention requirements not be met, loans will become due and payable.

Job Creation and/or Retention Requirements: Each business must prove that jobs were created and/or retained as a result of the loan, and at least 51% of those jobs must be filled by low-moderate income persons.

Collateral: Collateral is required. Junior liens will be considered.

Application Process: Applications will be made available on the City's Economic Development website <https://www.fortbraggbiz.com/> and at City Hall. Applicants must complete the City's application form and provide all required documentation. Following submission of a complete application, applicants will be interviewed via phone and onsite by the loan underwriter. Additional information or documents may be requested. Loan proposals will be considered by the Loan Advisory Committee, which consists of City staff and local banking staff. If a loan is approved, funds will be disbursed following execution of all loan documents.

Repayment: Principal and interest collected from the BALP will be retained in the City's CDBG Program Income account, to be used for eligible CDBG activities as agreed upon with HCD.

Marketing Initiation: Following adoption of the Program Guidelines by City Council resolution, program staff will begin marketing the program to the public and local for-profit businesses.

Program Summary: Even with the proposed interest rate increase, the program remains more flexible and accessible than acquiring a typical bank loan. The BALP is open to startups, which are often precluded from other loan programs. The City's ability to take a junior lien position allows applicants to leverage other funds, including bank loans, for larger projects that may require additional funding above the BALP maximum.

### **Professional Services Agreement**

Professional Services for Loan Underwriting: Loan underwriting services are necessary for program operation. Loan underwriters are also available for technical assistance as needed. The City procured the services of Parker, Lucas, & Associates, dba Community Development Services (CDS), as the result of a CDBG-compliant Request for Proposals for the BALP in 2021. In 2024, the contract with CDS was amended to include services for the Boost program. The City indicated the intent to continue utilizing CDS services for CDBG loans in the 2024 CDBG application to use CDBG Program Income funds. The contract with CDS is currently set to expire on December 31, 2026. Staff recommends amending the contract to (1) extend the expiration date to October 22, 2028, to allow for services through program closeout, and (2) increase the NTE amount by \$66,000 to a total of \$247,351 (this total also includes prior services related to CDBG and Boost). CDS staff have provided satisfactory underwriting services and possess knowledge of both the CDBG program and other lending sources; their expertise would provide continuity among the City's active loan programs.

Alternatively, the Council could choose not to amend the contract and instead, direct staff to prepare a Request for Proposals for underwriting services. This would delay loan disbursement for early applicants; staff could still accept applications during the RFP process but would not be able complete any loans until procurement was completed.

#### **FISCAL IMPACT/FUNDING SOURCE**

The BALP will be fully funded through the CDBG Program Income award 24-CDBG-PI-ED-20005. Expenditures will be reported to HCD quarterly and reimbursed from the City's Program Income account. Loan repayments and fees collected will be held in the City's Program Income account for expenditure as approved by HCD.

#### **ENVIRONMENTAL ANALYSIS:**

Environmental impacts will be negligible.

The program activity is considered Categorical Excluded from National Environmental Protection Act (NEPA) review Not Subject To 58.5 per 24 CFR 58.35(b)(4) and is exempt from California Environmental Quality Act pursuant to the common sense exemption 15061(b)(3). It can be seen with certainty that this program will not have a significant impact on the environment.

General Administration is considered Exempt from NEPA review per 24 CFR 58.34(a)(3).

#### **STRATEGIC PLAN/COUNCIL PRIORITIES/GENERAL PLAN CONSISTENCY**

The State CDBG mission is to improve the lives of low- and moderate-income residents through the creation and expansion of community and economic development opportunities, which supports livable communities for all residents. This mission is consistent with Fort Bragg City Council Priority Areas.

The BALP supports the *Strategic Plan 2024-2028+ Goal 1: Invigorate Economic Opportunity and Community Vibrancy*. Utilizing CDBG funds allows the City to provide the otherwise unavailable BALP to business owners, supporting low-moderate income residents both directly through job creation/retention and indirectly by strengthening economic vitality.

## **COMMUNITY OUTREACH**

This activity was selected for the City's Program Income application following duly noticed public hearings on July 8, 2024 and July 22, 2024.

Public input is solicited regarding the proposed program guidelines at today's public hearing, which was also duly noticed.

### **ALTERNATIVES:**

1. Amend the Program Guidelines prior to adoption.

### **ATTACHMENTS:**

1. Resolution
2. Program Guidelines
3. Amendment No. 3 to CDS PSA
4. Amendment No. 3 to CDS PSA – Exhibit A
5. Public Hearing Notices

### **NOTIFICATION:**

CDBG Activities "Notify Me" subscriber list

**RESOLUTION NO. \_\_\_2026**

**RESOLUTION OF THE FORT BRAGG CITY COUNCIL  
ADOPTING PROGRAM GUIDELINES FOR THE COMMUNITY  
DEVELOPMENT BLOCK GRANT (CDBG) BUSINESS ASSISTANCE LOAN  
PROGRAM (BALP)**

**WHEREAS**, the City of Fort Bragg has received an award to utilize Program Income from the City’s Community Development Block Grant (CDBG) program to operate a Business Assistance Loan Program (BALP) to provide loans to local businesses to support job creation and/or retention of low- and moderate-income residents; and

**WHEREAS**, CDBG requires that to operate such an economic development program, jurisdictions must adopt Program Guidelines to govern program operation and to ensure compliance with CDBG State and Federal requirements; and

**WHEREAS**, as identified in the award agreement for award 24-CDBG-PI-ED-20005, City Council must adopt Program Guidelines prior to implementing the BALP; and

**WHEREAS**, the BALP Program Guidelines include the following elements: program overview; program requirements; loan processing and approval; description of loans; loan underwriting standards; loan servicing; and program oversight; and as attachments, the jurisdiction’s executed Resolution adopting Program Guidelines, a sample Program Application; required documents; loan servicing policies; and CDBG Loan Certification form.

**WHEREAS**, per CDBG regulations, the City Council conducted a Public Hearing to solicit comments regarding adoption of the City’s Business Assistance Loan Program Guidelines on February 23, 2026; and

**WHEREAS**, based on all of the evidence presented, the City Council finds as follows;

1. Elements have been incorporated in the Program Guidelines such that they are compliant with current CDBG regulations and also adequately reflect local program particulars.
2. The City Council conducted a duly noticed public hearing on February 23, 2026, to receive public comment on the proposed adoption of the Business Assistance Loan Program Guidelines.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Fort Bragg does hereby adopt Program Guidelines for the Community Development Block Grant (CDBG) Business Assistance Loan Program (BALP).

**BE IT FURTHER RESOLVED** that adoption of Program Guidelines is exempt from the California Environmental Quality Act as it can be seen with certainty that there is no possibility of a significant effect on the environment.

**The above and foregoing Resolution was introduced by Councilmember \_\_\_\_\_, seconded by Councilmember \_\_\_\_\_, and passed and adopted at a regular**

meeting of the City Council of the City of Fort Bragg held on the 23rd day of February, 2026, by the following vote:

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

---

**Jason Godeke**  
**Mayor**

**ATTEST:**

---

**Diana Paoli**  
**City Clerk**

# Guidelines

For

## Business Assistance Loan Program

Operated By

City of Fort Bragg

With

Community Development Block Grant  
(CDBG) Funding

Adopted: February 23, 2026

Department Updated: September 2022

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## **List of Attachments with Support Documents**

ATTACHMENT A: Grantee's Executed Resolution Adopting Program Guidelines

ATTACHMENT B: Sample CDBG Business Assistance Loan Application

ATTACHMENT C: Lender Required Documents:

- 1) Jobs Tracking Form
- 2) Self Certification of Income Form
- 3) Loan Disbursement Schedule
- 4) Certification of No Conflict of Interest
- 5) Certification of No Job Pirating
- 6) Certification of Federal Regulatory Compliance.

ATTACHMENT D: Lender Adopted Business Loan Servicing Policies

ATTACHMENT E: Loan Certification Form

# **COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) BUSINESS ASSISTANCE (BA) LOAN PROGRAM GUIDELINES**

## **1.0 INTRODUCTION**

The City of Fort Bragg, hereafter called “Lender,” has established a Business Assistance Loan Program, hereafter called “the Program”. The Program is designed to use public taxpayer dollars to stimulate economic growth and improve living conditions of low / moderate income residents in Lender’s community. The Program provides low-cost loans to eligible for-profit businesses. In return, businesses are required to provide documentation of public benefit (commonly, the creation of new job), and meeting a national objective (typically filling most of the new job positions with persons qualified as low-moderate income). These Program guidelines describe policies and procedures required for award of loan funds to eligible borrowers. The guidelines have been adopted via resolution by the Lender and approved by the California Department of Housing and Community Development, here after called “Department”.

## **2.0 BUSINESS ASSISTANCE PROGRAM OVERVIEW**

### **2.1 PROGRAM STAFF AND ADMINISTRATOR**

The Lender provides administrative services for the Program and is the liaison between the Administrator and the loan applicant. These services are provided by Economic Development Department staff. Current contact information is as follows:

Staff contact name: Lacy Sallas  
Agency: City of Fort Bragg  
Address: 416 N. Franklin Street, Fort Bragg, CA 95437  
Phone Number: (707)961-2823  
E: Mail Address: [lsallas@fortbraggca.gov](mailto:lsallas@fortbraggca.gov)

The Lender has secured the services of a qualified program administrator hereafter called “the Administrator”. The Administrator will be charged with originating business assistance loans, documenting compliance with CDBG regulations and these Program guidelines. The contact information for the Administrator is:

Name: Jeff Lucas, Principal  
Agency: Community Development Services  
Address: 3895 Main Street, Kelseyville, CA 95451  
Phone Number: (707)279-1540  
E: Mail Address: [jeff@cds.consulting](mailto:jeff@cds.consulting)

### **2.2 PROGRAM SERVICE AREA**

Financing under this Program is available to all eligible businesses physically located within the jurisdictional limits of the Lender. These funds may not be used in jurisdictions that receive CDBG funds from the federal Department of Housing and Urban Development (HUD) entitlement program. This Program is subject to CDBG service area requirement of substantially benefiting residents in the service area.

## **2.3 SOURCE OF PROGRAM FUNDS**

The Program is financed with CDBG federal funds provided by HUD to the Department, who in turn provides the CDBG funds to the Lender. As such, CDBG funds are federal money administered by the Department so both federal and state laws and regulatory requirements must be followed.

CDBG funds come to the Lender from two sources: 1) active grant contract agreement between the Department and Lender originating from annual competitive application process; 2) CDBG program income administered under PI reuse agreement between Department and Lender.

## **3.0 CDBG PROGRAM REQUIREMENTS**

### **3.1 ELIGIBLE LOAN APPLICANTS**

CDBG funds under this Program can only be expended on the eligible activity authorized under Title I of the Housing and Community Development Act of 1974 (hereafter called “Act”), section 105(a)(17): special economic development, providing direct financial assistance to private for-profit businesses.

An eligible applicant is:

- an existing business legally operating, with any required local business license, insurance, permits per local, state and federal requirements; or
- a start-up business that may not have all required licenses or insurance, but will obtain all required licenses, insurance, and permits prior to closing (these items will be made a condition of loan closing); or
- a person or persons wishing to buy an existing business; or
- a business leasing tenant space or owner-occupied business in the service area.

In addition, the loan applicant must provide documentation that the proposed project will meet CDBG eligibility criteria of national objective and public benefit per Sections 3.4 and 3.5. The loan applicant must provide documentation of meeting standard commercial underwriting criteria outlined in Section 6 of these guidelines as well as HUD CDBG mandated six underwriting standards described in Section 3.6. An eligible loan applicant must document compliance with all CDBG regulations listed in Section 3.7.

Specific ineligible loan applicants include:

- a business with an existing CDBG Business Assistance loan that has not been closed out with HCD;
- a business operating a private “exclusive” recreational facility;
- non-profit businesses are not eligible under this program;
- a businesses or person(s) with unresolved state / federal tax liens;
- a business or person in the process of filing for bankruptcy are not eligible until bankruptcy process is complete.

### **3.2 ELIGIBLE PROJECT COSTS**

CDBG funds are non-discretionary and restricted to certain eligible costs. These eligible costs cover most expenses associated with economic development projects. Specifically, eligible CDBG economic development costs include:

- operating capital and inventory;
- furniture fixtures and equipment (FF&E), with or without installation costs;
- project site improvements, new construction or rehabilitation of leased space or owned building;
- engineering and architectural plans and required permits or fees;
- purchase of manufacturing equipment (with or without installation costs);
- refinancing of existing business debt when done in conjunction with restructuring of other existing private financing debt(s);
- purchase of real property, when it provides positive cash flow for new jobs;
- relocation grants for persons displaced due to funding of the project;
- purchase of an existing business, including documented value of good will.

These eligible costs must be connected to the business' ability to meet an eligible CDBG national objective per section 3.4 of these guidelines. Lender will only use CDBG loan funds to reimburse borrower for actual eligible / approved project costs.

### **3.3 INELIGIBLE PROJECT COSTS**

CDBG funds are non-discretionary, limited to certain eligible costs described in Section 3.2 above. There are also a number of ineligible costs. Some ineligible costs include:

- costs incurred prior to submittal of BA loan application and environmental review completion;
- costs associated with residential housing development, i.e. on mixed use projects;
- costs associated with supporting "other" businesses the applicant owns;
- costs on a funded project NOT meeting a national objective;
- personal expenses such as cars, home repairs, not directly associated with the business;
- costs of paying off credit cards (personal or business);
- costs of paying off any personal debt not directly associated with business;
- providing CDBG loan as a revolving line of credit (LOC) is not eligible;
- cash payments of any kind made directly to the assisted business owner(s) (wages or draws) from loan proceeds
- costs associated with a funded project when the owner(s) or business is found to be on federal debarred list
- public infrastructure in support of the business
- research and development costs for future production (speculative)

Once approved, loan funds cannot be shifted from one approved type of cost to another without formal written approval of Lender. If there is a substantial change in the project scope of work or underwriting, then the loan must be re-evaluated and re-approved by Lender, per state and federal regulations, prior to loan closing or disbursement of CDBG funds.

### 3.4 MEETING NATIONAL OBJECTIVE STANDARDS

All eligible activities funded under this program must meet a CDBG “National Objective” as described in the Act, Section 104(b)(3) and federal regulations 24 CFR Part 570.483. Detail on documenting the meeting of national objective standard for a project is contained in Department’s guidance on BA Activity Chapter Website. Projects not documented as meeting a national objective are an ineligible activity. Below is a general description of documenting how a BA project meets the national objective of benefit to low - moderate income (LMI) persons. The Lender will use Department specific guidance for ensuring each eligible project funded is documented as meeting a national objective.

BA projects normally meet a national objective standard when they create jobs and provide over half; at least fifty one percent (51%), of the new job positions to LMI qualified persons. BA projects proposing to provide most of newly created jobs to LMI persons must agree to allow the Lender, or their designated representative, to meet with each job applicant prior to hiring and complete a Department Self Certification of Income Form, see **Attachment C**. After all new hires are made, payrolls must be collected by the Lender and compared to the job applicant Income Certification forms to prove over half of all newly created job positions were provided to low-moderate income persons. This will prove the project’s job creation met the national objective of principally benefiting LMI persons and allow the Lender to close out the project with the Department and HUD. All documentation of national objective for jobs falls under Section 4.5 on confidentiality.

Some BA projects may require CDBG funding to retain jobs. In this case CDBG loan funds will assist in keeping the business from closing or to avoid terminating some staff. This type of project must document that, at the time of application, over half of existing employee positions to be eliminated are held by LMI persons. As such, the business must agree to allow the Lender or their designated representative to interview existing employees and help them complete the Department’s Self Certification of Income Form. The business must also provide financial documentation that, if not for CDBG funding, the job positions will be lost and staff laid off. The business must also document that with the investment of CDBG funds, the business will continue operations and jobs can be retained. If approved and funded, the business employees must have Self-Certification of Income completed again, prior to Lender closing out the project. By verifying that, at the time of loan application and after loan disbursements, over half of the retained positions were LMI, then the project will have LMI national objective met and it can be closed out with the Department and HUD. All documentation of national objective for jobs falls under Section 4.5 on confidentiality.

A few BA projects may meet the LMI national objective by documenting that the BA loan applicant provides goods or services to the local community, and the business service area is primarily within the Lender’s jurisdiction, and the service area is primarily residential, and the area is primarily occupied by low – moderate income persons. Thus the BA loan applicant must provide documentation of the business’ service area. The Lender will use zoning maps to document the service area as primarily residential and located within the Program service area. The Lender will confirm the LMI status of the BA loan applicant’s service area from American Communities Survey data, in accordance with HUD low - moderate area (LMA) benefit standard. Lender will require business to provide documentation of the goods or services they provide and justify the need for CDBG funds as part of providing goods and services. This documentation must be provided prior to loan approval. After expenditure of CDBG loan funds and

documentation that the business continues to provide goods and services, then the project can be closed out with the Department and HUD. LMA national objective standard guidance is provided on Department's BA Activity Chapter webpage.

### **3.5 MEETING PUBLIC BENEFIT STANDARDS**

All eligible project activities funded under this program must meet a minimum CDBG "Public Benefit Standard" as described in the Act, section 104(b)(17) and federal regulations; 24 CFR Part 570.483(f)(g). Public Benefit is provided by the BA loan recipient in return for use of subsidized federal funds, and provides a funding limit or "cap". Meeting Public Benefit Standard is very different than meeting National Objective Standard and should not be confused. Lender will use detailed guidance on meeting Public Benefit Standards provided on Department's BA Activity Chapter webpage.

For BA projects meeting national objective via jobs provided to LMI persons, the Public Benefit standard is jobs, and the maximum CDBG loan funding available is limited to \$35,000 per job. The Lender will require BA loan applicants to provide an estimate of public benefit generated by investment of CDBG funds into the project via the Job Tracking Form, see **Attachment C**. This proposed level of public benefit will be verified after investment of CDBG funding. The actual level of public benefit (loan funds per job) may be greater than or less than the level proposed at the BA application stage. All public benefit data falls under the confidentiality Section 4.5.

For BA projects meeting LMA national objective, based on benefit (goods or services), the Public Benefit Standard is goods or services to LMI persons. In this case, the maximum CDBG funding available is limited to \$350 per LMI person in the business service area. For this public benefit standard, Lender will document compliance at the BA loan application stage prior to loan approval or closing.

CDBG public benefit requirements of the program will be disclosed by the Lender at the start of the application process. Lender will use financial underwriting to identify the need for BA loan subsidies and determine reasonable public benefit that will be generated from the project, i.e. the number of jobs created from proposed project. Projects with small amounts of public benefit may be required to bring in other sources of funding because of CDBG funding limits imposed by this standard.

### **3.6 MEETING SIX UNDERWRITING STANDARDS**

In addition to documenting that the project meets CDBG public benefit standard, the project must also be documented as meeting six HUD underwriting standards, per federal regulation 24 CFR Part 570.483(e). These underwriting standards are required to document a minimum "due diligence" of the Lender and ensure projects are financially sound enough to meet public benefit and national objective standards, i.e. create new or retain existing job positions. The six HUD underwriting standards are general, qualitative and are supported by commercial underwriting standards in Section 6 of these guidelines. See Department BA Activity Chapter webpage for detailed guidance on compliance with each of the six HUD underwriting standards.

The Six Underwriting Standards are:

1. project costs are documented as reasonable (typically, third party cost estimates);

2. all sources of funding for the project are documented with final commitments;
3. to the extent practicable, CDBG funds are not substituted for private (non-federal) funds;
4. documentation that project is financially feasible (based on cash flow projections to support jobs and debt service, etc.);
5. to the extent practicable, the return of the owner's equity investment is not unreasonable (based on level of equity and proposed CDBG loan terms);
6. to the extent practicable, CDBG funds are disbursed on a pro-rata basis with other financing provided for the project.

### **3.7 MEETING OTHER FEDERAL REGULATORY REQUIREMENTS**

Since these CDBG BA loans are from a federal funding source, there are a number of federal laws and requirements which are triggered by their use. The Lender and Administrator will require BA loan applicants to provide project information which allows them to make a determination of required project compliance. BA applicants are required to sign loan disclosures and work with Lender to ensure each project is in compliance with any of the triggered, applicable regulations listed below.

National Environmental Policy Act (NEPA): Every project funded under the Program must be reviewed under HUD NEPA regulations 24 CFR Part 58 and the Lender must sign and certify an Environmental Review Record (ERR) for each project prior to approval or disbursement of loan funds. The Lender is required to sign and certify the correct NEPA EER, per current Environmental Review Requirements *Chapter of Department's Grant Management Manual (GMM)*, along with any state review under California's Environmental Quality Act (CEQA).

The ERR level of review is based on the project's "aggregated" scope of work, which includes all proposed project funding. Any construction or equipment installation proposed will require more review work on the ERR. The ERR will be done early in application process, as soon as the project is deemed eligible and scope of work is finalized. No costs will be charged to the Borrower for this process. Applicants must sign Department certification form that no "choice limiting action" under NEPA regulations has or will take place. The form is included in **Attachment C**.

Prevailing Wage Compliance: If a project proposes to use CDBG funds to pay costs for any construction, then federal and state labor standards compliance must be documented. Davis-Bacon Act (40 USC 276a - 276a-5) and related laws are "triggered" when any CDBG funding is used to pay for any project construction costs. Lender will follow *Department guidance in current Labor Standards Chapter of the GMM* for prevailing wage compliance on funded projects.

Additional labor costs will be added to projects proposing to use CDBG to pay for new construction, rehabilitation, or equipment installation. The Administrator and Lender will work with loan applicants to ensure project compliance. The additional time and work required by prevailing wage regulations will be disclosed to the borrower as soon as possible. Any additional costs resulting from this regulation will be incorporated into the CDBG loan approval.

Acquisition and Relocation Laws: All BA applicants proposing to use CDBG funds for purchase of real property must comply with 49 CFR Part 24 Acquisition laws. Lender will provide required Seller Disclosure for execution as part of meeting this requirement.

All BA applicants proposing projects which trigger relocation compliance i.e. result in displacement of persons per Uniform Relocation Act (URA), must work with Lender to ensure compliance with this law. Additional costs associated with relocation compliance will be disclosed to the applicant prior to CDBG loan approval and included in project loan approval.

Required Prohibition of Job Pirating Certification: All BA applicants must sign a Certification of No Job Pirating. Job pirating is prohibited per CDBG federal regulation 24CFR 570.482 (h). Job pirating is defined as using CDBG public funds to facilitate the moving of a business and associated jobs from one jurisdiction to another (business attraction). As such, CDBG federal funds cannot be used to attract / subsidize a business to move from one labor market area to another or keep a business from moving out of a labor market by making a retention argument. Lender will require all applicants to sign a non- job pirating certification, **Attachment C**. Any questions regarding possible job pirating will be submitted to the Department for final determination.

Conflict of Interest Certification: BA loan applicants will sign a Certification of No Conflict of Interest. In accordance with state and federal regulations, no member of the governing body and no official, employee or agent of the local government, nor any other person who exercises policy or decision-making responsibilities (including members of the loan committee and officers, employees, and agents of the loan committee, the administrative agent, contractors and similar agencies) in connection with the planning and implementation of the CDBG BA program shall directly or indirectly be eligible for this program. Lender will require all applicants to sign a non- conflict of interest certification, **Attachment C**. Any questions regarding possible federal conflict of interest will be submitted to the Department for final determination. Any questions about state conflict of interest laws will be referred to Lender's legal council for final determination.

Required SAMs Unique Entity Identification (UEI) number, federal debarred verification and demographic data: All BA program applicants must obtain a UEI number, if they do not already have one. The UEI number is free and can be obtained on line. In addition, prior to loan approval, the Lender will document that the business being assisted and all owners and affiliated businesses are verified as NOT on the federal debarred contractors list. HUD also requires that the Department and the Lender collect certain income and demographic data from the business and any beneficiaries of CDBG funds.

Required Benefit to Citizens of the Jurisdiction: Applicant must work with Lender to document substantial benefit to residents in the Program service area is obtained. This requirement does not apply to job retention. For projects proposing to document providing goods or services, the service area of the business must be within the jurisdictional limits.

## **4.0 LOAN PROCESSING AND APPROVAL**

### **4.1 FAIR LENDING COMPLIANCE**

The Program will be implemented in ways consistent with the Lender's commitment to fair lending laws. No person or business shall be excluded from participation in, denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part with Program funds on the basis of his or her religion or religious affiliation, age, race, color, ancestry, national origin, gender, marital status, familial status (which specifically refers to the number or ages of children in the household), physical, intellectual or emotional disability, sexual orientation, or other basis. All personal information of loan applicants will be kept confidential, per Section 4.4.

### **4.2 LOAN APPLICATION PROCESSING**

Loan applications will be processed on a first come first served basis. Immediately upon receipt of the application, the administrator will create a file that will contain the application and all subsequent documentation collected. The Administrator will begin by reviewing the application and documents for initial eligibility per Section 6.1. Applicants that do not meet basic CDBG requirements of the program will be sent a letter of explanation. All BA applications received, regardless of the outcome, will be kept on file to document fair lending standards. Applications that meet basic eligibility requirements will be contacted for a site visit and collection of additional information.

The business will be required to provide accurate financials for past, current and future projection of the business operations. All owners will have credit checks conducted as part of loan underwriting per Section 6.0. The Administrator may provide sample financial Excel forms (balance / cash flow sheets, profit and loss, personal financial statements, and proforma) but in no instance will the Administrator's or Lender's staff generate financial numbers for an applicant. The applicant will be offered referrals to local business support organizations to assist applicants in producing proper financial statements, develop a business plan, conduct market study or develop industry accounting practices.

Loan applicants are responsible for providing accurate and timely information to the Administrator as part of the loan process. This may include:

- disclose all business owners with twenty percent or more ownership;
- disclose all other businesses the owners have an ownership interest of twenty percent (20%) or more;
- provide current personal financial statements for each owner;
- disclose sources of collateral and security;
- provide business historic financial information, including year to date;
- disclose sources of cash for any equity investment proposed;
- provide third party documentation of eligible project costs;
- provide market study or document basis of future sales projections;
- provide management capacity documentation for ability to execute;
- provide necessary information to clear federal overlays in Section 3.7.

If the loan applicant does not provide required information and documentation to the Administrator in a timely fashion, then there will be delays in the loan approval process.

Once the Administrator has compiled a complete loan file with all the credit, financial, and underwriting information needed to show loan is eligible under these guidelines, then a loan approval memo will be drafted. The memo will be submitted to Lender for their approval. Once approved, the Administrator and Lender will submit project set up report to Department and craft loan documents for signing at closing with the Borrower.

#### **4.3 PROGRAM LOAN APPROVAL PROCESS**

Program loans are presented by the Administrator to Lender's Loan Advisory Committee (LAC) for review and recommendations for approval or rejection. The LAC's recommendations are forwarded to the City of Fort Bragg City Manager for final approval or rejection.

The LAC will include the City of Fort Bragg Finance Director or designee; the City of Fort Bragg Community Development Director or designee, and up to three members of the community to be appointed by Lender staff.

LAC meetings will be scheduled by Lender staff in conjunction with Administrator once a loan has been underwritten and is ready for review and approval. Committee members may request additional information and or attach contingencies on closing or funding of the loan. If the loan is approved by the City Manager, then the project can move forward with loan closing.

If Lender approval is not obtained, then the BA loan applicant can take dispute resolution actions, per Section 4.5 of these guidelines.

#### **4.4 LOAN APPLICANT CONFIDENTIALITY**

Administrator or Lender or any persons involved in the loan process for this Program will not disclose any of applicant's business or personal confidential information as part of loan review and approval process. All confidential information of businesses will only be disclosed to persons required to view the information as part of loan review and approval. All personal and business confidential information of loan applicants will be kept in a locked secured storage facility and are not available to persons outside of the program. If the Lender or Administrator or Department receives a formal public records request for a loan applicant file, then only non-confidential information, as verified by legal counsel, will be provided.

#### **4.5 APPLICANT DISPUTE RESOLUTION/APPEALS PROCEDURE**

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

#### **4.6 EXCEPTIONS / SPECIAL CIRCUMSTANCES**

Exceptions are defined as any action, which would depart from policy and procedures stated in the guidelines. The Lender or Administrator's staff may initiate consideration of an exceptional/special circumstance to the policies in these guidelines as long as it does

not violate CDBG federal / state requirements. A written analysis of the exception will be prepared and submitted with loan approval request. This analysis shall contain a narrative, including the staff's recommended course of action and any written or verbal information supplied by the applicant. The loan approval shall be made after review and acceptance of the exceptional/special circumstances request.

Examples of potential exception scenarios include, but are not limited to:

- A low-income person does not have the credit history or collateral required by underwriting.
- A person of color does not have the traditionally recognized or minimal length of experience in the business

#### **4.7 LOAN CLOSING PROCESS**

After Lender approval, submittal BA Loan Certification and Project Set Up Report to Department, the Administrator and Lender will prepare for the loan closing with Escrow Company. The Administrator will prepare the loan closing documents; prepare title and lien searches, and UCC-1 filings, if appropriate. Lender legal counsel will review all agreements and documents, as necessary.

The Borrower will sign all the necessary documents and agreements. The Lender will request reimbursement of eligible costs from the Department after Borrower has submitted documentation of eligible expenditures and Lender has paid for those costs.

### **5.0 DESCRIPTION OF LOANS**

#### **5.1 DETERMINATION OF LOAN AMOUNT**

The minimum loan amount is \$35,000. The maximum loan amount is \$210,000.

Actual loan amounts will be based on the business' need for capital to conduct the proposed project's scope of work and meet public benefit standards. Most often the amount of CDBG funding is limited based on "gap" in project financing or ability of business to support new debt or pay for required jobs from business future cash flow projections or by the amount of collateral that the business can provide as security for the CDBG debt. If there are not sufficient CDBG funds for the project, then the Administrator can assist in finding other project funding.

#### **5.2 DETERMINATION OF LOAN TERM**

The BA loan term is tied directly to what which project costs are funded with CDBG funds and what security is being pledged for the loan. If a business only wants operating capital then the term of the loan is normally five years. If a business wants to pay for equipment and supplies, then the term of the loan can be extended out to 10 years. If the loan is for real property improvements and can be secured on real property, then the terms can be extended out to 20 or 30 years. A loan amortization term can be longer than the loan term, so an equipment loan may have a term of ten years but an amortization term of fifteen years, which will create a lump sum payment at year ten. Administrator will confirm that the proper term is given based on the use of the CDBG funds and loan security / collateral being provided.

### **5.3 DETERMINATION OF LOAN INTEREST RATE**

Loan interest rates will start with two and one half percent (2.5%). This rate will be increased, if the investment of CDBG funds at the two and one half percent level causes the business to have an excessive profit, or return on investment (ROI), or if the risk level is determined to be high. Loan interest rates will be capped at five percent (5%). See HUD underwriting standards discussion of undue enrichment on Department's BA Activity Chapter webpage for direction on how to set interest rate to comply with this standard. By allowing the interest rate to move and not be fixed, the Lender can best tailor the loans under this program to meet the cash flow needs of different businesses in the community and ensure public benefit and national objective standards are met.

### **5.4 LOAN PROCESSING FEES**

The CDBG program provides administration funds to pay for all loan processing and servicing costs. No direct loan fees will be charged to the borrower. Also, there is no pre-payment penalty on the loans under this Program.

## **6.0 LOAN UNDERWRITING STANDARDS**

### **6.1 INITIAL LOAN EVALUATION**

CDBG funds are designed to support people, communities, and businesses who have not historically (and often do not presently) have access to traditional forms of financing. The lender can use the questions below to identify the people and businesses who would benefit the most from CDBG support, and as a way to mitigate the harm done by a financial system that fails to include them.

Each project/business will be evaluated based on past performance, future financial forecasts, and the extent to which supporting the business supports the mission of the CDBG program. The following questions should be asked upon receipt of a loan application. While answers will vary by applicant, these questions are designed to identify eligibility but also highlight areas of assistance to support applicants in successfully completing the terms of the loan.

- Is business an eligible applicant, per Section 3.1?
- Are the proposed project costs eligible, per Section 3.2 & 3.3?
- Will project meet a CDBG national objective, per Section 3.4?
- Will business meet public benefit jobs required in Section 3.5?
- Does project appear to meet six HUD underwriting standards, per Section 3.6?
- Are federal overlays triggered that will adversely impact project development?
- Does the business and owner pay bills on time, collect on time?
- Does owner have a detailed "business plan"?
- Does owner have documented market demand for projected sales?
- Does owner have management capacity to operate the business?
- Does owner have financial accounting capacity to operate the business?
- Is the owner contributing a reasonable amount of equity?
- Is the owner able to get conventional bank financing, if not, why not?
- Was the business financially viable in the past (net income covers debt)?
- Are there reasonable financial assumptions for future viability/success?

- Is there enough collateral available to secure the proposed loan?
- Is the owner's personal financial status stable?

By collecting enough initial application information to answer the above list of questions, the Administrator will have a good sense of how strong a borrower is, and how successful they will be, if assisted with a CDBG loan. Most of this information is collected on the loan application form and verified verbally at the initial site visit with the owner. By meeting the borrower and asking these questions the Administrator will know what additional information/documentation needs to be collected to provide a clear picture of how CDBG funds can be used to assist the BA loan applicant. These questions demonstrate the need for CDBG funds and business eligibility.

After the initial review, the Administrator/ application processor will collect the proper information required for loan underwriting. The required documentation is listed in the CDBG underwriting guidance document provided on Department's BA Activity Chapter webpage. At this same time, Administrator and Lender will begin regulatory compliance documentation, per Section 3.5. The amount of documentation and detailed underwriting is based on size of the loan and type of business (existing or start up) and what LMI national objective is used. Additional documentation may be required for a business with special circumstances.

## **6.2 PERSONAL AND BUSINESS CREDIT REQUIREMENTS**

Each applicant will have third party credit reports obtained showing credit scores and payment history. All owners and their spouses with twenty percent (20%) or more interest in the business will have their credit reports reviewed.

It is not uncommon for business owners and/or businesses to have a low credit score or lack of credit history. If a personal credit reporting service provides a low credit score or shows poor credit history, the Lender should use trauma-informed approaches to gather more information from the owner, so that the Lender can generate written documentation in support of approving the loan.

If it is available, the Dunn and Bradstreet report for the primary applicant business and all associated businesses of the owners (20% or more ownership) will be reviewed. If a Dunn and Bradstreet report is not available, as is commonly the case, the Lender will contact vendors or suppliers of the business to inquire as to the business payment history.

## **6.3 PERSONAL AND BUSINESS FINANCIAL INFORMATION**

Personal financial statements will be required for each person who owns 20% or more of the business. Financial statements need to show all assets and liabilities of the person. In addition to these statements, federal tax return statements for owners and the business for the past three years are needed to give a historic perspective of income.

For the business fiscal year, historic financial statements will be required. These will consist of past three year's balance sheets and cash flow statements, generated from past tax returns and quarterly year to date statements. These statements should be put together by the person responsible for doing the bookkeeping and finance management for the business. Past tax returns will be provided to document the statements provided. Based on these statements the Lender / Administrator can develop ratios for debt service

and payment history, etc.

The business will also need to provide future projected financials. These will consist of pro formas showing projected revenue and costs for the business on a monthly basis for each fiscal year for a minimum of three years from application date. Start-ups may need to provide up to five years of projection statements to show “break even” point of business. Two sets of pro formas need to be completed: one showing the business projections with CDBG financing; and a second set showing the business with conventional financing. This will provide evidence of the benefit / increased profit the business is receiving by using the more affordable CDBG loan. These pro formas must also show the increased costs to the business from adding the new job positions and the CDBG debt service.

A project sources and uses form must be provided to show all funding required for completing all project activities. This form will show the owner’s equity as well as private bank financing and any other investments from other sources. The sources and uses give a clear idea of what costs the CDBG loan will cover and its information must be reflected in the pro formas as described above.

Using the information in these financial statements, along with any back up documentation required, will allow the Administrator to do the project’s underwriting analysis. This analysis will include both the conventional lending underwriting and HUD required underwriting. This analysis will be provided to the LAC for use in loan approval.

#### **6.4 COLLATERAL REQUIREMENTS**

All loans under this program will be collateralized using normal commercial lending standards. Collateral coverage will be assessed based on assets available as security and the level at which they are already liened. CDBG funding is typically in a subordinate position to banks and other lenders.

It is the goal of the Program to get the best lien position possible to ensure loan repayments. Types of collateral may include:

- Secured liens on real property,
- UCC liens on machinery, equipment, or other fixtures,
- Lease assignments, as appropriate,
- Personal and corporate guarantees, as appropriate, and
- Life insurance assignment and other collateral, as appropriate.

Appraisal of assets may be required as part of determining how to obtain the best lien positions for the CDBG loan. Combined loan to value ratio on collateral for the typical CDBG loan should not exceed ninety percent (90%). Equipment and inventory secured should be properly discounted to reflect actual resale value when doing loan to value calculations.

#### **6.5 BUSINESS EXPERIENCE AND MANAGEMENT CAPACITY**

The BA loan applicant will provide resumes and management histories to show the experience of business owners and their management staff in successful operation of the existing business or something comparable. Existing businesses proposing to use CDBG BA funds to create jobs, must have at least an updated business plan if not a new plan.

For BA loan applicants proposing to use CDBG funds for a non-operational start-up businesses or for applicants that wish to use CDBG funds to purchase an existing business or for applicants that wish to use CDBG funds for job retention (to keep the business from closing) a comprehensive business plan will be required. The comprehensive business plan will include a detailed analysis of what management capacity is needed for the business to be successful and identify resources that the business will utilize to meet the identified capacity needs.

## **7.0 LOAN SERVICING**

### **7.1 LOAN SERVICING RESPONSIBILITIES**

Borrower will be provided loan servicing information from the Lender. The Lender will retain all original project files within locked storage. Original legal documents will be kept in locked fire proof filing system for future loan servicing. Lender will provide annual income tax interest statements to the borrower for their tax purposes.

BA loan repayments will be collected by Lender's loan servicing agent:

Name: Finance Department  
Agency: City of Fort Bragg  
Address: 416 N. Franklin Street  
Phone Number: (707)961-2825  
E: Mail Address: [finance@fortbraggca.gov](mailto:finance@fortbraggca.gov)

All loan payment will be made directly to the Lender and deposited into current CDBG PI accounts. If payments are collected by a third party, all gross collected CDBG BA loan payments will be provided to the Lender on a monthly basis for deposit into the proper CDBG program income account.

The borrower may be required to provide the Lender / loan servicing agent with periodic financial statements of the business and proof of insurance annually. Upon reviewing the borrower's financial statements, the Lender may require the business to take actions that improve the business cash flows. Borrower may be required to meet with business development staff to assist in stabilizing or building capacity.

Borrower must disclose any sale of equipment or assets that are used as loan security by the Lender. The borrower may submit a written request to the Lender to change the CDBG loan terms, if the business is not able to fully service CDBG debt repayments or if they wish to pre-pay the loan by making one or more larger payments.

### **7.2 LOAN SERVICING POLICIES**

The Lender has adopted a set of loan servicing policies that outline how the loan servicing agent will proceed if payments are late or no payments are received. The policies also outline how loan files will be set up and protected. A copy of these adopted loan servicing polices will be provided to each BA loan recipient at loan closing.

## **8.0 PROGRAM OVERSITE BY LENDER**

### **8.1 OVERSITE OF PROGRAM ADMINISTRATOR**

The Lender is ultimately the responsible entity for the CDBG BA loan program. Lender will oversee the Administrator and communicate with the loan applicants and borrowers as needed to explain CDBG compliance.

The Administrator is responsible to the Lender and loan applicants to assure that the Program is implemented in compliance with these program guidelines, and state and federal regulations. In addition, Administrator staff will ensure that loan applicant projects are underwritten in a timely and responsible manner. This includes working closely with BA loan applicants to ensure they provide accurate financial statements through documenting BA project compliance for project close-out with Department and HUD. Administrator will review all loan documents with borrowers prior to loan closing.

**ATTACHMENT A**  
**GRANTEE'S EXECUTED RESOLUTION ADOPTING GUIDELINES**

**[INSERT AFTER ADOPTION/EXECUTION]**

**ATTACHMENT B**  
**SAMPLE CDBG BUSINESS ASSISTANCE LOAN APPLICATION**

**City of Fort Bragg**  
**SAMPLE CDBG BUSINESS LOAN APPLICATION**

1. **Applicant Name:** \_\_\_\_\_  
**Name of Business:** \_\_\_\_\_  
Sole Proprietorship: \_\_\_\_\_ S Corporation: \_\_\_\_\_  
Partnership: \_\_\_\_\_ C Corporation: \_\_\_\_\_  
LLC/LLP: \_\_\_\_\_

**Mailing Address:** \_\_\_\_\_  
**Street Address:** \_\_\_\_\_  
**Business Telephone:** \_\_\_\_\_ **Email:** \_\_\_\_\_  
**Home Telephone:** \_\_\_\_\_  
**Cell Phone:** \_\_\_\_\_  
**Fax:** \_\_\_\_\_

**Project Address:** \_\_\_\_\_

**Federal Employer Identification Number:** \_\_\_\_\_

**Assessor's Parcel Number for Business and/or Project Site:** \_\_\_\_\_  
(Needed for ALL businesses no matter if renting or owning)

**UEI #** \_\_\_\_\_ (see last page of application for instructions on obtaining UEI from SAM.gov)

2. **Loan Amount Requested:** \$ \_\_\_\_\_

**Uses of Funds:**

Purchase of Real Estate	\$	_____
Purchase of Existing Business		_____
Furniture, Fixtures & Equipment		_____
Inventory		_____
Advertising & Promotion		_____
Operating Capital		_____
Other (specify)		_____
Construction Uses		
Renovation/New Construction		_____
Leasehold Improvements		_____
Infrastructure (curbs, gutter, sidewalks, etc.)		_____
<b>TOTAL</b>	<b>\$</b>	_____

**3. Ownership**

All owners of 20% or more of the applicant business are listed below:

Name \_\_\_\_\_  
 Home Address \_\_\_\_\_  
 City, State, Zip \_\_\_\_\_  
 Phone \_\_\_\_\_  
 Social Security # \_\_\_\_\_  
 % of Ownership \_\_\_\_\_  
 U.S. Citizen Yes \_\_\_\_\_ No \_\_\_\_\_

Name \_\_\_\_\_  
 Home Address \_\_\_\_\_  
 City, State, Zip \_\_\_\_\_  
 Phone \_\_\_\_\_  
 Social Security # \_\_\_\_\_  
 % of Ownership \_\_\_\_\_  
 U.S. Citizen Yes \_\_\_\_\_ No \_\_\_\_\_

For corporations, please list corporate officers, titles and who will be signing loan documents.

Name	Corporate Title	Signing Loan Documents (Yes or No)

(If additional space is needed, please use reverse side of this page.)

**4. Have any of the persons listed above ever been charged with, or convicted of any criminal offenses, other than a minor motor vehicle violation?**

Yes                       No

If yes, please explain:

\_\_\_\_\_  
 \_\_\_\_\_

**5. Has the applicant or any person listed above been in receivership or filed bankruptcy?**

Yes                       No

If yes, please explain:

\_\_\_\_\_  
 \_\_\_\_\_

6. Has the applicant or any person listed above had any credit problems in the last 5 years?  
 Yes                       No  
 If yes, please explain:

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7. **Number of Employees**

Current:                      Full Time \_\_\_\_\_ Part Time \_\_\_\_\_  
 Proposed New Jobs (if any): Full Time \_\_\_\_\_ Part Time \_\_\_\_\_

**New Jobs to be Created** (Jobs depicted on this form must be reflected on Income and Expense Projections (Attachment D))

Position / Title	Hourly Wage	Hours Per Week
<b>TOTAL</b>		

8. **History of Business and Description of Project**

(Start-up businesses must complete a Business Plan)

This should be a one- to two-page narrative where you describe the business, the prior owners, how it was acquired by you, and how long you have owned it. Discuss any significant events that have affected the firm's development. Explain what will change with the receipt of these loan funds. Cover such items as how the funds will be used, changes in operations, future plans, need for additional employees, changes in income, expenses, competitive advantages, etc.

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**PLEASE ATTACH THE FOLLOWING DOCUMENTS TO THIS APPLICATION**

- \_\_\_ 1. All businesses must provide Resumes of Key Personnel. (**Attachment “A”**)
- \_\_\_ 3. Schedule of business debt. (**Attachment “B”**)
- \_\_\_ 4. Current personal financial statements of principals. These must be dated no more than 90 days prior to the application. (**Attachment “C”**)
- \_\_\_ 5. Three (3) years of personal tax returns for the proprietor, partners, and stockholders with 20% or more ownership in the business.
- \_\_\_ 6. Start-up businesses must provide three (3) years of monthly income and expense projections. Existing businesses must provide two (2) years of monthly income and expense projections. Also, a detailed description of how the projections were determined is required. (**Attachment “D”**)
- \_\_\_ 7. All start-up businesses must provide a Business Plan.
- \_\_\_ 8. Business tax returns for the three (3) most recent years.
- \_\_\_ 9. Business financial statements for the applicant's three (3) most recent fiscal years, where applicable, and a current financial statement dated no more than 90 days prior to the application.
- \_\_\_ 10. Current Aging of Accounts Receivable and Accounts Payable.
- \_\_\_ 11. Copy of Business License, if applicable.
- \_\_\_ 12. Copy of all Corporate Filings or Partnership Agreements (in the case of Corporations – copies of Corporate Resolution authorizing the borrowing request).
- \_\_\_ 13. Breakdown of proposed cost with written estimates from contractors or suppliers. Purchase agreements, when applicable.
- \_\_\_ 14. Such non-financial information or supporting information necessary to substantiate the application, including, but not limited to: estimates, quotations, receipts, contracts, orders, invoices, leases, sales agreements, documentation from architects, engineers, contractors, suppliers, or others involved in the sale, lease, or construction of fixed assets, if any, for applicant's project including schedules of implementation.

### Duplication of Benefits Affidavit

I/We, \_\_\_\_\_ affirm the following:

1. I/We is/are executing this Affidavit in connection with assistance that we are receiving to help us prevent, prepare for, or respond to the coronavirus by providing us with a small business assistance loan ("BALP") for the purpose of avoiding job loss caused by business closures related to social distancing ("Need") in the amount of \_\_\_\_\_ ("Amount of Assistance or Total Need") from the City of Fort Bragg ("Organization") through a program administered by the City of Fort Bragg with funding from the U.S. Department of Housing and Urban Development (the "Program").
2. The Organization and I/We believe the Amount of Assistance/Total Need is \_\_\_\_\_
3. In addition, I/We have received or will receive the following amounts and types of assistance from the sources listed below ("Duplicative Assistance"):

(a) Source of Funds #1

Lender/Grant Provider Name		
Purpose		
Amount		
<input type="checkbox"/> Government Loan	<input type="checkbox"/> Government Grant	<input type="checkbox"/> Government Forgivable Loan
<input type="checkbox"/> Nonprofit Grant	<input type="checkbox"/> Nonprofit Loan	<input type="checkbox"/> Nonprofit Forgivable Loan
<input type="checkbox"/> Private Loan	<input type="checkbox"/> Other:	

(b) Source of Funds #2

Lender/Grant Provider Name		
Purpose		
Amount		
<input type="checkbox"/> Government Loan	<input type="checkbox"/> Government Grant	<input type="checkbox"/> Government Forgivable Loan
<input type="checkbox"/> Nonprofit Grant	<input type="checkbox"/> Nonprofit Loan	<input type="checkbox"/> Nonprofit Forgivable Loan
<input type="checkbox"/> Private Loan	<input type="checkbox"/> Other:	

(c) Source of Funds #3

Lender/Grant Provider Name		
Purpose		
Amount		
<input type="checkbox"/> Government Loan	<input type="checkbox"/> Government Grant	<input type="checkbox"/> Government Forgivable Loan
<input type="checkbox"/> Nonprofit Grant	<input type="checkbox"/> Nonprofit Loan	<input type="checkbox"/> Nonprofit Forgivable Loan
<input type="checkbox"/> Private Loan	<input type="checkbox"/> Other:	

(d) Source of Funds #4

Lender/Grant Provider Name		
Purpose		
Amount		
<input type="checkbox"/> Government Loan	<input type="checkbox"/> Government Grant	<input type="checkbox"/> Government Forgivable Loan
<input type="checkbox"/> Nonprofit Grant	<input type="checkbox"/> Nonprofit Loan	<input type="checkbox"/> Nonprofit Forgivable Loan
<input type="checkbox"/> Private Loan	<input type="checkbox"/> Other:	

(e) Source of Funds #5

Lender/Grant Provider Name		
Purpose		
Amount		
<input type="checkbox"/> Government Loan	<input type="checkbox"/> Government Grant	<input type="checkbox"/> Government Forgivable Loan

<input type="checkbox"/> Nonprofit Grant	<input type="checkbox"/> Nonprofit Loan	<input type="checkbox"/> Nonprofit Forgivable Loan
<input type="checkbox"/> Private Loan	<input type="checkbox"/> Other:	

4. Total Unmet Need (2- (3(a) + 3(b) + 3(c) + 3(d) + 3(e) ) \$ \_\_\_\_\_.
5. I/We have received no other assistance funds for the Need listed in Paragraph 1 other than that set forth above in paragraph 3.
6. Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155), as amended by section 1210 of the Disaster Recovery Reform Act of 2018 (division D of Public Law 115-2 254; 132 Stat. 3442), prohibits federal agencies from providing assistance to any person for "any part of such loss" as to which he has received financial assistance under any other program or from insurance or any other source (such as, FEMA, SBA, the Red Cross, the City, business owner's Insurance, etc.).
7. I/We understand that the amount of assistance received by I/We from City of Fort Bragg must be reduced by the amount of Duplicative Assistance received or that will be received for the Need, from other sources (such as, FEMA, SBA, the Red Cross, the City homeowner's insurance, etc.) for the same purpose.
8. Therefore, I/We understand that if I/We receive assistance from a source other than the City of Fort Bragg (such as, FEMA, SBA, the Red Cross, the City, homeowner's insurance, etc.) for the Need for the same purpose, I/We must repay the assistance received from the City of Fort Bragg.
9. I/We certify under State and Federal penalties for perjury and fraud that the information provided above is true and accurate and acknowledge that repayment of all assistance received by Me/Us from the City of Fort Bragg, payment of fines and/or imprisonment may be required in the event that I/We provide false, incomplete or misleading information in this Affidavit or during the rest of this process. **By executing this Affidavit, Applicant(s) acknowledge and understand that Title 18 United States Code Section 1001: (1) makes it a violation of federal law for a person to knowingly and willfully (a) falsify, conceal, or cover up a material fact; (b) make any materially false, fictitious, or fraudulent statement or representation; OR (c) make or use any false writing or document knowing it contains a materially false, fictitious, or fraudulent statement or representation, to any branch of the United States Government; and (2) requires a fine, imprisonment for not more than five (5) years, or both, which may be ruled a felony, for any violation of such Section.**

Participant \_\_\_\_\_  
 Signature of Participant \_\_\_\_\_ Date \_\_\_\_\_  
 Participant \_\_\_\_\_  
 Signature of Participant \_\_\_\_\_ Date \_\_\_\_\_

**APPLICANT'S CERTIFICATION/AUTHORIZATION**

I/We certify that all information in this application and all information furnished in support of this application are true and complete to the best of my/our knowledge and belief.

I/We authorize the lending agency to verify all information furnished in connection with the loan application. The information that may be verified includes, but is not limited to, the following: employment, pensions, mortgages, deposits, and any other income; personal or business loans; insurance; and further, to obtain a credit report.

I/We also authorize the lending agency to disclose any financial information on income tax returns or on my personal or business financial statements, for the purpose of obtaining a loan on my behalf. I understand the information would be made available to loan committee members and other lenders that may be involved in the funding of my loan request.

I/We also acknowledge that this is an application for public funds and, therefore, the information provided may be made available for review.

I/We acknowledge that there is a \$250.00 non-refundable application fee due at the time this application is submitted, and that there is a closing fee of 1.5% of the total loan amount.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**ATTACHMENT "A"**

**RESUME OF**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Note: This form is not required if another format is provided in its place.

**EMPLOYMENT HISTORY (most recent first):**

Dates Employed - From: \_\_\_\_\_ To: \_\_\_\_\_  
Name of Company: \_\_\_\_\_  
Address: \_\_\_\_\_  
Position and Responsibilities: \_\_\_\_\_  
\_\_\_\_\_

Dates Employed - From: \_\_\_\_\_ To: \_\_\_\_\_  
Name of Company: \_\_\_\_\_  
Address: \_\_\_\_\_  
Position and Responsibilities: \_\_\_\_\_  
\_\_\_\_\_

**EDUCATION:**

Dates Enrolled: From: \_\_\_\_\_ To: \_\_\_\_\_  
Name of School: \_\_\_\_\_  
Address: \_\_\_\_\_  
Degree Received: \_\_\_\_\_ Date Graduated: \_\_\_\_\_

Dates Enrolled: From: \_\_\_\_\_ To: \_\_\_\_\_  
Name of School: \_\_\_\_\_  
Address: \_\_\_\_\_  
Degree Received: \_\_\_\_\_ Date Graduated: \_\_\_\_\_

**OTHER RELATED TRAINING OR EXPERIENCE:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

References will be furnished upon request.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**ATTACHMENT "B"**

**BUSINESS INDEBTEDNESS:** Furnish the following information on **all** business debts owed -- **vendors, credit cards, payroll taxes, income taxes, sales tax, contracts, notes, and mortgages.** (Current balances should agree with the latest balance sheet submitted.) Use reverse side or another sheet to list additional information.

<b>To Whom Payable</b>	<b>Original Amount</b>	<b>Original Date</b>	<b>Present Balance</b>	<b>Rate of Interest</b>	<b>Maturity Date</b>	<b>Monthly Payment</b>	<b>Security</b>	<b>Current = C Past Due = P</b>

**AFFIDAVIT OF CURRENT TAX STATUS**

I hereby certify that any and all of the applicable real property taxes, personal property taxes, Federal & State income taxes, Federal and State payroll withholding taxes, State Sales Tax, insurance premiums, and any other assessment or public charges are current.

\_\_\_\_\_  
Business Owner / Applicant

\_\_\_\_\_  
Date



**ATTACHMENT "C"**  
**PERSONAL FINANCIAL STATEMENT**

OMB APPROVAL NO. 3245-0188  
EXPIRATION DATE:11/30/2004

**U.S. SMALL BUSINESS ADMINISTRATION**

**As of** \_\_\_\_\_, \_\_\_\_\_

Complete this form for: (1) each proprietor, or (2) each limited partner who owns 20% or more interest and each general partner, or (3) each stockholder owning 20% or more of voting stock, or (4) any person or entity providing a guaranty on the loan.

Name Business Phone \_\_\_\_\_

Residence Address Residence Phone \_\_\_\_\_

City, State, & Zip Code \_\_\_\_\_

Business Name of Applicant/Borrower \_\_\_\_\_

<b>ASSETS</b>		(Omit Cents)	<b>LIABILITIES</b>		(Omit Cents)
Cash on hand & in Banks .....	\$	_____	Accounts Payable.....	\$	_____
Savings Accounts.....	\$	_____	Notes Payable to Banks and Others .....	\$	_____
IRA or Other Retirement Account .....	\$	_____	(Describe in Section 2)		
Accounts & Notes Receivable .....	\$	_____	Installment Account (Auto) .....	\$	_____
Life Insurance-Cash Surrender Value Only .....	\$	_____	Mo. Payments _____		
(Complete Section 8)			Installment Account		
Stocks and Bonds .....	\$	_____	(Other).....	\$	_____
(Describe in Section 3)			Mo. Payments _____		
Real Estate .....	\$	_____	Loan on Life Insurance.....	\$	_____
(Describe in Section 4)			Mortgages on Real Estate .....	\$	_____
Automobile-Present Value .....	\$	_____	(Describe in Section 4)		
Other Personal Property .....	\$	_____	Unpaid Taxes .....	\$	_____
(Describe in Section 5)			(Describe in Section 6)		
Other Assets .....	\$	_____	Other Liabilities .....	\$	_____
(Describe in Section 5)			(Describe in Section 7)		
<b>Total</b>	\$	_____	Total Liabilities .....	\$	_____
			Net Worth .....	\$	_____
			<b>Total</b>	\$	_____

<b>Section 1. Source of Income</b>			<b>Contingent Liabilities</b>		
Salary .....	\$	_____	As Endorser or Co-Maker .....	\$	_____
Net Investment Income .....	\$	_____	Legal Claims & Judgments .....	\$	_____
Real Estate Income .....	\$	_____	Provision for Federal Income Tax .....	\$	_____
Other Income (Describe below)* .....	\$	_____	Other Special Debt .....	\$	_____

Description of Other Income in Section 1.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\*Alimony or child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.

Section 2. Notes Payable to Banks and Others. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

Name and Address of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral

<b>Section 3. Stocks and Bonds. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed).</b>					
Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value
<b>Section 4. Real Estate Owned.</b> (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)					
	Property A	Property B	Property C		
Type of Property					
Address					
Assessor Parcel Number (APN)					
Date Purchased					
Original Cost					
Present Market Value					
Name & Address of Mortgage Holder					
Mortgage Account Number					
Mortgage Balance					
Amount of Payment per Month/Year					
Status of Mortgage					
<b>Section 5. Other Personal Property and Other Assets.</b> (Describe, and if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and if delinquent, describe delinquency)					
<b>Section 6. Unpaid Taxes.</b> (Describe in detail, as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)					
<b>Section 7. Other Liabilities.</b> (Describe in detail.)					
<b>Section 8. Life Insurance Held.</b> (Give face amount and cash surrender value of policies - name of insurance company and beneficiaries)					
I authorize SBA/Lender to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I certify the above and the statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of either obtaining a loan or guaranteeing a loan. I understand FALSE statements may result in forfeiture of benefits and possible prosecution by the U.S. Attorney General (Reference 18 U.S.C. 1001).					
Signature:		Date:	Social Security Number:		
Signature:		Date:	Social Security Number:		
PLEASE NOTE: The estimated average burden hours for the completion of this form is 1.5 hours per response. If you have questions or comments concerning this estimate or any other aspect of this information, please contact Chief, Administrative Branch, U.S. Small Business Administration, Washington, D.C. 20416, and Clearance Officer, Paper Reduction Project (3245-0188), Office of Management and Budget, Washington, D.C. 20503. <b>PLEASE DO NOT SEND FORMS TO OMB.</b>					

**ATTACHMENT "D"**  
**INCOME AND EXPENSE PROJECTIONS**

**Instructions**

This is a worksheet designed to help determine monthly projected business income and expenses for a twelve month period. This will also help assess the feasibility of a project by determining if the projected income will cover the projected expenses, including owners draw and loan payments. This is just a worksheet, so fill it out in pencil. You will be making a lot of changes to it.

**MONTHS:** Fill in the month you anticipate opening your business, or start with "Month #1".

**TOTAL SALES:** All income from the sale of products or services for the month.

**COST OF GOODS SOLD:** Direct cost of the products sold. (Example: for a restaurant, the cost of goods sold is the food; for a clothing store, the clothing; for the manufacturing of tables, the cost of the wood, metal, varnish.) Service businesses do not have a cost of goods sold.

**GROSS PROFIT:** Subtract the **Cost of Goods Sold** from the **Total Sales** to determine the **Gross Profit**.

**OPERATING EXPENSES:** Listed here are some examples of monthly expenses. You may have some additional or different expenses that are specific to your business, just write them in.

**TOTAL OPERATING EXPENSES:** Add up all **Operating Expenses** for the month.

**NET PROFIT:** Subtract the **Total Operating Expenses** from the **Gross Profit**.

**OWNER'S DRAW:** This is the money the business owner will draw from the business for personal living expenses. When there is another monthly source of income, owner's draw may not apply. If the business owner will be paying personal living expenses from the business sales, owners draw will need to be determined. There is no owners draw under a corporate legal structure; all wages should be shown in the wages and payroll line items.

**AVAILABLE FOR LOAN PAYMENT:** Subtract **Owner's Draw** from **Net Profit**.

**LOAN PAYMENT:** This is the monthly payment of principal and interest based on the amount of the loan needed. This amount can be obtained from the Financial Consultant.

**MARGIN:** Subtract the **Loan Payment** from the **Available for Loan Payment**. This is the projected amount left after all expenses have been paid. If the **Loan Payment** amount is larger than the **Available for Loan Payment**, you are losing money at the end of the month.

**ATTACHMENT “D” INCOME AND EXPENSE PROJECTIONS WORKSHEET**

MONTHS													TOTAL
Total Sales													
Less Cost of Goods Sold													
Gross Profit													
<b>OPERATING EXPENSES</b>													
Accounting													
Advertising													
Auto & Vehicles													
Freight/Postage													
Insurance													
Leases (Equipment)													
Office Expenses													
Rent													
Repairs & Maintenance													
Supplies													
Taxes (Sales)													
Travel and Entertainment													
Utilities/Telephone													
Wages & Payroll Taxes													
Other													
<b>TOTAL OPERATING EXPENSES</b>													
Net Profit													
Owner's Draw (not for corps)													
Available for Loan Payment													
Loan Payments													
<b>MARGIN</b>													

# AUTHORIZATION AND RELEASE FOR CREDIT REPORT

Dear Requestor:

Prior to a credit report request, you must understand the following:

- 1) Access to your credit file is limited to yourself and your agents acting on your behalf.
- 2) Your consent in writing is required before a report may be provided.
- 3) You are entitled to a copy of the credit report and a copy of the FTC's "Consumer Rights Notice".

Based on the above information, I hereby authorize **Community Development Services (CDS)** to obtain my credit report for the purposes of **applying for a business loan**.

## PLEASE PRINT THE BELOW INFORMATION NEATLY

### Applicant

Name: \_\_\_\_\_  
(Full name including Jr., Sr., etc.)

SSN#: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Previous Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

\_\_\_\_\_  
Signature

### Spouse/Partner

Name: \_\_\_\_\_  
(Full name including Jr., Sr., etc.)

SSN#: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Previous Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

\_\_\_\_\_  
Signature

**ATTACHMENT E**  
**HOW TO GET A UEI AT SAM.GOV**

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF FEDERAL FINANCIAL ASSISTANCE  
2020 W. El Camino Avenue, Suite 200  
P.O. Box 952054  
Sacramento, CA 95833  
(916) 263-2771 / FAX (916) 263-2783  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



## View and Save Debarments



HCD requires that applicants for federal funding upload debarment checks from Sam.gov in eCivis Grants Management Network.

The information from Sam.gov showing “no exclusions” and that registration is not expired is required for applicants and their contractors and subrecipients. ,

Recently, SAM.gov changed their website interface and this guide is to assist with viewing and saving the debarment information in the new interface.

To review Entity Registrations a login is required.

***If a New User, follow the steps to creating an account and access SAM below:***

Step 1: Go to [www.sam.gov](http://www.sam.gov).

Step 2: Click on Sign In, Select the Green Accept box, and then “Create an Account”.

Step 3: Complete the requested information, and then click “Submit”.

Step 4: Select “Individual User Account”.

Step 5: You will receive an email confirming you have created a user account in SAM.

### ***Login:***

Go to: [www.sam.gov](http://www.sam.gov)

Select Sign In – located at the far top right of the screen:

 Sign In

Select the green accept box:



You must accept the U.S. Government System terms to sign into this website

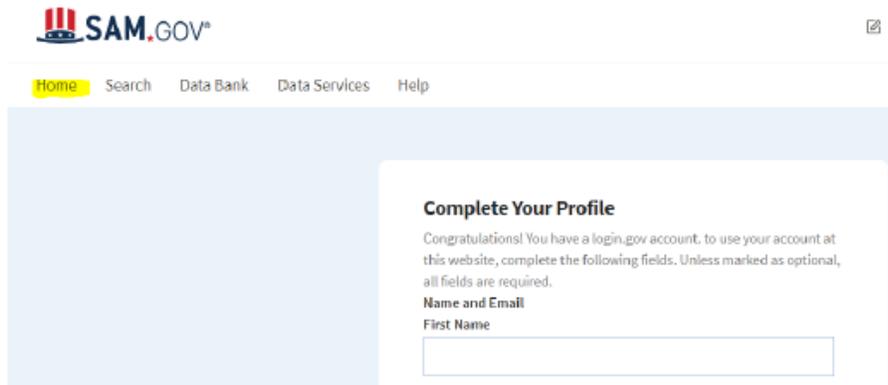
This is a U.S. General Services Administration Federal Government computer system that is "FOR OFFICIAL USE ONLY."  
This System is subject to monitoring.  
Individuals found performing unauthorized activities are subject to disciplinary action including criminal prosecution.

Cancel

The accept button brings up the login screen:

The login screen features a header with the "LOGIN.GOV" logo and the "SAM.GOV" logo. Below the header is a graphic showing a person's profile, a shield with a keyhole, and a computer monitor, all connected by lines. The main text reads: "sam.gov is using login.gov to allow you to sign in to your account safely and securely." There are two input fields: "Email address" and "Password". To the right of the password field is a "Show password" checkbox. At the bottom is a blue "Sign in" button.

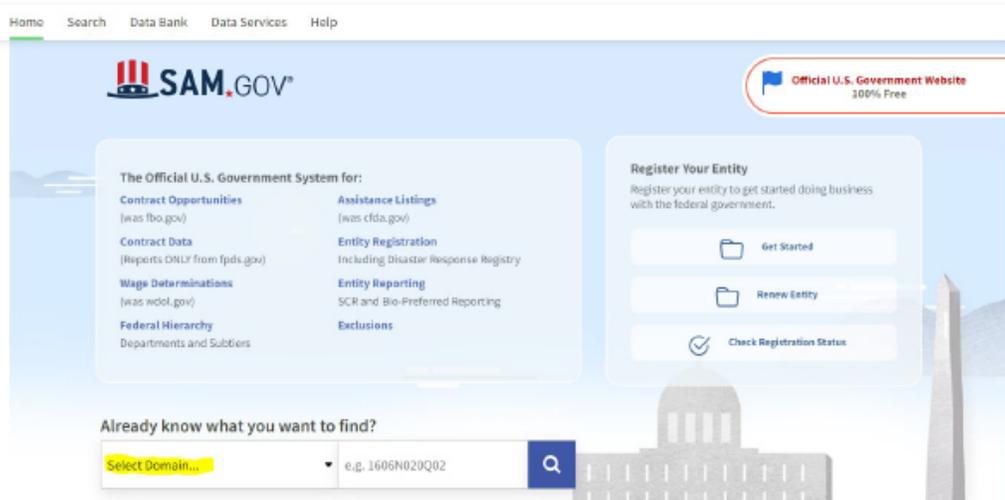
Once logged in, you may get a screen as shown below to Complete Your Profile. This was already done when you created the account and is unnecessary. Just select Home as highlighted below:



This will pop up a box as shown below, choose Leave:



The Home page is shown below. Go to the Select Domain arrow down (highlighted below), which is located under the "Already know what you want to find?" Section:



Select Entity Information from the arrow down key:

Already know what you want to find?

Entity Information ▼ e.g. 1606N020Q02 🔍

You can search using the entity's name or DUNS number. It is recommended to use the DUNS Number:

Already know what you want to find?

Entity Information ▼ 100864219 ✕ 🔍

Then select the search box with the eyeglass.

Below is what is shown if there are "no exclusions". Note the highlighted box that states, "Entity Registration". If it states this, then there are no exclusions.

The example below is what you will copy, save as a pdf and upload to the eCivis Grants Management software as a debarment.

**SAM.GOV** Requests

Home Search Data Bank Data Services Help

Search e.g. 1606N020Q02, asph: 🔍 Search Results

Showing 1 - 1 of 1 results Sort by Relevance

<b>YUBA, COUNTY OF</b> ● Active				<b>Entity Registration</b>
<b>DUNS</b> Unique Entity ID 100864219	CAGE Code 7PKL8	Physical Address 915 8th St Ste 123, MARYSVILLE, CA 95901 USA	Expiration Date Sep 14, 2021	Purpose of Registration Federal Assistance Awards
<b>SAM</b> Unique Entity ID UWBNATH4QWJ1				

If there are exclusions, it will have the word "Exclusion" in the box, where Entity Registration was in the first example:

● Active				<b>Exclusion</b>
<b>DUNS</b> Unique Entity ID (blank)	CAGE Code (blank)	Physical Address MILLBURY, MA 01527 USA	Classification Individual	Activation Date Feb 13, 2010
<b>SAM</b> Unique Entity ID (blank)				Termination Date Indefinite

If a search comes up with no results or no matches found, then the entity is not registered with Sam.gov and needs to register using the link below:

<https://sam.gov/content/entity-registration>

Instructions for registering can be located at the link as follows:

[https://www.fsd.gov/qsafsd\\_sp?id=kb\\_article&sys\\_id=11bfc64d1b1cb8909ac5ddb6bc4bcb62](https://www.fsd.gov/qsafsd_sp?id=kb_article&sys_id=11bfc64d1b1cb8909ac5ddb6bc4bcb62)

**Note:** HCD will not accept “no results” PDF as no exclusions debarment documentation.

SAM.gov | Entity

379513570/coreData?status=active&srKey=Value=2363960-1636997492947384

JSDA Spa... | 1st3895 | U.S. Department of... | Direct Loan Applica... | eCivis Portal | Login | Login | UPS - Unite... | USDA LINC

An official website of the United States government <https://www.sam.gov>

Update: Planned Maintenance Schedule Show Details  
Jul 29, 2021

Recognize and Avoid Phishing Emails Show Details  
Aug 25, 2020

See All Alerts

**SAM.GOV**

Requests | Notifications | Workspace | Sign Out

Home | Search | Data Bank | Data Services | Help

Download | Follow

Entity Registration

Core Data

Business Information

Entity Types

Financial Information

Points of Contact

Assertions

Reps and Certs

Exclusions

Responsibility / Qualification

### COMMUNITY DEVELOPMENT SERVICES

DUNS	Unique Entity ID	Registration Status	Expiration Date
879513		Active	Nov 15, 2022

SAM Unique Entity ID: KCJWH-UHXHW

CAGE/NCAGE: 62M

Physical Address: 3895 Main ST, Kelseyville, California 95451-7430, United States

Mailing Address: 3895 Main Street, Kelseyville, California 95451, United States

\*The DUNS number is currently the official Unique Entity ID

Version: Current Record

### BUSINESS INFORMATION

Doing Business As: | Division Name:

Taskbar: Rain off and on

ATTACHMENT C  
CDBG AND LENDER REQUIRED DOCUMENTS

## ATTACHMENT C-1 Jobs Tracking Form

CDBG Jobs Tracking Form for Proposed Project							
Company Name: _____							
List all current employee positions on payroll as of the CDBG loan approval and all proposed new job positions.							
Project is Proposing	<input type="checkbox"/> JOB CREATION Or <input type="checkbox"/> JOB RETENTION		Annual Hours	Annual Wages	Full/Part Time	LMI	Date of Hire
Job Position Title	New, Existing, or Retained Job						
1							
2							
3							
4							
5							
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<b>EXISTING JOB POSITIONS</b>	<b>PROPOSED NEW HIRE OR RETAINED JOB POSITIONS</b>	<b>LMI</b>	<b>% LMI</b>
Total Full Time	Total Full Time		
Total Part Time	Total Part Time		
<b>Grand Total Full Time</b>	<b>Grand Total Full Time</b>		<b>#DIV/0!</b>

I hereby certify under the penalty of perjury that all the information contained in this request for funds (including all supportive documentation) is true and correct. I understand and acknowledge that making false statement on this certification, including any documents submitted in support of it, may result in denial of application for funding.

Signature of Business Owner: \_\_\_\_\_ Date: \_\_\_\_\_

Signature of Jurisdiction Staff: \_\_\_\_\_ Date: \_\_\_\_\_

Note: Multiple forms may be required for businesses with lots of employees.

# ATTACHMENT C-1 Jobs Tracking Form

CDBG Jobs Tracking Form for Completed Project							
Company Name:							
List all employee positions on payroll, both existing and new hires as a result of CDBG loan.							
Date of Project Approval:			Date of Project Completion:			Income Self Cert. Date	
	Job Position Title	New or Existing Job	Annual Hours	Annual Wages	Full/Part Time	LMI	
1							
2							
3							
4							
5							
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EXISTING JOB POSITIONS		ACTUAL NEW HIRE OR RETAINED JOB POSITIONS		LMI	% LMI
Total Full Time		Total Full Time			
Total Part Time		Total Part Time			
Grand Total Full Time		Grand Total Full Time			#DIV/0!

I hereby certify under the penalty of perjury that all the information contained in this form (including all supportive documentation) is true and correct. I understand and acknowledge that making false statement on this certification, including any documents submitted in support of it, may result in repayment of loan funds.

Signature of Jurisdiction Staff: \_\_\_\_\_ Date: \_\_\_\_\_

# ATTACHMENT C-2 Self Certification of Income Form



## COMMUNITY DEVELOPMENT BLOCK GRANT EMPLOYEE SELF CERTIFICATION

The City of Fort Bragg is collecting the following information as a result of participating in the U.S. Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) program. To meet federal regulations, the City of Fort Bragg is required to collect statistical data on your family income, race/ethnicity, and employment status. This information is reported to HUD and eventually used by the U.S. Congress to measure the effectiveness of the CDBG program. Your name and personal information will be kept private, and your income, race and unemployment status information only shared with the federal government anonymously.

**INSTRUCTIONS:**

Please answer questions 1, 2, and 3, then sign and date the form certifying the information is correct. Your information can only be accepted if the form is completed in full.

1.) Please indicate your current family income in the following table. "Family" means all related persons in your household.

Please Circle # of Persons in your Family	FAMILY INCOME CATEGORY			
	Mendocino County			
	Please check your family income in the same row as the number of persons in your family.			
	A	B	C	D
1	\$0 - \$19,100	\$19,101 - \$31,800	\$31,801 - \$50,900	Greater than \$50,900
2	\$0 - \$19,300	\$19,301 - \$32,150	\$50,901 - \$51,400	Greater than \$51,400
3	\$0 - \$23,030	\$23,031 - \$36,150	\$36,151 - \$57,850	Greater than \$57,850
4	\$0 - \$27,750	\$27,751 - \$40,150	\$40,151 - \$64,250	Greater than \$64,250
5	\$0 - \$32,470	\$32,471 - \$43,400	\$43,401 - \$69,400	Greater than \$69,400
6	\$0 - \$37,190	\$37,191 - \$46,800	\$46,801 - \$74,550	Greater than \$74,550
7	\$0 - \$41,910	\$41,911 - \$49,800	\$49,801 - \$79,700	Greater than \$79,700
8 or more	\$0 - \$46,630	\$46,631 - \$53,000	\$53,001 - \$84,850	Greater than \$84,850

\*Annual income may be calculated by computing the total income of all family members for the last 3 months and then multiplying by 4.

2.) Please check the box that most closely identifies your race. *HCD understands that the choices listed in the box below do not include all of the ways in which people self-identify, and that many people identify with more than one of the categories listed.*

*Applicant should check the box that most closely represents their racial identity.*

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> White                                  | <input type="checkbox"/> Asian and White           | <input type="checkbox"/>                  |
| <input type="checkbox"/> Black/African American                 | <input type="checkbox"/> Black/African American    | <input type="checkbox"/> and White        |
| <input type="checkbox"/> Asian American                         | <input type="checkbox"/> Indian/Alaskan Native and | <input type="checkbox"/> African/American |
| <input type="checkbox"/> American Indian/Alaskan Native         | <input type="checkbox"/> Other Multi-              | <input type="checkbox"/> Racial           |
| <input type="checkbox"/> Native Hawaiian/Other Pacific Islander | <input type="checkbox"/> Prefer Not                | <input type="checkbox"/> to Answer        |
| <input type="checkbox"/> Indian/Alaskan Native and White        |  | <input type="checkbox"/> American         |

**Please answer these questions:**

- Do you consider yourself as being of Hispanic ethnicity? Yes  No
- Are you currently unemployed or were you unemployed prior to Yes  No
- Are you a female head of household? Yes  No

*I certify that the information provided above is correct to the best of my knowledge.*

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_/\_/\_/\_\_\_\_  
Date

## ATTACHMENT C-2 Self Certification of Income Form



**EMPLOYER/LOCAL GOVERNMENT USE ONLY (ALL SECTIONS ARE MANDATORY)**

**Position Details**

Full Time     
  Part Time (FTE: \_\_\_\_\_)     
  Employer-Sponsored Healthcare Plan Offered Position Class

Official/Manager                     
  Professional                     
  Office/Clerical

Sales                                     
  Technician                     
  Craft Worker/Skilled

Operative/Semiskilled             
  Laborer/Unskilled             
  Service Worker

Date Hired: \_\_\_\_/\_\_\_\_/\_\_\_\_

### Job Category Definitions

1. **Officials or Managers** - Positions requiring support from administrative personnel. People occupying these positions set broad policies, exercise overall responsibility of execution of these policies, and individual departments or special phases of a firm's operations. This includes: Officials, Executives, middle management, plant managers and superintendents, salaried supervisors who are members of management, purchasing agents and buyers, and similar positions.
2. **Professional** - Positions requiring either college degree or experience of such kind and amount as to provide a comparable background and includes: accountants and auditors, airplane pilots and navigators, architects, artists chemists, designers, dietitians, editors, engineers, lawyers, librarians, mathematicians, natural scientists, registered professional nurses, professional and labor relations workers, physical scientists, physicians, social scientists, teachers, and kindred workers.
3. **Technicians** - Positions requiring a combination of basic scientific knowledge and manual skill which can be obtained through about 2 years of post-high school education such as is offered in many technical institutions and junior colleges, or through equivalent on the job training. This includes: computer programmers and operators, drafters, engineering aides, junior engineers, mathematic aides, licensed practical or vocational nurses, photographers, radio operators, scientific assistants, surveyors, technical illustrators, technicians (medical, dental, electronic, physical science) and kindred workers.
4. **Sales** - People occupying these positions are engaging wholly or primarily in direct selling. This includes: advertising agenda and sales workers; insurance agents and brokers; real estate agents and brokers; sales workers; demonstrators and retail sales workers; and sales clerks, grocery clerks and cashiers; and kindred workers.
5. **Office or Clerical** - Includes all clerical-type work regardless of level of difficulty, where the activities are predominantly non-manual though some manual work not directly involved with altering or transporting the products is included. This includes: bookkeepers, cashiers, collectors (bills and accounts), messengers and office helpers, office machine operators, shipping and receiving clerks, stenographers, typists, and secretaries, telegraph and telephone operators, and kindred workers.
6. **Craft Worker (skilled)** - Manual workers of relatively high-level having a thorough and comprehensive knowledge of the processes involved in their work. Worker exercises considerable independent judgment and usually receives an extensive period of training. This includes: the building trades, hourly paid supervisors and lead operators (who are not members of management), mechanic and repairers, skilled machining occupations, compositors and typesetters, electricians, engravers, job setters (metal), motion picture projectionists, pattern and model makers, stationary engineers, tailors, and kindred workers.

Published September 2022

## ATTACHMENT C-2 Self Certification of Income Form



### Appendix D-5: Self-Certification of Income (Jobs)

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7. **Operatives (semi-skilled)** - Workers who operate machines or other equipment or perform other factory-type duties of intermediate skill level which can be mastered in a few weeks and require only limited training. This includes: apprentices (auto mechanics, plumbers, electricians, machinists, mechanics, building trades, metal working trades, printing trades, etc.), operatives, attendants (auto service and parking), blasters, chauffeurs, delivery workers, dress makers and sewers (except factory), dryer's furnaces workers, heaters (metal), laundry and dry cleaning, operatives, milliners, mine operatives and laborers, motor operators, oilers and greasers (except auto), painters (except construction and maintenance), photographic process workers, boiler tenders, truck and tractor drivers, weavers (textile), welders and flame metals workers, and kindred workers.

8. **Laborers (unskilled)** - Workers in manual occupations which generally require no special training perform elementary duties that may be learned in a few days and require the application of little or no independent judgment. This includes: garage laborers; car washers and greasers; gardeners (except farm) and ground keepers; stevedores; wood choppers; laborers performing lifting, digging, mixing loading, and pulling operations; and kindred workers.

9. **Service Workers** - Workers in both protective and non-protective service occupations. This includes attendants (hospital and other institutions, professional and personal service, including nurses aides and orderlies), barbers, chairworkers and cleaners, cooks (except household), counter and fountain workers, elevator operators, firefighters and fire protection guards, door keepers, stewards, janitors, police officers and detectives, porters, waiters and waitresses, and kindred worker.

Published September 2022







**ATTACHMENT C-5  
Borrower Certification of No Job Pirating Form**

**BORROWER'S CERTIFICATION CONCERNING NO JOB PIRATING  
IN CONNECTION WITH COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ECONOMIC  
DEVELOPMENT (ED) FINANCING**

The City of Fort Bragg will use federal CDBG economic development (ED) funds to make loans to eligible projects. These federal funds are available from local program income funds or from grant contracts issued by the State Department of Housing and Community Development. These CDBG ED loans cannot be used if their use supports job pirating. Job pirating is not allowed under 24 CFR 570.482(f) of federal regulations. CDBG ED activities trigger this prohibition of funds as follows, and responses must be provided to document non-pirating:

1. Statement of Job Pirating Provisions:

Use of CDBG funds to directly assist the relocation of any industrial or commercial plant, facility or operations, from one labor market area to another labor market area.

Yes                       No

If yes, what is the total number of jobs to be relocated: \_\_\_\_\_.

2. Certification of no Job Pirating:

Will a significant loss of jobs take place due to the relocation of the business operations (Definition of significant is 25 or more full time positions.).

Yes                       No

If yes, CDBG assistance is prohibited.

If no, business must certify that neither it nor any of its subsidiaries has plans to relocate jobs, as of the date of the CDBG loan agreement.

3. Consequences of Job Pirating Violation:

Use of CDBG funds to directly assist the relocation of any industrial or commercial plant, facility or operations, from one labor market area to another labor market area will result in the required repayment of all CDBG funding invested in the project.

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

\_\_\_\_\_  
Signature of Borrower

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Date



## HCD Anti-Pirating Policy

Section 588 of the Quality Housing and Work Responsibility Act of 1998 prohibits States and local governments from using CDBG funds for employment relocation activities or "job pirating." Job pirating refers to the use of federal funds to lure or attract a business and its positions from one community to another community. CDBG funds may not be used to assist for-profit businesses, including expansions, infrastructure improvement projects or business incubators which are designed to facilitate business relocation IF:

- The funding will be used to directly assist in the relocation of a plant, facility or operation; and
- The relocation is likely to result in a significant loss of jobs in the labor market area from which the relocation occurs.

The following are definitions that will assist in determining if a business location falls under these provisions:

- o Labor Market Area (LMA): An economically integrated geographic area within which individuals can live and find employment within a reasonable distance or can readily change employment without changing their place of residence.
- o Operation: A business operation includes, but is not limited to, any equipment, employment opportunity, production capacity or product line of the business.
- o Significant Loss of Jobs: A loss of jobs is significant if the number of jobs to be lost in the LMA in which the affected business is currently located is equal to or greater than one-tenth of one percent of the total number of persons in the labor force of that LMA; OR, in all cases, the loss of jobs is 500 or more.
  - A job is considered lost due to the provision of CDBG assistance if the position is relocated within three years of the provision of assistance to the business. Notwithstanding the above definition, a loss of 25 positions or fewer does not constitute a significant loss of positions.

The grant agreement with the Grantee shall provide for reimbursement of any assistance provided to, or expanded on behalf of, the business if the assistance results in a relocation prohibited under this policy.

HCD can help the Grantee or business calculate whether the project is likely to result in a significant loss of jobs in the Labor Market Area as defined by HUD and this policy.

Before directly assisting a business with CDBG funds, the Grantee must receive the signed Anti-pirating certification from the assisted business.

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### HCD Anti-Pirating Policy Certification

Section 588 of the Quality Housing and Work Responsibility Act of 1998 prohibits States and local governments from using CDBG funds for employment relocation activities or "job pirating." Job pirating refers to the use of federal funds to lure or attract a business and its positions from one community to another community. CDBG funds may not be used to assist for-profit businesses, including expansions, infrastructure improvement projects or business incubators which are designed to facilitate business relocation.

I hereby certify that the activity assisted with CDBG funds will not result in the relocation of any industrial or commercial plant, facility, or operation from one Labor Market Area to another, and, if it does, the number of jobs that will be relocated does not result in significant job loss as defined in this rule. In the event that assistance results in a relocation prohibited under this section within three years of the grant contract date, I will reimburse any assistance provided to or expanded on behalf of the business.

\_\_\_\_\_, (business name)

By: \_\_\_\_\_  
Name:  
Title:  
Date: \_\_\_\_\_

Published September 2022

**ATTACHMENT C-6  
Certification of Federal Regulatory Compliance Form**

**BORROWER'S CERTIFICATION OF COMPLIANCE WITH FEDERAL OVERLAYS RELATED  
TO COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)  
ECONOMIC DEVELOPMENT (ED) FINANCING**

The City of Fort Bragg, here after referred to as Responsible Entity (RE), is being requested to use federal CDBG ED funds for a project located at: \_\_\_\_\_, CA \_\_\_\_\_. The RE received a CDBG application for funding from the Business Assistance (BA) loan applicant on: \_\_\_\_\_ date.

There are three (3) significant federal overlay laws that must be adhered to as part of receiving CDBG ED BA funding: 1) federal environmental regulations; 2) federal relocation and real property acquisition laws; and 3) federal prevailing wage laws. All projects proposing to use CDBG federal funding must be documented as being in compliance with these laws.

**ENVIRONMENTAL REVIEW:** To be in compliance with federal environmental review law, National Environmental Policy Act (NEPA), an Environmental Review Record (ERR) must be completed and executed by the RE prior to awarding the project any CDBG funds. The ERR must also be completed prior to any additional work being done on the project after the date of application submittal, as shown above.

Any site work or legal agreements associated with the project, after the date of the CDBG application, could trigger a "choice limiting" action under NEPA regulations. Such an action will prohibit the RE from awarding CDBG funds to the project. Specific choice limiting actions to be avoided by the applicant after BA application date are: 1) signing any contracts for any work on the project; 2) signing any real property purchase agreements or leases; 3) conducting any construction / maintenance work at the site.

Loan applicant does hereby acknowledge and certify that there is and will be no choice limiting actions taking place at the site until the RE has completed an ERR for the project. Applicant agrees to disclose the existing conditions of the project and will not proceed with any development work until such time as the RE has provided written permission to do so.

4. Statement of Project's Site Control.

Full site control, i.e. fee simple interest ownership of the property **or** executed lease agreement, was in place prior to BA loan application submittal date.

Yes                       No

If no, what is proposed date will site control to be in place: \_\_\_\_\_.

5. Statement of Project's Construction Status.

Construction was started on the project prior to BA loan application submittal date stated above.

Yes                       No

If yes, construction must stop at the date of application, or CDBG is prohibited.

If no, business certifies NO construction contracts will be executed and no work at the site will start until RE provides written approval.

6. Consequences of Choice Limiting Action.

Any changes which trigger NEPA violation will force the RE to cancel the application.

**RELOCATION AND ACQUISITION REVIEW:** To be in compliance with federal acquisition and relocation law, the RE must verify that no “persons” have been displaced because of the use of CDBG funding AND that if CDBG funds are being used, in whole or in part to acquire real property, that federal laws are being complied with prior to award of funds.

Projects using CDBG funding for acquisition of real property are required to provide the seller with a proper disclosure of no use of eminent domain as part of the transaction.

Projects using CDBG funding that cause a person (resident of a housing unit, business or non-profit) to move as a direct result of the project’s activity must follow federal relocation process and provide those affected persons with permanent relocation benefits.

1. Statement of Project’s Use of Funds for Acquisition.

CDBG funds are being used to assist in purchase of real property.

Yes  No

If yes, what date was seller provided Acquisition Notice? \_\_\_\_\_.

2. Statement of Project’s Relocation Compliance.

Persons were or will be displaced because of the proposed CDBG funding project activity / scope of work.

Yes  No

If yes, RE must evaluate relocation benefits required for the project to move forward and disclose the costs of the relocation to the BA applicant.

If no, business certifies NO persons are displaced by the project.

3. Consequences of Non-Compliance with Relocation or Acquisition Laws.

Any miss-representations that result in these federal laws being triggered will force the RE to cancel the application.

Loan applicant does hereby acknowledge and certify that there will be no relocation of persons taking place at the site until the RE has completed its review and analysis of any required relocation benefits. Applicant agrees to disclose the existing conditions of the project and will not proceed with any property purchase or development work until such time as the RE has provided written permission to do so.

**FEDERAL PREVAILING WAGE REVIEW:** To be in compliance with federal prevailing wage laws (Davis Bacon and associated legislation), the RE must verify that no CDBG funds are being utilized for project construction costs. If any CDBG funds are used for construction, then RE must ensure federal prevailing wage rates will be paid by contractors. These wages will increase the project’s costs.

1. Statement of Project's Use of Funds for Construction.

CDBG funds will pay for project construction costs.

Yes                       No

If yes, what date was RE labor standards monitoring certification submitted to the Department? \_\_\_\_\_.

If no, federal prevailing wage compliance is not required.

2. Consequences of Non-Compliance with Davis Bacon and Related Acts.

Any miss-representations that result in these federal laws being triggered can require the RE to pay wage compensation to workers doing the construction.

Loan applicant does hereby acknowledge and certify that there will be no signing of construction contracts for any work taking place at the project site until the RE has completed its review and analysis of required labor standards compliance. Applicant agrees to disclose the existing conditions of the project and will not proceed with any property development work until such time as the RE has provided written permission to do so.

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

\_\_\_\_\_  
Signature of Borrower(s)

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Date

**ATTACHMENT D**  
**Business Loan Servicing Policies**  
**City of Fort Bragg**  
**CDBG Business Loan Programs**

**LOAN SERVICING POLICIES AND PROCEDURES**

The City of Fort Bragg, here after called “Lender”, has adopted these policies and procedures in order to preserve its financial interest in properties whose “Borrowers” have been assisted with public funds. The Lender will, to the greatest extent possible, follow these policies and procedures, but each loan will be evaluated and handled on a case-by-case basis. The Lender has formulated this document to comply with state and federal regulations regarding the use of these public funds and any property restrictions that are associated with them.

The policies and procedures are broken down into the following areas 1) loan repayments; 2) required payment of taxes, assessments, liens and insurance; 3) required Request for Notice of Default; 4) required noticing and limitations on any changes in title, occupancy, use, or location of property; 5) requests for subordination; 6) process for loan foreclosure in case of default on the loan.

1. Loan Repayments

The Lender will collect monthly payments from those borrowers who are obligated to do so under Installment Notes that are amortized promissory notes, or Lender may use a designated loan collection company to collect payments. Late fees will be charged for payments received after the assigned monthly date as described in loan documents. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower’s obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower’s making fewer payments.

For Notes that are deferred payment loans, the Lender may accept voluntary payments on the loan. Loan payments will be credited to interest first and then to principal. The borrower may repay the loan balance at any time with no penalty.

2. Payment of Taxes, Assessments, Liens and Insurance

In general, as part of keeping a CDBG loan from going into default, borrower must maintain all-risks insurance coverage with respect to collateral or other property as designated in the loan documents and related commercial security agreements, naming the Lender as loss payee in first position or as additional insured if the loan is a junior lien. Lender may file a UCC financing statement to perfect Lender’s security interest. If borrower fails to maintain the necessary insurance, the Lender may take out forced place insurance to cover the property while the Borrower puts a new insurance policy in place. All costs for installing the necessary insurance will be added to the loan balance at time of installation of Borrower’s new insurance.

When real property is located in a 100 year flood plain, the Borrower will be required to carry flood insurance. A certificate of insurance for flood insurance, if applicable, and for any other insurance required per terms of the loan will be required at close of escrow. The Lender will request verification of insurance coverage on an annual basis as long as the debt is outstanding.

Property taxes must be kept current during the term of the loan for property acquired with loan proceeds or for property designated as security for the CDBG loan or other activity debt, as described in the loan documents. If the Borrower fails to maintain payment of property taxes, then the Lender may pay the taxes and add the balance of the tax payment plus any penalties to the balance of the loan.

### 3. Request for Notice of Default

When the Borrower's CDBG loan is in second position behind an existing first mortgage, it is the Lender's policy to prepare and record a "Request for Notice of Default" for each senior lien in front of Lender's loan. This document requires any senior lien holder listed in the notice to notify the Lender of initiation of a foreclosure action. The Lender will then have time to contact the Borrower and assist the Borrower in bringing the first loan current. The Lender can also monitor the foreclosure process and go through the necessary analysis to determine if the loan can be made whole or preserved. When the Lender is in a third position and receives notification of foreclosure from only one senior lien holder, Lender may contact any other senior lien holders regarding the status of loans.

### 4. Required Noticing and Restrictions on Any Changes of Title, Occupancy, Use, or Location of Collateralized or Secured Property

In all cases where there is a change in title or occupancy or use or location of property that directly or indirectly relates to any agreements between Lender and Borrower, the Borrower must notify the Lender in writing of any change. No change in Borrower's name or principal residence will take effect until after Lender has received notice. All such changes are subject to the review and approval of the Lender's Loan Committee and may also require City Manager approval.

### 5. Requests for Subordination

When a Borrower wishes to refinance property financed in whole or in part with CDBG funds, Borrower must make a subordination request to the Lender. The Lender may consider subordination of the loan when there is no "cash out" as part of the refinance. Cash out means there are no additional charges on the transaction above loan and escrow closing fees. There can be no third-party debt pay-offs or additional encumbrance on the property above traditional refinance transaction costs. Furthermore, the refinance should lower the debt costs of the business with a lower interest rate, and the total indebtedness on the property should not exceed the current market value.

Upon receiving the proper documentation from the refinance lender, the request will be considered by the Loan Committee for review and approval. Upon approval, the escrow company will provide the proper subordination document for execution and recordation by the Lender.

### 6. Process for Loan Foreclosure

Upon any condition of loan default, including: 1) non-payment; 2) failure to comply with or perform other terms, obligations, covenants or conditions contained in the Note or related documents; 3) false statements; 4) death or insolvency of borrower; 5) creditor or forfeiture proceedings; or 6) any other event of default as described in the promissory note, Lender may declare the entire unpaid principal and interest balance immediately due. Upon loan default, Lender will send a letter to Borrower notify Borrower of the default situation.

When a senior lien holder starts a foreclosure process and the Lender is notified via a Request for Notice of Default, the Lender as the junior lien holder may cancel the foreclosure proceedings by “reinstating” the senior lien holder. The reinstatement amount or payoff amount must be obtained by contacting the senior lien holder. This amount will include all delinquent payments, late charges and fees to date. Lender must confer with Borrower to determine if, upon paying the senior lien holder current, Borrower can provide future payments. If this is the case, then the Lender may cure the foreclosure and add the costs to the balance of the loan with a Notice of Additional Advance on the existing note.

If the Lender determines, based on information on the reinstatement amount and status of Borrower, that bringing the loan current will not preserve the loan, then Lender must determine if it is cost effective to protect the Lender’s position by paying off the senior lien holder in total and restructuring the debt. If the Lender does not have sufficient funds to pay the senior lien holder in full, then the Lender may choose to cure the senior lien holder and foreclose on the property. As long as there is sufficient value in the property, the Lender may be able to pay for the foreclosure process and pay off the senior lien holder and retain some or all of the Lender’s investment.

If the Lender decides to reinstate, the senior lien holder will accept the amount to reinstate the loan up until five days prior to the set “foreclosure sale date.” This “foreclosure sale date” usually occurs about four to six months from the date of recording of the “Notice of Default.” If the Lender fails to reinstate the senior lien holder before five days prior to the foreclosure sale date, the senior lien holder would then require a full pay off of the balance, plus costs, to cancel foreclosure. If the Lender determines the reinstatement and maintenance of the property not to be cost effective and allows the senior lien holder to complete foreclosure, the Lender’s lien may be eliminated due to insufficient sales proceeds.

**ATTACHMENT E  
CDBG Business Assistance Loan Certification Form**

<b>HCD COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM SELF CERTIFICATION BUSINESS ASSISTANCE LOANS (PUBLISHED SEPTEMBER 2023)</b>									
Date of Jurisdiction's Loan Approval:									
Jurisdiction									
Loan Reviewer			Title						
Phone		Email							
HCD Rep.				Phone					
Email:									
<b>UNDERWRITER</b>									
Organization Name									
Name of Underwriter			Title						
Contact Name		Phone							
Email									
<b>APPLICANT/BUSINESS</b>									
Applicant Name									
Name of Business									
Business Address				City		State		Zip	
Mailing Address				City		State		Zip	
Business Phone			Cell		Email				
Brief Description of Business									
Business Owner(s) /Borrower(s)								% of Ownership	
Business Legal Structure				Purpose of Loan					
<b>PROJECT SOURCES AND USES INFORMATION</b>									
Funding Source			Use of Funding						
Funding Source			Use of Funding						
Funding Source			Use of Funding						
Funding Source			Use of Funding						
Funding Source			Use of Funding						
Funding Source			Use of Funding						
Funding Source			Use of Funding						
<b>CDBG LOAN INFORMATION</b>									

Loan Amt.	Loan Term	Interest Rate	Monthly Pmt.
Provide brief narrative of loan structure:			
<p><b>CDBG NATIONAL OBJECTIVE (Complete Only A-1, A-2, or B)</b></p> <p><b>A-1. Job Creation (LMJ)</b></p> <p>Project will use the CDBG national objective of low-moderate income jobs (LMJ) benefit by providing direct assistance to a business that creates jobs primarily (over 51%) for HUD eligible low-moderate persons.  <i>If no, proceed to Section A-2.</i></p> <p>Do Loan Documents include language requiring the borrower to allow jurisdiction staff or a third Party to use the Departments Self-Certification of Income forms for all new job applicants?</p> <p>Does the project file contain copies of required signed Department Self-Certification of Income Forms for all job applicants and new employees hired as a result of CDBG funding?</p> <p>Do the loan documents include language to allow jurisdiction staff or a third party to access and review all payroll data as required to document and validate job creation?</p> <p>Has the borrower completed and signed the Departments Job Tracking Form?</p> <p>Does the Job Tracking Form include all PROPOSED new jobs and validate that at least 51% of new positions are being filled with low-moderate income persons?</p> <p>Has the underwriter included all costs of new jobs in the financial projections to clearly document that all new jobs, including low-mod jobs, will be created within the term of the grant agreement or as stipulated in the HCD program income Standard Agreement?</p> <p>Provide additional comments as needed:</p>			
<b>A-2. Job Retention (LMJ)</b>			

Project will use the CDBG national objective of low-moderate income jobs (LMJ) benefit by providing direct assistance to a business that retains jobs primarily (over 51%) for HUD eligible low-moderate persons. <i>If no, then project must use LMA national objective below. See Section B.</i>		
Do Loan Documents include language requiring Borrower to allow Jurisdiction Staff or Third Party to use the Departments Self-Certification of Income forms for all job applicants and; access and review all payroll data as required to document and valiate job retention?		
Does the project file contain copies of required signed Department Self-Certification of Income Forms for all employees being retained as a result of CDBG funding?		
Has the borrower completed and signed the Departments Job Tracking Form?		
Does the Job Tracking Form include all PROPOSED jobs retained and validate that at least 51% of existing low-moderate income positions are being retained?		
Has the underwriter included all costs of retained jobs in the financial projections to clearly document that all retained jobs, including low-mod jobs, will be retained within the term of the grant agreement or as stipulated in the HCD program income Standard Agreement?		
Does the project file contain clear and objective evidence that permanent jobs will be lost without CDBG assistance?		
Is the "Clear and objective" evidence "that the business has issued a notice to affected employees or made a public announcement to that effect?"		
Is the "clear and objective" evidence "that an analysis of relevant financial records which clearly and convincingly shows that the business is likely to have to cut back employment in the near future without the planned intervention?"		
Provide additional comments as needed:		
<b>B. Low-Moderate Area (LMA)</b>		
Does the project use the CBDG national objective of low-moderate area (LMA) benefit by providing goods and/or services to low-moderate persons in a low moderate income area (LMA)?		
If Yes, has the Jurisdiction documented and confirmed the service area of the business and included documentation in the project fille to support and validate low moderate income area benefit (LMA)?	% of LMA?	
Has the Jurisdiction included documentation in the project file that the service area of business is primarily residential?		
Provide additional comments as needed:		
<b>CDBG PUBLIC BENEFIT STANDARD FOR JOBS ( if A or B selected above Complete 1 or 2 below)</b>		
<b>1. Verification of Job Positions Created/Retained:</b>		
Has supporting documentation been provided by the borrower, reviewed by the underwriter, and included in the project file to verify and validate the number of existing permanent full time equivalent positions in place prior to the investment of CDBG funds?		

Has the Borrower completed and signed the Job Tracking Form indentifying the projected number of retained jobs or net new jobs created, either part time or full time, as a result of CDBG assistance?	
What is the total amount of CDBG Project Funding?	
What is the total number of Proposed FTE Jobs?	÷
What is the cost per Proposed Created or Retained FTE Job?	
Is the aggregated Cost Per Job created/retained equal to or less than \$35,000?	
Does the Project file include documentation verifying that none of the proposed jobs to be created have been hired prior to loan approval?	
Provide additional comments as needed:	
<b>2. Verification of Service Area and Goods or Services:</b>	
Has the Jurisdiction documented and confirmed the service area of the business and included documentation in the project file to support and validate low moderate income area benefit (LMA)?	
What is the total amount of CDBG Project Funding?	
What is the total number of LMI Persons in Service Area?	÷
What is the cost per LMI Person?	
Is the amount of CDBG per LMI person for goods or services equal to or less than \$350 annual aggregate?	
Provide additional comments as needed:	
<b>CDBG ELIGIBLE ACTIVITY</b>	
Has the Jurisdiction prepared and adopted Business Assistance Program Guidelines?	
Has the Jurisdiction received Department approval of the Business Assistance Program Guidelines?	
What is the date of approval of the Business Assistance Program Guidelines?	
Does the Jurisdiction use a loan and grant committee as part of their loan and grant approval process?	
If YES, does the adopted and Department approved Business Assistance Guidelines outline the loan and grant approval process?	
What is the date of the loan and grant committee project approval? (If required in the guidelines, Loan and Grant committee approval must be completed prior to submittal of the certification form.)	

Does the project comply with the Jurisdictions adopted and Department approved Business Assistance Program Guidelines?	
Does the project file contain information verifying the business is physically located within the Grantee's jurisdictional boundary?	
Does the project file contain information verifying the business is not delinquent with federal or state tax obligations?	
If NO, does the project file include a written agreement and approval from the adjacent non-entitlement city/county to fund a CDBG BA project within their respective jurisdictional boundaries?	
Are all CDBG project costs eligible per federal regulations, state guidelines, adopted and approved Business Assistance Program Guidelines, and, documented in the project file?	
Provide additional comments as needed:	
<b>COMPLIANCE WITH HUD/CDBG UNDERWRITING STANDARDS (CDBG Business Assistance awards MUST document compliance with CDBG HUD underwriting standards).</b>	
Does the project file contain supporting documentation that the project costs are reasonable? Supporting documentation includes lease agreements, utility rates, market data or standard costs and at least three quotes (for FF&E, materials and supplies over \$2,000).	
Does the project file contain supporting documentation (i.e., commitment of funds letters, loan approvals, or bank letters) that all sources of project financing are committed?	
Does the project file contain supporting documentation (i.e., duplication of benefits analysis) that, To the extent practicable, CDBG funds are not substituted for non-federal financial support?	
Does the project file contain supporting documentation that the project is financially feasible?	
Does the market analysis support the projected sales projections?	
Do the pro forma financial projections reflect figures that are in line with the industry or the borrower's past performance, and generate sufficient income to create/retain the projected number of jobs while meeting debt obligations in line with specified target Debt Coverage Ratio (DCR)?	
Does the project file contain supporting documentation that, To the extent practicable, the return on the owner's equity investment will not be unreasonably high?	
Does the project file contain supporting documentation (disbursement schedule) that, to the extent practicable, CDBG funds are disbursed on a pro-rata basis with other finances provided to the project?	
Provide additional comments as needed:	
<b>BUSINESS AWARD UNDERWRITING</b>	
Does the project file contain the required documentation?	

UEI number/Active SAM.gov registration	
Business Plan	
Past three years financial statements	
Past three years tax returns	
Sources and uses	
Pro forma financial statements	
Verification of personal guarantee from all owners with at least 20% ownership	
Does the file contain evidence of the debt coverage ratio (DCR) calculation and compliance with the minimum requirements? (Tier 1: 1.15 and 1.05 ; Tier 2: 1.25 and 1.05; Tier 3: 1.25 and 1.05) *DCRs represent before and after CDBG award	
Does the file contain credit reports for owners with at least 20% ownership and evidence of no bankruptcy or an explanation if there is a bankruptcy?	
Do the Business Assistance Program Guidelines require a minimum credit score?	
If Yes, is there evidence that the Jurisdiction obtained prior approval from HCD?	
If Yes, do the owners meet the minimum credit score?	
Has a personal financial analysis been completed for each business owner with 20% or more interest in the business or with material control of business? (Applicable to Tier 1 only where collateral is required)	
Does the project file include a copy of the proposed loan disbursement schedule?	
Does the project file contain supporting documentation validating the collateral, including loan to value ratio (LTV), and security position for the CDBG loan? (Applicable to Tier 1 only where collateral is required)	
Do the Loan documents include language specifically reflecting full compliance with all CDBG requirements including meeting a National Objective?	
Provide additional comments as needed:	
<b>CDBG FEDERAL OVERLAYS</b>	
Has a HUD Part 58 NEPA review been completed that encompasses the entire scope of the project including all CDBG and non-CDBG funded activities?	
What level of environmental review was conducted?	
Is the Original signed Environmental Review Record (ERR) in the project file?	
Was an Authorization To Use Grant Funds (AUGF) required for the ERR?	
If YES, is a signed copy of the Authority To Use Grant Funds (AUGF) included in the ERR and project file?	
Does the Project require federal labor standards monitoring?	
If YES, has the jurisdiction designated a labor standard compliance officer responsible for complying with all federal labor standards requirements including requesting federal wage determinations to the Department?	
Does the Project require federal relocation requirements?	
If YES, has the jurisdiction hired a Relocation Specialist responsible for complying with all federal relocation requirements?	
Does the Project include acquisition of real property, easements or long-term leases?	

If YES, has the notice to owner and brochure been delivered and a copy and receipt included in the project file?			
Does the project file contain documentation the business is not on the federal debarred list on Sam.gov?			
Does the project file contain a copy of the No Conflict of Interest Certification signed by the borrower and business owner?			
Does the project file contain a copy of the No Job Pirating Certification signed by the borrower and business owner?			
Provide additional comments as needed:			
<b>SIGNATURE OF JURISDICTION AUTHORIZED REPRESENTATIVE</b>			
Authorized Representative has read and certified all information is true and correct to the best of their ability.			
I hereby certify under the penalty of perjury that all the information contained in this certification for funding (including all supporting documentation) is true and correct. I understand and acknowledge that making false statement on this certification, including any documents submitted in support of it, is a crime under federal and California state laws, which may result in criminal prosecution.			
Name of Authorized Representative	Title	Signature	Date
<b>SIGNATURE OF UNDERWRITER</b>			
Underwriter has read and certified all information is true and correct to the best of their ability.			
I hereby certify under the penalty of perjury that all the information contained in this certification for funding (including all supporting documentation) is true and correct. I understand and acknowledge that making false statement on this certification, including any documents submitted in support of it, is a crime under federal and California state laws, which may result in criminal prosecution.			
Name of Underwriter	Title	Signature	Date

**THIRD AMENDMENT TO  
PROFESSIONAL SERVICES AGREEMENT  
WITH  
COMMUNITY DEVELOPMENT SERVICES**

**THIS THIRD AMENDMENT** is made and entered into this 23rd day of February, 2026, by and between the CITY OF FORT BRAGG, a municipal corporation, 416 N. Franklin Street, Fort Bragg, California 95437 (“City”), and PARKER LUCAS & ASSOCIATES DBA COMMUNITY DEVELOPMENT SERVICES, a California corporation, 3895 Main Street, Kelseyville, California 95451 (“Consultant”).

**WHEREAS**, the City and Consultant entered into a Professional Services Agreement (“Contract”) on June 1, 2021 in the amount of \$105,774.00; and

**WHEREAS**, on September 18, 2024, the City and Consultant entered into a First Amendment to the Contract to increase the scope of work and compensation; and

**WHEREAS**, on January 28, 2025, the City and Consultant entered into a Second Amendment to the Contract to increase the scope of work and compensation; and

**WHEREAS**, the City and Consultant desire to contract for the specific services described in Exhibit A, in connection with Community Development Block Grant Award 24-CDBG-PI-ED-20005, and desire to set forth their rights, duties, and liabilities in connection with the services to be performed; and

**WHEREAS**, the City and Consultant desire to include current provisions for CDBG-funded projects, as are updated from time to time, in the amended contract; and

**WHEREAS**, the cost of providing these additional services will increase the overall contract amount by \$66,000.00, for a total Not to Exceed Amount of Two Hundred Forty-Seven Thousand Three Hundred Fifty-One Dollars (\$247,351.00); and

**WHEREAS**, the Contract is set to expire on December 31, 2026; and

**WHEREAS**, the parties desire to amend the contract to extend the services through October 22, 2028, to allow for Consultant’s services through closeout of 24-CDBG-PI-ED-20005; and

**WHEREAS**, the costs of these services will be reimbursed by CDBG grants;

**NOW, THEREFORE**, for the aforementioned reasons and other valuable consideration, the receipt and sufficiency of which is acknowledged, City and Consultant hereby agree that the Professional Services Agreement for loan underwriting services is hereby amended as follows:

**1. SERVICES PROVIDED BY CONSULTANT**

Paragraph 1.1 (Scope of Work) is hereby amended to include the additional work described in Exhibit A attached hereto and incorporated herein by reference.

## 2. **COMPENSATION AND BILLING**

Paragraph 2.1 (Compensation) is hereby amended to state, "Consultant's total compensation shall not exceed **Two Hundred Forty-Seven Thousand Three Hundred Fifty-One Dollars (\$247,351.00).**"

## 3. **TIME OF PERFORMANCE**

Paragraph 3.1 (Commencement and Completion of Work) is hereby amended to extend the time of completion of the project to October 22, 2028.

## 4. **EXHIBIT C, REQUIRED CONTRACT PROVISIONS FOR CDBG-Aided Consultant Contracts**

- a. **Section 4. Non Discrimination Clause** is hereby amended to include the following:

The Contractor shall conform with requirements of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and HUD regulations issued pursuant thereto contained in 24 CFR Part 1. No person in the United States shall, on the basis of race, color, national origin, sex or religion or religious affiliation, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available through this Contract. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) or with respect to an otherwise qualified individual with a disability as provided in the Americans with Disabilities Act, as applicable, (P.L. 101-336, 42 U.S.C. 12101-12213) or Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794) shall also apply to any such program or Project.

### State Provisions - State Nondiscrimination Clause

1) During the performance of this Contract, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in

Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

2) The Contractor shall include the nondiscrimination and compliance provisions of this clause in all Subcontracts to perform work under the Contract.

b. **Section 18. Drug-Free Workplace Certification** is hereby included:

Contractor, by signing this agreement, hereby certifies that it shall provide a drug-free workplace in compliance with the Drug-Free Workplace Act of 1988, as amended. This requirement is applicable to all Contracts and Subcontracts of \$100,000 or more

c. **Section 19. Child Support Compliance Act** is hereby included:

Contractor acknowledges and agrees to the following:

The Contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

The Contractor, to the best of their knowledge, is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

d. **Section 20. Reports** is hereby included:

Subcontractor will submit periodic verbal and/or written performance reports as requested by the City at intervals mutually agreed upon by the Contractor and City.

5. Except as expressly amended herein, the Professional Services Agreement, between the City and Consultant dated January 28, 2025, is hereby reaffirmed.

**IN WITNESS WHEREOF**, the parties have executed this Amendment the day and year first above written.

CITY

CONSULTANT

By: \_\_\_\_\_  
Isaac Whippy

By: \_\_\_\_\_  
Jeff Lucas

Its: City Manager

Its: Principal

ATTEST:

By: \_\_\_\_\_  
Diana Paoli  
City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Baron J. Bettenhausen  
City Attorney

## EXHIBIT A

### Scope of Work

#### 1. Business Financial Assistance Program Start Up

a. CDS will review the City's CDBG Business Assistance Program narrative in cooperation with the City and State Housing and Community Development staff to develop procedures and the timeline for program implementation.

b. CDS will prepare and utilize, subject to City approval, CDBG-compliant program application forms, loan closing documents, agreements, and any other documents as may be necessary to implement the Program. CDS has developed a standard loan application form packet which has been reviewed and approved periodically by HCD staff. We will provide these documents as well as the laser pro loan closing documents we use to City staff for review and approval. We will also review the document organization system we have developed with City staff and improve upon the system based on City staff input.

c. CDS will assist City staff with HCD required administrative report forms for monthly grant drawdown's, bi annual & annual reporting, and grant closing activities as needed by City staff. We are very familiar with the reporting requirements and timelines associated with the CDBG ED program. These reporting functions, and the corresponding documentation, will be completed in cooperation with, and on approval of, City staff on an as needed basis. CDS will also prepare, at the City's request, any additional reporting documentation for use at the local level.

d. In addition to the tasks described above, CDS will work with City staff to expand CDBG knowledge and capacity with regard to utilization of CDBG funds in accordance with City program goals and objectives. CDS will update staff on a regular basis regarding the ongoing implementation of CDBG ED programs.

## **2. Business Loan Program Project Application Outreach**

a. CDS routinely works with both the private and public sectors in order to facilitate and implement cost effective services on behalf of local small businesses and prospective borrowers. CDS works with City staff, local banks, especially SBMC, the Chamber of Commerce and the EDFC to find and work up potential loans.

The most efficient marketing program is based on networking and word of mouth with loan application and program reference material being available at the local level through websites and at convenient locations. CDS will provide information for the City, Chamber, and local banks regarding the program and how to contact us. Referrals will be made from these sources and local businesses.

b. CDS will prepare information sheets regarding the program for reference by our referral network and for the general public.

c. CDS will cultivate the program network as described in section 2.a. in order to market the program throughout the city. CDS will meet regularly with local bank staff to market the loan program and search out referrals and companion loans. The face-to-face meetings, when appropriate, will be followed up with telephone contacts to bank commercial loan department contacts. CDS staff will participate in providing loan program webinars. CDS will also work closely with staff to advise potential borrowers of the availability of business loan funds, provide information as needed, and pursue potential deals as appropriate.

d. CDS will review and assist applicants with the loan application process and, as early on in the process as practicable, advise the applicant of the credit worthiness of the application and the potential fit with the CDBG business loan program. If the loan makes sense, we will package the deal and carry it forward.

e. Whenever possible CDS will refer applicants to local appropriate service providers when more work is necessary to prepare the applicant for future consideration. This is an important element of what we do.

f. The very best way to market this program is to successfully complete loans that work for the City and the business. It is the business community and the banks that will market the program for us if we do our jobs properly.

## **3. Business Loan Processing**

a. CDS has two offices. The Colusa County office is located at 100 Sunrise Blvd. Suite A, in the Colusa County Industrial Park. The other CDS office is located at 3895 Main Street, Kelseyville CA 95451. Most of our loan processing work will be done in the Kelseyville office. On site meetings will occur in Fort Bragg at the business location. CDS will not package a loan without first meeting the business owner at their place of business.

- a. CDS will work with State CDBG staff to confirm CDBG eligibility based on job creation/retention potential and other criteria, maintain documentation, and perform tracking of job creation and public benefit. CDS has processed over 750 CDBG business loans over the past 30 years which have required ongoing communication and problem solving with bank and CDBG program staff.
- b. CDS analyzes every loan application utilizing the fundamental five Cs of credit analysis to determine creditworthiness and the CDBG Six Underwriting Criteria. The criteria are addressed in each loan proposal we prepare. This assessment includes running a credit check on each applicant with over 20% ownership of the business. Also, HCD now uses an employment forecast spreadsheet developed by CDS as part of the project review process. We will continue to use this spreadsheet as part of our loan proposals.
- c. CDS will use standard underwriting criteria in conjunction with CDBG ED overlay requirements during the underwriting process to mitigate lending risk as much as possible.
- d. CDS interviews the applicant, visits the business site, gathers the necessary documentation, analyzes the information, prepares the loan proposal, presents the loan proposal, documents the loan decision, prepares the additional necessary supporting documentation, prepares the loan check sheet and signature documents.
- e. CDS then prepares loan closing documents, prepares escrow instructions, and will work with City staff to properly disburse the loan funds.
- f. CDS will work with staff to arrange the loan committee meetings, present the proposal to the committee, and if approved, complete the approval process, prepare the loan closing documents and title instructions, work with staff on the drawdown of funds, assist, and report on job creation/retention fulfillment, low/mod income placements.

#### **4. Loan Closing & Documentation**

- a. CDS uses LaserPro® loan closing documentation software, the commercial loan industry standard. All loan conditions are reviewed by the loan committee and HCD staff for appropriateness. Hard copy originals of all loan closing documents will be provided for review by City staff.
- b. CDS follows appropriate program underwriting criteria and analysis for each loan using the appropriate CDBG Economic Development Business Loan Review Checklist to ensure compliance with CDBG Federal overlay requirements, National Objectives, Public Benefit and underwriting requirements. CDS participates in the development CDBG underwriting criteria and utilizes the HCD CDBG ED loan checklist on a routine basis.

- c. CDS will utilize LaserPro® documents and CDBG public benefit documentation in accordance with the loan conditions of each approved loan. These include promissory note, business loan agreement, deed of trust, UCC filings and other loan and loan closing documents required, utilizing industry standard documents that are CDBG-compliant.
- d. CDS will provide specific escrow instructions based on the conditions set by the loan committee and HCD staff after the preliminary title search is completed and the loan has been approved.
- e. CDS will communicate with the title company throughout the process. We often utilize Fidelity Title Company as they are experienced with CDBG lending practices.
- f. When we are able to arrange a companion loan, we will coordinate the issues of security, disbursement, and use of funds with the participating lender. CDS is an experienced lender, we prefer companion loans with local banks because we can share risk and spread our resources further.

## **5. Monitor Loan Performance**

- a. If needed, CDS will assist the City with loan modifications as needed and present the modifications to the CDBG Loan Committee for review and approval. If approved, the modification is then memorialized and the loan documents revised to reflect the modification.
- b. If requested to do so, CDS will routinely perform required post loan closing tasks including monitoring the on-going viability of the borrowers, including recommendations for action if necessary; monitoring and documentation of job creation/retention as required; and periodic site visits to verify availability and condition of collateral, examine business records and procedures, and offer assistance, obtain annual business financials, tax returns, and make sure all insurance coverage documentation is in place.

## **6. General Administration Activities**

- a. CDS will update loan related documents as needed in accordance with HCD CDBG ED program guidelines and requirements. Mr. Lucas talks with CDBG management staff on a weekly basis, and is up to date on CDBG program requirements.
- b. CDS will provide, in cooperation with the staff, ongoing liaison and advocacy on the City's behalf with the CDBG ED program field representatives and the program manager regarding all CDBG issues. CDS will perform this function at the direction of City staff. We will also act as an interpreter and advocate on behalf of the loan applicants and recipients.
- c. CDS will assist the City with implementing the program by providing routine updates on program changes and interpretations, as well as by being responsive to specific questions posed by staff by email or telephone. We acknowledge that the CDBG ED program is often changing;

therefore, we make a practice of regular communication with HCD staff. Whenever we are unclear, we contact staff for discussion and determination. On another level, as business lenders, we have a good deal of experience with assisting small and medium sized businesses. We often provide technical assistance to prospective borrowers, thus improving their debt service capacity.

d. CDS prepares all loan files in accordance with established business loan practices and in compliance with HCD CDBG program requirements. We will prepare all the necessary loan and CDBG compliance documentation, keeping copies of the files for day to day reference and reporting. The original loan agreements and all support documentation will be kept in a fire proof safe with the City for reference and legal purposes.

e. After termination of the contract, CDS will provide to the City all documents we have prepared on behalf of the program in an orderly fashion to ensure the proper transition of files, including status of follow-up items, grant close out, and other related documentation.

f. CDS has experienced many grant monitoring site visits and grant close outs. We will work with staff to make the necessary preparations and assist City staff to insure the close out occurs properly. CDS will prepare in advance of the actual monitoring by providing accurate and complete documentation in accordance with HCD standards. We will identify and correct any gaps and assist in scheduling the monitoring. CDS staff will be present during the monitoring. CDS will draft any follow up or response information needed as a result of the monitoring.

## **7. CDBG OTC On Call Duties**

CDS will perform such other on-call duties, as may be necessary, but which cannot be specified in advanced so as to reasonably assure the successful implementation of the program and compliance with applicable regulations and policies promulgated by the State Department of Housing and Community Development. These activities may include writing and/or processing Over-the-Counter grant applications approved by HCD for economic development projects, attending HCD program workshops to ensure knowledge of the most current guidelines, research, report writing, grant application writing, market surveys and other duties as requested.

If the City determines that a business is appropriate for CDBG OTC financing, CDS will conduct the underwriting process in much the same way as presented in section 3 above. However, the interaction with HCD staff and the business applicant is much more detailed and time consuming when preparing an OTC. Historically, OTC projects require a grant application process separate from any existing open grants held by the jurisdiction. Therefore, the OTC application process can take up to nine months to complete. The cost for preparing an OTC can be as much as \$42,000, (280 hrs. x \$150/hr.) dependent on the complexity of the deal and the readiness and capacity of the business to provide us with the documentation we need. Because

of this, CDS would perform a preliminary determination of eligibility and appropriateness for consideration by the city and HCD before pursuing an OTC application.

### **Budget and Schedule of Charges**

Our proposal is based on the assumption that HCD will approve the City CDBG funding application in the amount of \$570,000 of which \$51,519.36 (17% of FY23-24 PI Receipts) is administration and 10% (\$57,000) is Activity Delivery. We are proposing our standard hourly rate for services to be provided at \$150 an hour. This rate includes all reproduction, supplies, and related costs. We do not bill for travel time. Our cost for services is \$9,000 for administrative work and \$57,000 for activity delivery.

### **Work Schedule**

CDS is prepared to begin program implementation upon the approval to proceed from the City of Fort Bragg. We anticipate disbursing the available loan funds within twelve months of the beginning of program implementation.

### **Insurance**

CDS will provide documentation of the required insurances if the City selects CDS to perform the services described above.

### **Consultant Agreement**

CDS will agree to the contract provided with the RFP.



## **CITY OF FORT BRAGG**

*Incorporated August 5, 1889*  
416 N. Franklin St.  
Fort Bragg, CA 95437  
Phone: (707) 961-2823  
Fax: (707) 961-2802

### **NOTICE OF PUBLIC HEARING**

**NOTICE IS HEREBY GIVEN** that the Fort Bragg City Council will conduct a public hearing at a regular meeting to be held at **6:00 p.m.**, or as soon thereafter as the matter may be heard, on **Monday, February 23, 2026**, at Town Hall, southwest corner of Main and Laurel Streets (363 N. Main Street), Fort Bragg, California 95437. The public hearing will concern the following item:

**Receive a Report, Hold a Public Hearing, Consider Adoption of a Resolution of the Fort Bragg City Council Adopting Program Guidelines for the Community Development Block Grant (CDBG) Business Assistance Loan Program (BALP) and Consider Approving and Amendment to the Professional Services Agreement with Community Development Services for Loan Underwriting Services**

The purpose of the hearing will be to solicit input and consider adoption of the Program Guidelines, and to update residents on the progress of the newly-funded Business Assistance Loan Program (BALP). The Program Guidelines are a comprehensive statement of the City's policies and procedures for implementation of the BALP. The program is being funded through Community Development Block Grant award 24-CDBG-PI-ED-20005, provided by the California Housing and Community Development Authority. The BALP will provide low-interest, flexible-term loans to local businesses, supporting job creation and/or retention. The BALP will begin accepting applications for assistance following adoption of the Program Guidelines by the City Council.

The following information related to the project is available at City Hall, 416 N Franklin St., Fort Bragg, CA 95437, between the hours of 9:00 AM and 5:00 PM on Mondays, Tuesdays, Thursdays, and Fridays (excluding City-recognized holidays) or by emailing the contact listed below:

- A. Project progress/status of completion and expected timeframe to completion (currently preparing for program initiation).
- B. Results to date and projected totals, such as number of beneficiaries assisted, housing units completed, portion of project in service, or persons served (no beneficiaries yet).
- C. Funds expended, balance of funds available, and budget expectations to completion (contracted to utilize Program Income cash on hand and future receipts up to \$570,000 for the activity).

All persons interested in the status of funding, or the progress of the project are welcome to attend this meeting. Written comments can be directed to the City of Fort Bragg, ATTN: Economic Development Department, at 416 N Franklin St., Fort Bragg, CA 95437, or you may contact Lacy Sallas by telephone or email at 707-961-2823, ext. 108 or [lsallas@fortbraggca.gov](mailto:lsallas@fortbraggca.gov)

no later than 2:00 PM on February 23, 2026 to ensure placement in the official record of the hearing.

The City of Fort Bragg does not discriminate on the basis of race, color, national origin, sex, sexual orientation, gender identify, age, religion or disability. If you require specific accommodations to participate in the public hearing, please contact City Hall at least two days prior to the scheduled hearing.

Dated: February 12, 2026

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Lacy Sallas  
Grants Coordinator

POST/PUBLISH: February 12, 2026

STATE OF CALIFORNIA    )  
  ) ss.  
COUNTY OF MENDOCINO )

I declare, under penalty of perjury, that I am employed by the City of Fort Bragg and that I caused this Notice to be posted in the City Hall Notice Case on February 12, 2026.

---

Lacy Sallas  
Grants Coordinator



## **CITY OF FORT BRAGG**

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### **AVISO DE AUDIENCIA PÚBLICA**

**POR LA PRESENTE SE NOTIFICA** que el Ayuntamiento de Fort Bragg llevará a cabo una audiencia pública en sesión ordinaria a las **18:00 horas**, o tan pronto como se trate el asunto, el **lunes 23 de febrero de 2026**, en el Ayuntamiento, esquina suroeste de las calles Main y Laurel (363 N. Main Street), Fort Bragg, California 95437. La audiencia pública tratará el siguiente tema:

**Recibir un informe, celebrar una audiencia pública, considerar la adopción de una resolución del Ayuntamiento de Fort Bragg que adoptar las directrices del programa de subvenciones para el desarrollo comunitario (CDBG) y el programa de préstamos de asistencia empresarial (BALP), y considerar la aprobación de una enmienda al acuerdo de servicios profesionales con Community Development Services para los servicios de evaluación de solicitudes de préstamos.**

El propósito de la segunda audiencia será solicitar opiniones y considerar la adopción de las directrices del Programa, así como informar a los residentes sobre el progreso del recién financiado programa de préstamos de asistencia empresarial (BALP). Las directrices del Programa constituyen una declaración completa de las políticas y procedimientos de la Ciudad para la implementación del BALP. El programa se financia a través de la Subvención Global para el Desarrollo Comunitario 24-CDBG-PI-ED-20005, otorgada por la Autoridad de Vivienda y Desarrollo Comunitario de California. El programa BALP proporcionará préstamos a bajo interés y con plazos flexibles a las empresas locales, apoyando la creación y/o el mantenimiento de puestos de trabajo. El BALP comenzará a aceptar solicitudes de asistencia una vez que el Ayuntamiento adopte las Directrices del Programa.

La siguiente información relacionada con el proyecto está disponible en el Ayuntamiento, 416 N Franklin St., Fort Bragg, CA 95437, de 9:00 a. m. a 5:00 p. m. los lunes, martes, jueves y viernes (excepto los días festivos reconocidos por la ciudad) o enviando un correo electrónico a la dirección de contacto que se indica a continuación:

- A. Avance/estado de finalización del proyecto y plazo previsto de finalización (actualmente en preparación para el inicio del programa).
- B. Resultados hasta la fecha y totales proyectados, como número de beneficiarios asistidos, viviendas completadas, parte del proyecto en ejecución o personas atendidas (aún no hay beneficiarios).
- C. Fondos gastados, saldo disponible y expectativas presupuestarias hasta su finalización (Se ha acordado utilizar los fondos disponibles provenientes de los ingresos del programa, así como los ingresos futuros, hasta un máximo de \$570,000 dólares para esta actividad).





Community  
Development Block  
Grant  
(CDBG)

Business Assistance Loan Program

# CDBG Background

Federal Department of Housing and Urban Development

↓  
State Department of Housing and Community Development

↓  
Local Jurisdictions

- Funds are released annually through a Notice of Funding Availability (NOFA).
- The primary federal objective of the CDBG program is the development of viable urban communities by providing decent housing and a suitable living environment and through expanding economic opportunities, principally, for persons of low- and moderate-income.
- “Persons of low and moderate income” are defined as families, households, and individuals whose incomes do not exceed 80 percent of the county median income, adjusted for family or household size.

# CDBG Requirements:

## National Objectives

- All CDBG activities must meet one of the following National Objectives:
- (1) benefit low- and moderate-income persons;
- (2) aid in the prevention or elimination of slums and blight; or
- (3) meet certain urgent community needs.
- Depending on the type of project or program, benefit can be provided directly to low-moderate-income persons, or to a predominantly low-moderate income area

## Matrix Codes

- Matrix Codes are assigned to different types of activities, and are used to determine what type of National Objective an activity can meet.

# Program Income

- Program Income (PI) is income from previous CDBG loans that have been repaid to the City.
- The City's current Program Income cash on hand and future receipts up to the total amount of \$570,000 is encumbered for a Business Assistance Loan Program (BALP), including Activity (loans), Activity Delivery (staff and consultant costs to complete the activity), and General Administration (staff and consultant costs to administer the City's CDBG program).
- BALP will provide financial assistance to qualifying businesses within City limits by providing low-interest, flexible-term loans.
- City Council must adopt Program Guidelines to govern program operation.
- Benefit is measured by creation or retention of jobs filled by low-moderate-income persons

# Current Income Limits

Persons in Household	1	2	3	4	5	6	7	8
Extremely Low 30%	\$19,750	\$22,550	\$25,350	\$28,150	\$30,450	\$32,700	\$34,950	\$37,200
Low 50%	\$32,900	\$37,600	\$42,300	\$46,950	\$50,750	\$54,500	\$58,250	\$62,000
60% Limit	\$39,480	\$45,120	\$50,760	\$56,340	\$60,900	\$65,400	\$69,900	\$74,400
Moderate 80%	\$52,600	\$60,100	\$67,600	\$75,100	\$81,150	\$87,150	\$93,150	\$99,150

# Business Assistance Loan Program Overview

- Eligible Businesses:
  - For-profit businesses located within City limits.
- Loan Amounts:
  - Minimum of \$35,000 (supports at least one job) and Maximum of \$210,000 (supports at least six jobs)
- Terms:
  - Typically, 10 years, but may range from five to 30 years, based on project costs, security, and capacity to repay. Repayment is required – these are not forgivable loans or grants.
- Job Creation and/or Retention Requirements:
  - Each business must prove that jobs were created and/or retained as a result of the loan, and at least 51% of those jobs must be filled by low-moderate income persons.
- Collateral:
  - Collateral is required. Junior liens will be considered.
- Loan Fees:
  - None.
- Interest Rates:
  - May range from 2.5% to 5%, determined on case by case basis, based on risk factors.

# Business Assistance Loan Program Application Process

## Application Process:

1. Pick up application
  - At City Hall during business hours
  - Online <https://www.fortbraggbiz.com/>
  - Email [ed@fortbraggca.gov](mailto:ed@fortbraggca.gov)
2. Submit application and supporting documents
3. Phone and on-site interviews
4. Loan Proposal considered by Loan Advisory Committee
5. Completion of loan documents (if approved)
6. Disbursement of loan funds
7. Monthly repayment of loan

# BALP Timeline

- February 23, 2026: Program Guideline Adoption
- February 24, 2026 – July 22, 2028 (or sooner, if funds are fully expended): Program Operation
- July 23, 2028 – October 22, 2028: Award Closeout



# City of Fort Bragg

416 N Franklin Street  
Fort Bragg, CA 95437  
Phone: (707) 961-2823  
Fax: (707) 961-2802

## Text File

File Number: 26-62

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**Agenda Date:** 2/23/2026

**Version:** 1

**Status:** Business

**In Control:** City Council

**File Type:** Report

**Agenda Number:** 8A.

Receive Report, Receive Public Works and Facilities Committee Recommendation, and Provide Direction on Street Rehabilitation Funding, Strategies, Location, and Scope



## CITY COUNCIL STAFF REPORT

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**TO:** City Council

**DATE:** February 23, 2026

**DEPARTMENT:** Public Works & Administration

**PREPARED BY:** Isaac Whippy, City Manager & Chantell O'Neal, Assistant Director  
Engineering

**PRESENTER:** Isaac Whippy, City Manager & Chantell O'Neal, Assistant Director  
Engineering

**AGENDA TITLE:** Receive Report, Receive Public Works and Facilities Committee Recommendation, and Provide Direction on Street Rehabilitation Funding, Strategies, Location, and Scope

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### RECOMMENDATION

Staff recommends that the City Council provide direction on advancing a revised street maintenance strategy that balances immediate infrastructure needs with long-term operational sustainability.

1. Establishment of an In-House Streets Crew – Provide direction on whether to proceed with forming a dedicated Public Works streets crew consistent with the operational realignment outlined below. This includes:
  - Procuring the full equipment package necessary to support a functional and efficient road crew.
  - Implementing staffing and seasonal reassignment plans.
  - Finalizing equipment storage and deployment logistics; and
  - Transitioning toward a hybrid delivery model that reduces reliance on contractors for maintenance-level work.
  - This approach is intended to improve response times, reduce long-term patching and restoration costs—particularly in light of broadband construction impacts—and maximize the effectiveness of limited street funding.
  
2. Oak Street Storm Drain Investigations – Provide direction on whether to proceed with investigative potholing and utility verification for the Oak Street storm drain system as the next step toward a future rehabilitation project design.

Staff is not requesting authorization to initiate rehabilitation work at any Level 3 or Level 4 locations at this time. Any future construction work will return to Council for review, funding consideration, and approval following completion of design-level analysis.

**AGENDA ITEM NO. 8A**

## **BACKGROUND**

Historically, the City's street maintenance program has relied primarily on outside contractors due to limited in-house staffing capacity and the lack of specialized equipment. Public Works staff have performed only minor maintenance activities, such as cold patch repairs, while larger and more technical work has been outsourced

Outsourced services have included:

- Asset Preservation Treatments (slurry seals and crack sealing)
- ADA Curb Ramp Improvements
- Full-Depth Pavement Dig-Out and Rehabilitation, including the 2022 and 2025 Street Projects

To better leverage limited funding, the City transitioned to a two-year street rehabilitation cycle, allowing staff to bundle projects and maximize economies of scale. The City currently receives approximately \$1.3 million annually in local street-related revenues, in addition to:

- Local Partnership Program (LPP) Formulaic Funding: ~\$400,000 (\$200,000 annually).
- LPP Incentive Funding: ~\$1.2 million (one-time incentive for renewing special street sales tax).

These funding sources require strategic planning to stretch limited dollars across a growing list of deteriorating streets and alleys.

During the April 2025 Mid-Year Budget Review, the City Manager recommended utilizing unassigned General Fund balance to implement a Stop-Gap Street Repair Project, incorporated into the 2025 Streets Project, to address rapidly deteriorating road conditions.

Simultaneously, the FY 2025–2026 Budget included \$354,023 for street equipment to begin building in-house asphalt repair capacity. The objective was to transition from a reactive, contractor-dependent model to a hybrid approach that increases internal capability for maintenance-level work.

Since that time, updated vendor quotes and operational planning indicate that establishing a fully functional road crew requires a more comprehensive equipment package, now estimated at \$571,845 excluding staff time.

## Broadband Construction Impacts

Ongoing municipal broadband construction has resulted in temporary trench patches throughout the City. While these are necessary infrastructure improvements, they increase the demand for timely asphalt restoration.

Under the previous outsourced model, response times and mobilization costs limited flexibility. Establishing an in-house road crew would improve responsiveness, reduce long-term restoration costs, and provide greater quality control over patch repairs and surface restoration.

## Operational Realignment

Over the past several months, the City Manager and Operations Manager have evaluated a revised delivery model focused on investing in an in-house streets crew to launch this summer to better maximize limited street funding.

To create operational capacity within Public Works, the City is transitioning certain maintenance support functions—including landscaping and janitorial services—to fully outsourced contracts, anticipated to be in place by March 15. This shift allows existing personnel and future hires to focus more directly on roadway maintenance and infrastructure repair priorities.

## DISCUSSION AND ANALYSIS

### 1. Road Crew Establishment

**Strategic Maintenance Fleet: Enhancing In-House Asphalt Repair**

The City of Fort Bragg is proposing a strategic shift toward self-performing asphalt repairs to improve responsiveness to community complaints and increase repair quality. This transition requires a specialized fleet of heavy machinery and specialized attachments to handle hot-mix asphalt logistics and installation.

**Strategic Benefits & Logistics**

- Increased Community Responsiveness**  
Enables the City to address pothole complaints faster than contracted capital projects.
- Hot-Mix Quality vs. Cold Patch**  
Transitioning to hot-mix asphalt provides longer-lasting, more durable street repairs.
- Professional Staff Development**  
Offers internal maintenance teams opportunities for complex field work and advanced machinery training.

© NotebookLM

Figure 1: Enhancing In-House Road Repair Capacity

## Equipment Costs and Funding

- Original allocation: In May 2025, City Council authorized **\$354,023** for the purchase of road repair equipment. The funding streams consisted of a combined Local Streets and Roads (SB1-LSR) Funding and unreserved funds (FY 25-26). With LSR revenue contributing: **\$187,714**.
- Subsequent vendor quotes and a more comprehensive operational assessment indicate that establishing a fully functional crew requires a broader equipment

package, now estimated at \$571,845 The table below shows the equipment proposed for purchase. Refer to attachment #1 for more information about each piece of equipment.

	Equipment	Description	Estimated Cost (Brand New)
1	Compact Track Loader (Caterpillar 265)	Vertical-lift compact track loader used for grinding, grading, and small-area paving prep	\$174,905.59
2.	Insulated Asphalt Trailer (Thermo-Lay)	Hot-mix asphalt patching machine for pothole and patch paving work	\$377,553.39
3.	83" x 20' Tilt-Deck Equipment Trailer	Heavy-duty tilt-deck trailer for hauling loader, roller, and attachments	\$13,266.50
4.	Skid Steer Paver	Compact asphalt and base placement attachment designed for use with a skid steer or compact track loader.	\$6,119

- **LPP Formulaic Funds:**

- As a “Self-Help City” we are eligible for **\$200,000 annually**. We currently have \$400,000 available and unprogrammed.
- Another **\$400,000** is anticipated in the next cycle, November 2026. First available July 2027.
- **Uncertainty:** LPP guidelines allow “road maintenance and rehabilitation,” but do **not** explicitly confirm eligibility for non-transit maintenance equipment. Staff must verify with CTC before assuming these funds can be used for equipment.

Given the scale of the updated equipment costs, Council direction is needed on whether to continue pursuing the full equipment package or to modify the scope.

## Personnel Requirements

To safely and effectively operate the proposed equipment and perform Level 1 and Level 2 work (explained in the “Crew Capabilities” section below), a dedicated crew is required:

- **4-5-person road crew model:**
  - 2-3 flaggers/laborers
  - 2 Equipment operators
- Staffing needs:
  - **1 Additional Full-Time Maintenance II** with direct street construction experience. This position must possess a valid Class A Commercial Driver’s License (CDL). The City will need to advertise and recruit to fill this role.
  - **2–3 Laborers/Flaggers**, which may be structured as seasonal or part-time positions. Alternatively, existing maintenance personnel may be reassigned to the road crew on a seasonal basis, with backfill support provided through seasonal hires.

## Storage Requirements

To protect equipment longevity and maintain operational reliability, covered or indoor storage is required.

- Minimum estimated space: **5,000 sq ft.**
- Staff is evaluating both short-term lease options and long-term property acquisition.

## Crew Capabilities - Streets Crew Matrix

Below is a **Streets Plan Classification Matrix**, intended to categorize future capacity of the roads crews, that can be used in deciding appropriateness of work to be performed. The matrix utilizes a four-level classification system to categorize road projects based on the severity of their structural issues and the resources required to address them. This classification system can be used to determine whether work is performed by internal public works crews or external contractors.



Figure 2: Visual of Streets Crew Maintenance Strategy

## Classification Levels and Project Alignment Strategy

FORT BRAGG STREETS CREW	
<b>LEVEL 1</b>	<b>Simple patch paving (stop gap)</b>
<b>LEVEL 2</b>	<b>Hybrid coordination, City Crew perform preparation and hire contractors</b>
<b>LEVEL 3</b>	<b>Advanced pavement work, trained crews do prep and paving</b>
<b>LEVEL 4</b>	<b>Complex engineering or utility project</b>

### Level 1: Internal Crew Training and Maintenance

**Definition:** These projects are considered the most appropriate for the **first year of efforts** for public works road crews, utilizing newly purchased equipment to train staff.

**Equipment:** The track loader and attachments support limited-width grinding, grading, and patch paving, consistent with the Stop-Gap Patch Paving Project techniques like Linear wheel-path cracking repair and standard pothole patching.

This repair method improves drivability without requiring engineering design or utility coordination.

### Level 1 Locations:

- **Alley N 400D (Behind Brewery):** Identified as having enough existing pavement to "grind and pave to".
  - **Broadband/Utility Patching:** This is a **priority scenario** for patch paving to help crews develop a cohesive crew.
  - **Oak Street Pavement Patch Paving:** Degraded pavement between Sanderson and Dana may be classified as Level 1 or 2, corrected through maintenance or local contractors.
- 

### Level 2: Hybrid Crew and Contractor Work

**Definition:** Public works crews perform the grind and surface preparation, while a contractor can be hired to handle the paving and striping.

### Level 2 Locations:

- **Walnut Street:** Designated for staff prep and contractor paving.
  - **Oak Street:** Depending on the approach, the patch paving between Sanderson and Dana may fall under this level.
- 

### Level 3: Full Width Paving

**Definition:** Work in this category consists of the City crew doing both the prep, full pave out, and striping like level 2 without hiring out the paving work to a contractor. The goal is to work up the staff's capacity through building a cohesive trained team and potential procurement of additional equipment (a paver and grader box) in future years. Due to the increased financial commitment associated with this level of work, the City should plan to employ professional materials testing oversight to ensure the integrity of the materials being placed meet specifications.

### Example Level 3 Locations:

- **West Street:** Classified as **Level 3 or 4** because it has suffered a **full edge-to-edge failure**, requiring a full grind and overlay.
- 

### Level 4: Complex Engineering and Subsurface Issues

**Definition:** These projects are most appropriate for standard design – bid – build. Due to known underlying issues like poor subgrade (native or sandy soils), compaction issues, utility conflicts, drainage, ADA curb ramp construction, or other issues requiring professional engineering design and construction oversight.

### Example Level 4 Locations:

- **South Harrison:** Cited for subsurface failures, poor subgrade, and drainage issues.
  - **Chestnut:** Classified here for known utility and compaction issues.
  - **Oak Street Utility Repairs:** Involves 1,700 linear feet of failed storm drain.
  - **Alley N 300D:** Utility conflicts.
  - **Alley N 100E:** Noted for severe drainage issues.
- 

## 2. Oak Street Storm Drain Investigations

Oak Street continues to be the City’s most complex corridor, with collapsed storm drain segments, aging utilities, and pavement failures documented in prior staff reports. The next step toward a future rehabilitation project is to complete **targeted investigative work** to confirm existing conditions and develop a defensible basis for design.

### Lumos Utilities Assessment Proposal (January 21, 2026)

Lumos & Associates submitted a proposal for a storm drain condition assessment, including CCTV inspection, potholing, and a 15% conceptual design package (attachment # 2). The proposal also includes optional sanitary sewer assessment tasks.

The base scope includes:

- **Task 1 – Storm Drain CCTV** -certified inspection and defect coding. *Cost: \$18,150*
- **Task 2 – Storm Drain Potholing** Up to 8 hours of potholing, estimated 8–10 potholes. *Cost: \$24,200 - Deduct \$19,000 if City crews perform potholing.*
  - **Cost-Saving Opportunity.** If the City elects to use the maintenance crew for potholing, the Task 2 cost decreases from **\$24,200** to **\$5,200**, reducing the total base cost to **\$63,050**.
  - This option is dependent on staff availability and the City’s ability to provide traffic control and patching.
- **Task 3 – Storm Drain Condition Analysis & Proposed Upgrades** Includes evaluation of abandoned conduits, rehabilitation vs. replacement strategies, and 15% conceptual design. *Cost: \$29,700*
- **Task 4 – Contingency** *\$10,000 (time and materials, used only at City direction)*

**Total Base Cost: \$82,050 Potential Reduction: –\$19,000** if City crews perform potholing.

## Optional Sewer Assessment Tasks

Tasks 5 and 6 (sewer CCTV and sewer condition analysis) total **\$31,900** and would only be initiated with authorization. Sewer Condition assessment is work recommended by the draft Collection System Master Plan as an area of potential surcharge with a recommendation to upsize the pipe.

## Why This Work Is Needed Now

The storm drain system between California Way and Sanderson is in a state of collapse and represents a safety risk in the corridor. Completing this investigative work will:

- Confirm the extent of failures
- Identify constructability constraints
- Support development of a future design scope
- Strengthen the City's position for the **November 2026 LPP Competitive Grant** if Council elects to recommend this construction project as the priority for the application.

## 3. Deferment of Level 3 and 4 Projects Locations

In accord with the above proposed **Streets Plan Classification Matrix**:

The following **Level 3** and **Level 4** locations are **not** proposed for rehabilitation under either option presented today:

- South Harrison – subsurface failures, poor subgrade, drainage issues
- Chestnut – utility and compaction issues
- West Street – full edge-to-edge failure requiring full grind and overlay
- Alley N 300D – utility conflicts
- Alley N 100E – severe drainage issues

These locations require design-bid-build delivery and professional engineering oversight. They are not suitable for the new road crew or the proposed equipment.

## Future Funding Opportunity

These Level 3 and 4 locations may be strong candidates for the November 2026 LPP Competitive Grant, which aligns with:

- Their complexity
- The need for engineered design
- The City's long-term rehabilitation strategy

Staff will return with a recommended grant package later this year alongside Oak Street if that is the preferred Council direction.

## **FISCAL IMPACT/FUNDING SOURCE**

### **1. Road Crew Establishment**

- Equipment purchase: **\$400,000-\$571,845**
- Available LSR funds: **\$187,714**
- The City initially budgeted \$354,023 for equipment, leaving a shortfall of **\$211,701**
- Hiring Additional Employees
- Storage

### **2. Oak Street Investigations**

- Lumos Base Proposal: **\$82,050**
- Reduced Cost if City Performs Potholing: **\$63,050** (Recommended Path)
- Optional Sewer Tasks: **\$31,900** (only if authorized)

Staff will return with budget amendments at Mid-Year Budget if Council elects to proceed with either or both of the above tasks.

## **ENVIRONMENTAL ANALYSIS:**

This investigative action and establishment of maintenance capacity do not have a direct impact on the environment and do not constitute a project under CEQA. Individual repair projects will be evaluated for regulatory compliance as they are programmed.

## **STRATEGIC PLAN/COUNCIL PRIORITIES/GENERAL PLAN CONSISTENCY**

- **Strategic Plan Goal 2F:** Maintain resilient and walkable streetscapes and coordinate roadway improvements with utility work.
- **General Plan Policy C-15.1.6:** Maintain an ongoing inventory of transportation system needs.
- **General Plan Policy C-9.2:** Improve east–west arterials including Oak Street and Chestnut Street.

## **COMMUNITY OUTREACH**

Street project priorities have been discussed at multiple Council and Committee meetings, with public comment received at each. Additional outreach will occur as project scopes are refined.

**COMMITTEE REVIEW AND RECOMMENDATIONS**

The Public Works & Facilities Committee reviewed these topics on January 8, 2026, and requested that staff return to Council with:

- A comprehensive financial overview
- Clarification on equipment procurement
- Direction on Oak Street storm drain investigations

Links to Past Reports/Files:

1. November 25, 2024, City Council Staff Report LPP Funded Project Selection Direction.  
<https://cityfortbragg.legistar.com/View.ashx?M=F&ID=13566485&GUID=E58936D2-DBE6-4FBC-A749-17E3DC574152>
2. May 12, 2025, City Council Agenda Item 8C; Street Project Planning.  
<https://cityfortbragg.legistar.com/LegislationDetail.aspx?ID=7395121&GUID=C9FDA6C2-6BB9-439F-8F40-5A0F1CCCFC32>
3. Public Works and Facilities Committee Agenda Item 3A; Streets Planning Direction.  
<https://cityfortbragg.legistar.com/LegislationDetail.aspx?ID=7793743&GUID=02E25707-8FEB-43F0-AE9C-550AAEA8F9E1>

**ALTERNATIVES:**

1. Proceed with both the road crew establishment and Oak Street investigations.
2. Proceed with road crew establishment only and defer Oak Street investigations.
3. Proceed with Oak Street investigations only and defer road crew establishment.
  - a. Authorize Lumos to proceed with Tasks 1–3 only, with City crews performing potholing to reduce costs.
  - b. Authorize Lumos to proceed with the full scope including optional sewer tasks.
4. Defer both items pending additional financial and staffing analysis.

**ATTACHMENTS:**

1. Equipment Purchase Summary
2. Lumos Proposal for Oak Street Utility Investigation

**NOTIFICATION:**

None.

## Attachment 1: Equipment Purchase Summary

This summary provides an overview of the equipment proposed for purchase to enhance the City's capacity for self-performed asphalt pothole repairs. The document serves as an attachment for the City Council staff report regarding the 2025–2026 equipment procurement.

---

### Caterpillar 265 Compact Track Loader



- **Description:** The Caterpillar 265 is a high-performance **vertical lift compact track loader**. Unlike a standard wheeled vehicle, it operates on rubber tracks, providing superior stability and traction on various surfaces. It serves as a "multitool" for construction, capable of powering a wide range of specialized attachments.

- **Use in Road Repairs:** This machine is the primary workhorse for on-site repairs. It will be used to **mill (grind) failed asphalt** using

a cold planer attachment, sweep debris with a broom attachment, and compact new asphalt with a vibratory roller.

- **Why It Is Needed:** Currently, the City performs minor repairs using cold patch materials compacted by driving over them, which is less effective. The track loader allows staff to perform **higher-quality, permanent repairs** by properly preparing the pothole site and ensuring professional-grade compaction.

- **Cost:** \$174,905.59 (Total after tax).

- **Overview Statistics:**

- **Attachments Include:** Cold planer (grinder), broom, vibratory roller, mower, and a 4-in-1 bucket.
- **Warranty:** 24-month, 2,000-hour standard warranty.
- **Procurement:** Price includes a 21% Sourcewell contract discount.

---

## International HV607 6x4 Truck Chassis (Option 1)

- **Description:** This is a heavy-duty, six-wheeled (6x4) truck chassis designed for demanding construction environments. It provides the structural foundation and engine power required to haul massive loads of material or support heavy mounted machinery.



- **Use in Road Repairs:** This chassis serves as the base for either the **Enoven Dump Body** or the **Thermo-Lay Pothole Patching Machine**. It is essential for transporting hot-mix asphalt from the source in Ukiah to local work sites.

- **Why It Is Needed:** The City's current maintenance fleet lacks the specialized heavy hauling capacity needed to support a dedicated hot-mix asphalt program. A Class A

driver's license is required for operation due to the vehicle's size and weight.

- **Cost:** \$233,787.84 (Total price including fees and tax).

- **Overview Statistics:**

- **Engine:** Cummins L9 (370 HP / 1250 lb-ft torque).
- **Transmission:** Allison 3000 RDS 6-speed automatic.
- **GVWR:** 54,000 lbs (Gross Vehicle Weight Rating).

---

## International HX620 Truck Chassis (Option 2)

**Description:** The HX620 is a "severe service" truck chassis, offering more power and a higher weight capacity than the HV607. It is designed for even more strenuous towing and hauling conditions.

- **Use in Road Repairs:** Similar to Option 1, this provides the platform for the City's heavy-duty street repair equipment. Its higher torque and horsepower make it better suited for pulling large trailers on steep or difficult terrain.

- **Why It Is Needed:** This is presented as an alternative for a more robust hauling platform. It ensures the City can handle the largest possible loads of asphalt or base material in a single trip, increasing efficiency.

- **Cost: \$275,155.99.**

- **Overview Statistics:**

- **Engine:** Cummins X15 (450 HP / 1650 lb-ft torque).
  - **Transmission:** Allison 4500 RDS automatic.
  - **GVWR / GCWR:** 58,000 lbs GVWR / 140,000 lbs GCWR.
- 

## Thermo-Lay Pothole Patching Machine



- **Description:** This is an all-in-one hot asphalt patching system mounted directly onto a truck chassis. It features an insulated hopper to keep asphalt hot, an electric heating system, and a hydraulic auger to dispense material.

- **Use in Road Repairs:** It functions as a mobile "hot-mix station". It can carry 6.25 cubic

yards of asphalt and keep it at the ideal working temperature for up to three days. It includes a built-in "tack tank" to apply oil (tackifier) to ensure the new asphalt sticks to the old road.

- **Why It Is Needed:** Hot-mix asphalt must be sourced from Ukiah, a 2.5-hour round trip. Without this insulated trailer, the asphalt would cool and become unusable before it could be fully applied. This machine eliminates material waste and allows for professional-grade repairs.

- **Cost: \$377,553.39** (Total price for unit and options).

- **Overview Statistics:**

- **Capacity:** 6.25 cubic yards.
- **Key Features:** 120-gallon tack tank, hydraulic tool circuit, and a built-in spoils bin for debris.
- **Heating:** 9 KW electric heating system.

---

## Enoven 15' Dump Body



- **Description:** This is a high-durability Hardox steel dump body that is installed on a truck chassis to create a standard dump truck.

- **Use in Road Repairs:** It is used to haul and spread base materials (like gravel), transport large quantities of asphalt, or remove debris and old pavement from a job site.

- **Why It Is Needed:** To perform significant street repairs, the City must be able to move bulk materials efficiently. This body includes a center-mounted patch gate, which allows for controlled dispensing of asphalt directly into a pothole or repair area.

- **Cost: \$54,604.00.**

- **Overview Statistics:**

- **Volume:** 11 to 13 cubic yard capacity.
- **Features:** Electric arm tarping system (to cover loads), asphalt vinyl tarp, and a heavy-duty pintle hitch for towing.

---

## Tilt-Deck Equipment Trailer



- **Description:** This is a 20-foot, heavy-duty trailer featuring a tilting deck, which allows for the easy loading and unloading of machinery without the need for separate ramps.

- **Use in Road Repairs:** Its primary purpose is to transport the Caterpillar 265 Track Loader and its various attachments (grinder, roller, etc.) from the maintenance yard to various street repair locations throughout the city.

- **Why It Is Needed:** Because the track loader is not designed for driving long distances on city streets, a dedicated trailer is required for rapid deployment and mobility. The tilt-deck design increases safety for staff during the loading process

- **Cost: \$13,266.50.**

- **Overview Statistics:**

- **Dimensions:** 83" wide by 20' long.
- **Weight Rating:** 14,000 lbs GVWR with dual 7,000 lb axles.

## PAVEMENT POWER: FORT BRAGG'S NEW STRATEGIC MAINTENANCE FLEET

Fort Bragg transitions to high-quality "hot-mix" asphalt repair with this **\$854,117.32** "Option 1" strategic equipment acquisition, addressing street degradation concerns.

### PRIMARY PAVING & REPAIR MACHINERY



#### Thermo-Lay Pothole Patching Machine

6.25 cubic yard truck-mounted system. 9 KW electric heating system.



**EXTENDED HOT-MIX USABILITY.** Advanced tac-pot technology extends hot-mix asphalt usability to approximately three days.



#### \$174,905.59 Caterpillar 265 Track Loader

Versatile vertical lift loader. Equipped with a cold planer and vibratory roller.

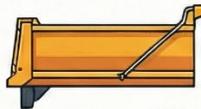


Equipment Component	Estimated Cost
Caterpillar 265 Track Loader	\$174,905.59
International HV607 (Chassis)	\$233,787.85
Thermo-Lay Pothole Patching Machine	\$377,553.39

### HEAVY-DUTY SUPPORT & LOGISTICS

#### 2026 International HV607 6x4 Chassis

Features a 46,000-lb capacity rear tandem axle.



#### Custom 15-Foot BeauRoc Dump Body

A 13-cubic yard capacity body. Hardox 450 steel flooring for maximum durability.



#### \$13,266.50 Heavy-Duty Equipment Trailer

83" x 20' tilt-deck trailer. 14,000-lb Gross Vehicle Weight Rating.

### SUPPORT FLEET CHASSIS COMPARISON

	Option 1: International HV607	Option 2: International HX620
<b>Engine</b>	Cummins L9 (370 HP)	Cummins X15 (450 HP)
<b>Transmission</b>	Allison 3000 RDS	Allison 4500 RDS
<b>Total Price</b>	<b>\$233,787.84</b>	<b>\$275,155.99</b>

NotebookLM





January 21, 2026

Proposal LA26.038

Chantell O'Neal  
Assistant Director  
Engineering Division  
416 North Franklin Street  
Fort Bragg, CA 95437  
Via Email: [coneal@fortbraggca.gov](mailto:coneal@fortbraggca.gov)

**Subject: Oak Street Utilities Assessment Proposal**

Dear Ms. O'Neal:

Lumos & Associates, Inc. (Lumos) is pleased to provide this proposal for engineering and related services for Oak Street Utilities Assessment Proposal in Fort Bragg, CA.

**Project Understanding**

The City of Fort Bragg is seeking to better understand which existing sewer and storm drain facilities within the project area should be replaced, upgraded, or rehabilitated. This assessment is intended to provide a defensible, data-driven basis for future capital improvement planning, coordination with roadway projects, and prioritization of limited infrastructure funding.

The proposed work includes a condition assessment of storm drain systems, with an optional sanitary sewer system condition assessment, utilizing available records, field investigations, and closed-circuit television (CCTV) inspections. Findings will be summarized in technical reports documenting existing conditions, deficiencies, and recommended improvement strategies.

The following scope of work is proposed to facilitate the successful delivery of the project.

**Task 1 – Storm Drain CCTV**

Lumos will subcontract a NASSCO Pipeline Assessment Certification Program (PACP) condition assessment survey of the designated storm mains to provide a standardized, comprehensive evaluation of pipe condition that supports asset management and rehabilitation planning. The work shall include CCTV inspection by a PACP-certified operator, systematic coding of structural and operational defects using current NASSCO PACP standards, and quality assurance/quality control (QA/QC) review in accordance with NASSCO QC guidelines to ensure accuracy and completeness of the condition dataset. Deliverables shall be formatted for use in utility asset systems and support rehabilitation prioritization.

Deliverables:

- PACP-coded inspection database and electronic CCTV logs in NASSCO-compliant format
- QA/QC summary report documenting sample review results, error rates, and corrective actions
- Summary condition assessment report with defect frequencies and severity

### **Task 2 – Storm Drain Potholing**

Lumos will contract with a qualified contractor to perform a field investigation including potholing for up to 8 hours within the proposed project limits. It is estimated that approximately 8 – 10 potholes will be performed in that time span, contingent on traffic and ground conditions. Exploration depth will range from one (1) to five (5) feet below ground surface, or practical refusal, whichever comes first. Lumos or the contracted exploration company will complete the USA Dig clearance and will provide the excavation/backfill/hot mix patching services, and the traffic control. Encroachment permit application for the potholing will be completed and submitted by Lumos as required.

Deliverables:

- Pothole Investigation Report

### **Task 3 – Storm Condition Analysis & Proposed Upgrades**

Lumos will perform a storm drain condition assessment without hydraulic modeling. This effort includes:

- Investigation of abandoned or inactive storm drain conduits and their condition
- Guidance on proper abandonment methods
- Evaluation of rehabilitation versus replacement strategies. Investigation of abandoned or inactive storm drain conduits and their current condition
- Identify if Cast-In-Place Pipe (CIPP) rehabilitation methods are reasonable solutions to aging, active pipes.
- Identification of best practices for proper abandonment of storm drain facilities
- Evaluation of rehabilitation alternatives, including lining versus replacement, considering roadway restoration and traffic control impacts
- Evaluation of opportunities to coordinate storm drain improvements with future roadway reconstruction projects
- Preparation of approximately 15% conceptual design documents showing pipe alignments, profiles and sizes based on 2004 SDMP recommendations

Deliverables:

- Storm drain condition assessment summary
- 15% level conceptual design documents illustrating recommended alignments and improvements

### **Task 4 – Project Contingency/Additional Support Services**

The Project Contingency is specifically for additional out-of-scope work as may be required which are unidentifiable at this time. This task shall be utilized and initiated at the sole discretion of the City and will be performed on a time and materials basis in accordance with the current Lumos fee schedule.

### **Task 5 – Sanitary Sewer CCTV (Optional)**

Lumos will subcontract a NASSCO Pipeline Assessment Certification Program (PACP) condition assessment survey of the designated sewer mains to provide a standardized, comprehensive evaluation of pipe condition that supports asset management and rehabilitation planning. The work shall include CCTV inspection by a PACP-certified operator, systematic coding of structural and operational defects using current NASSCO PACP standards, and quality assurance/quality control

(QA/QC) review in accordance with NASSCO QC guidelines to ensure accuracy and completeness of the condition dataset. Deliverables shall be formatted for use in utility asset systems and support rehabilitation prioritization.

Deliverables:

- PACP-coded inspection database and electronic CCTV logs in NASSCO-compliant format
- QA/QC summary report documenting sample review results, error rates, and corrective actions
- Summary condition assessment report with defect frequencies and severity

### **Task 6 - Sewer Condition Analysis (Optional)**

Lumos will perform a sewer condition analysis without development of a hydraulic model. This effort includes:

- Review of available flow monitoring data, where available, to assess relative capacity
- Review of CCTV inspection results to document pipe condition
- Review of as-built records to evaluate pipe age, material, and configuration

This task will focus on condition-based assessment rather than quantitative hydraulic capacity evaluation.

Deliverables:

- Sewer condition assessment summary
- Identification of priority rehabilitation or replacement locations

### **Assumptions / Exceptions**

Lumos has made the following assumptions in preparation of this proposal:

- No permitting or application work is included with this proposal.
- This proposal does not include floodplain modeling, analysis, FEMA permitting, or FEMA coordination.
- Prevailing wages have not been assumed by our inspectors/technicians while on site. If prevailing wages are required, the above costs will be adjusted accordingly.
- Lumos will prepare approximately 15% conceptual design documents. No further design or construction level design documents are included with this proposal.
- While the potholing effort is limited to 8 hours, the quantity of potholes may be increased or decreased depending on site conditions.

### **Schedule**

It is estimated that the Scope of Services can be completed within four (4) to six (6) months of contract execution.

**Fees**

The tasks described in the Scope of Services will be completed for the following fees:

Task	Description	Fee
Task 1	Storm Drain CCTV	\$18,150
Task 2	Storm Drain Potholing	\$24,200*
Task 3	Storm Condition Analysis & Proposed Upgrades	\$29,700
<b>Fixed Fee Subtotal</b>		<b>\$ 72,050.00</b>
Task 4	Project Contingency	\$10,000
<b>Total</b>		<b>\$ 82,050.00</b>

\*Deduct \$19,000 if the City Crew can perform potholing.

Tasks 1 through 3 will be billed as a fixed fee based on percent complete. Task 4 will only be initiated at sole discretion by the City and will be billed on a Time and Materials (T&M) basis.

The table below represents the fixed fee tasks for the optional work scoped under Tasks 5 and 6:

Task	Description	Fee w/ Optional Tasks
Task 5	Sanitary Sewer CCTV (Optional)	\$18,700
Task 6	Sewer Condition Analysis (Optional)	\$13,200
<b>Subtotal</b>		<b>\$ 31,900.00</b>

Tasks 5 and 6 would only be executed under written consent from the City.

Lumos will be happy to amend this proposal as necessary to provide additional services not included in the above scope of work, or to amend the proposed services to better match the City's needs.

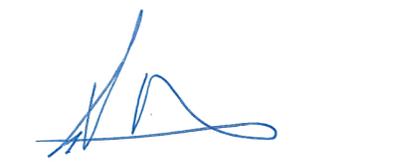
If this proposal is acceptable, please issue a task order at your earliest opportunity.

Thank you again for allowing Lumos to provide you with this proposal. Please do not hesitate to call me if you have questions or concerns, as we would be happy to discuss them with you.

Sincerely,



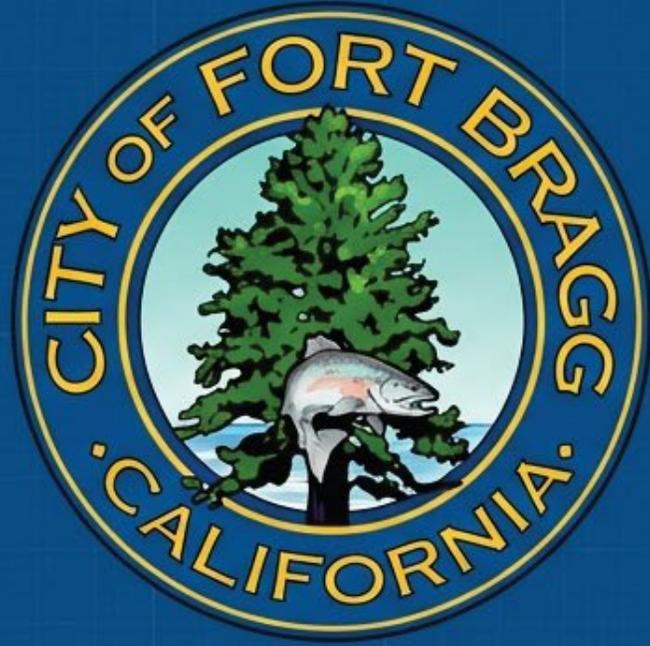
Aaron Brusatori, P.E.  
Group Manager



Ian Mahaffey, P.E.  
Senior Engineer

## Strategic Maintenance Fleet: Enhancing In-House Asphalt Repair

The City of Fort Bragg is proposing a strategic shift toward self-performing asphalt repairs to improve responsiveness to community complaints and increase repair quality. This transition requires a specialized fleet of heavy machinery and specialized attachments to handle hot-mix asphalt logistics and installation.



Presented by: Isaac Whippy,  
City Manager & Chantell O'Neal,  
Assistant Director Engineering

February 23, 2026

# OPERATIONAL REALIGNMENT

## Street Rehabilitation & Maintenance Strategy

Establishing In-House Capacity & Oak Street Investigation

# RECOMMENDATION: BALANCING IMMEDIATE NEEDS WITH OPERATIONAL SUSTAINABILITY



## DECISION POINT 1: ESTABLISH IN-HOUSE STREETS CREW

- Procure equipment package for **efficient road repair**.
- Transition to hybrid delivery model to **reduce contractor reliance**.
- Goal: **Improve response times** and maximize street funding.



## DECISION POINT 2: OAK STREET STORM DRAIN INVESTIGATIONS

- Proceed with **investigative potholing** and **utility verification**.
- Confirm conditions for **future rehabilitation design**.

**NOTE: Staff is NOT requesting authorization for Level 3 or 4 rehabilitation work at this time.**

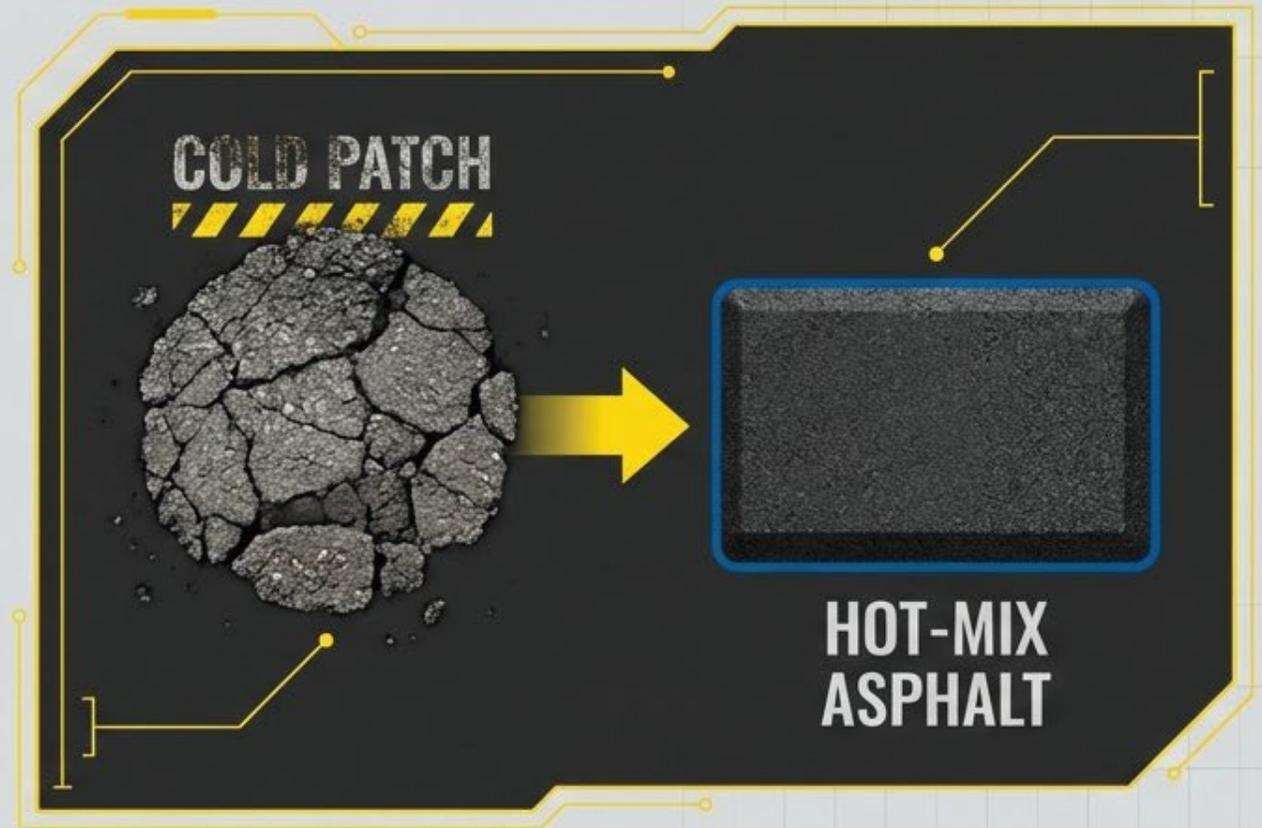
# THE CURRENT CHALLENGE: REACTIVE & CONTRACTOR-DEPENDENT

## THE PROBLEM:

- **Limited Capacity:** Public Works currently performs only temporary “cold patch” repairs.
- **High Costs:** Reliance on expensive outside contractors for minor maintenance.
- **New Pressure:** Broadband construction has left temporary trench patches citywide.

## THE CONSEQUENCE:

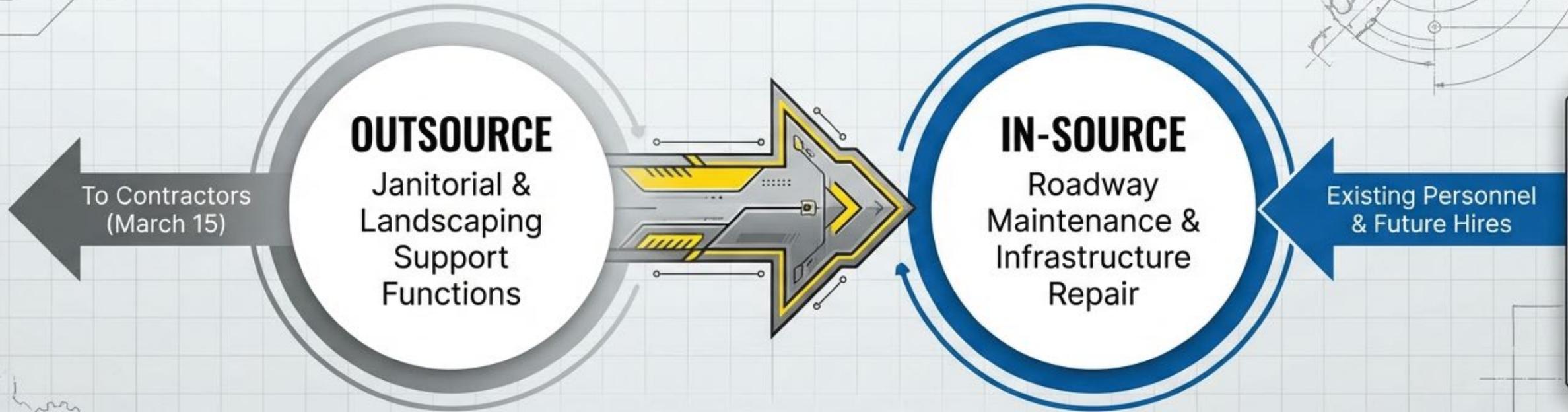
- Delayed response times and high mobilization costs.



Reference image



# OPERATIONAL REALIGNMENT: A HYBRID DELIVERY MODEL



## STRATEGIC BENEFITS

### RESPONSIVENESS

Address pothole complaints faster than capital projects.

### QUALITY

Transition from cold patches to permanent hot-mix.

### DEVELOPMENT

Advanced machinery training for internal staff.



**NOTE:** Operational changes will be implemented in phases.



# OPERATIONAL LOGISTICS & STAFFING



## THE CREW MODEL (4-5 PERSON TEAM)

- ✓ 2 Equipment Operators
- ✓ 2-3 Flaggers/Laborers (Seasonal/Part-time)
- ✓ **NEW HIRE:** 1 Full-Time Maintenance II (Must possess Class A CDL)

## FACILITY REQUIREMENTS

- ✓ **Storage:** Need ~5,000 sq ft (indoor/covered)
- ✓ **Purpose:** Protect \$500k+ equipment investment

# THE TOOLKIT: EQUIPMENT FOR PRECISION & AGILITY

## KIT OF PARTS



**Caterpillar 265 Compact Track Loader**

Price: \$174,905

Note: Grinding, grading, and paving prep.



**Thermo-Lay Asphalt Trailer**

Price: \$377,553

Note: Keeps asphalt workable for 3 days.



**Tilt-Deck Equipment Trailer**

Price: \$13,266.50

Rapid mobilization.



**Skid Steer Paver Attachments**

Price: \$6,119

Precision placement.

**TOTAL INVESTMENT:**  
**~\$571,845** <sup>153</sup>

# THE MULTI-TOOL: CATERPILLAR 265 TRACK LOADER



## GRINDING

Cold planer attachment mills failed asphalt.



## SWEEPING

Broom attachment clears debris.



## COMPACTING

Vibratory roller ensures professional-grade density.

## Value Proposition

Replaces "drive-over compaction" with engineered surface preparation.



# OVERCOMING THE GEOGRAPHIC CONSTRAINT



## WITHOUT THERMO-LAY:



Asphalt cools and becomes unusable during transport. Forced to use temporary cold patch.

## WITH THERMO-LAY TRAILER:



Material stays at ideal temperature for up to 3 days. Enables professional-grade, permanent repairs.

# DEFINING CAPABILITIES: THE 4-LEVEL MATRIX

**NEW  
IN-HOUSE  
CREW SCOPE**

<b>LEVEL 1</b>	<b>Simple Patch / Stop Gap</b>	<b>Scope:</b> Precision repairs, pothole patching, linear wheel-path cracking.
<b>LEVEL 2</b>	<b>Hybrid Coordination</b>	<b>Scope:</b> City crews perform grinding/prep; contractors hired for paving.
<b>LEVEL 3</b>	<b>Advanced Pavement</b>	<b>Scope:</b> Full edge-to-edge failure requiring full grind and overlay.
<b>LEVEL 4</b>	<b>Complex Engineering</b>	<b>Scope:</b> Subsurface failures, utility conflicts, drainage issues.

**REMAINS  
OUTSOURCED**

# DEFINING THE WORK: LEVELS 1 & 2

## LEVEL 1: PRECISION REPAIRS

- **Scope:** Simple patch paving (stop gap), grind & pave prep.
- **Locations:** Alley N 400D, Broadband utility patching.

## LEVEL 2: HYBRID COORDINATION

- **Scope:** City crews perform grind/surface prep; contractors hired for paving/stripping.
- **Locations:** Walnut Street, Oak Street (Sanderson to Dana).

### INTERNAL MAINTENANCE & CREW DEVELOPMENT (LEVELS 1-3)



#### Level 1: Precision Repairs

Focused on patching and repairs (stop gap), grind & pave prep. where adjacent redmeit pavement remains in gocation in condition.

#### Level 2: Hybrid Coordination

Scope: City crews perform grind/surface prep; contractors hired for paving/stripping.

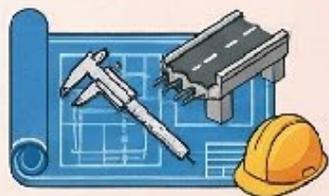


# MANAGING EXPECTATIONS: DEFERRING LEVEL 3 & 4



## Level 3 & 4: Structural Failures

Projects involving full edge-to-edge failure, poor subgrade, or severe drainage issues.



## Locations for External Triage

South Harrison, Chestnut, West Street, Major utility repairs require professional engineering.



## Future Funding Strategy

Level 3/4 sites will be triaged for LPP competitive grants in November 2026.

## PROFESSIONAL ENGINEERING & COMPLEX PROJECTS (LEVEL 4)

### DEFERRED PROJECTS:

- South Harrison (Subsurface failures)
- Chestnut (Utility compaction)
- West Street (Edge-to-edge failure)



Requires Design-Bid-Build Delivery.  
Candidates for future LPP Grants.



# THE OAK STREET CORRIDOR



## Challenge Box

- A complex City corridor.
  - Collapsed storm drain segments between California Way and Sanderson.
  - Aging utilities and documented pavement failures.
- 

**GOAL:** Complete targeted investigative work to confirm conditions and develop a defensible basis for design.

# OAK STREET INVESTIGATION SCOPE

1.

## STORM DRAIN CCTV

Certified inspection and defect coding.

2.

## STORM DRAIN POTHOLING

Up to 8 hours / 10 potholes.

3.

## CONDITION ANALYSIS & 15% CONCEPTUAL DESIGN

Rehab vs. replacement strategies.

### WHY NOW?

- The storm drain system is in a state of collapse and represents a safety risk.
- Data strengthens position for November 2026 LPP Competitive Grant.

# SYNERGY: LEVERAGING INTERNAL CAPACITY FOR SAVINGS



**Lumos Base Proposal: \$82,050**

**Deduct (City Crews Perform Task 2): - (\$19,000)**

**REVISED COST: \$63,050**

This is the first practical application of the “Hybrid Delivery Model,” reducing consultant costs by utilizing internal labor for excavation and traffic control.

# FINANCIAL STRATEGY & FUNDING

## EQUIPMENT INVESTMENT

- Total Estimated Cost: ~\$571,845
- Available LSR Funds: \$187,714



**SHORTFALL: ~\$211,701**  
(Requires Budget Amendment)

## INVESTIGATION INVESTMENT

- Lumos Revised Base: \$63,050  
(Recommended)
- Optional Sewer Tasks: \$31,900  
(If authorized)

# STAFF RECOMMENDATIONS & DIRECTION



## ACTION 1: ESTABLISH IN-HOUSE CREW

- Proceed with equipment procurement (\$571k package).
- Begin staffing recruitment (Maintenance II).



## ACTION 2: OAK STREET INVESTIGATION

- Authorize Lumos contract.
- Utilize City crew for potholing to realize savings.

**Investing in capacity now to save on repairs later.**