

# AGENDA ITEM 8.0

California Cultural and Historical Endowment Board Meeting

1/30/2013

## STAFF REPORT

<b>GRANTEE:</b>	Northern California Indian Development Council, Inc.
<b>PROJECT:</b>	Carson Block and Ingomar Theater
<b>LOCATION:</b>	Eureka
<b>PROJECT SUMMARY:</b>	Reconstruction of the Ingomar Theater in the Carson Block Building
<b>FUNDING RESERVED:</b>	\$1,100,000
<b>FUNDING RESERVATION DATE:</b>	04/28/2006
<b>FUNDING APPROVAL DATE:</b>	02/15/2007
<b>IN GRANT AGREEMENT?:</b>	Yes
<b>GRANT AGREEMENT TERM:</b>	07/01/2007-02/15/2013
<b>FUNDING ROUND:</b>	Funding Round 2

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### BACKGROUND INFO

This project involves the reconstruction of the Ingomar Theater within the Carson Block Building in Historic Old Town Eureka. CCHE funds will also be used for seismic upgrades and a new roof. The project was affected by the economic downturn and subsequent loss of City of Eureka's re-development agency funds. Planning and construction documents have been prepared and the project is ready to resume now that Match funding is being secured.

### REQUEST

Grantees are requesting an extension through February 15, 2015, as replacement Matching funds have been identified and are being applied for. An Arcata Economic Development Corp. loan (\$1.5 million approved under the guaranty program of Bureau of Indian Affairs) is in the final approval process and a Community Development Block Grant (CDBG - up to \$5 million) is being processed for the grantees through the state Dept. of Housing and Community Development and the City of Eureka's Economic Development and Housing Dept. The CDBG federal funding request is being fast-tracked and is expected to be available to the City of Eureka to provide as match to the grantee within six months of the January 17th letter from the state's Housing and Community Development Department.

### BUDGET DETAIL

About \$278K in CCHE funds have been expended to date on engineering and construction planning documents. The CCHE grant balance of \$822,000 and remaining Match funds will be used primarily for roofing, removal of non-historic modifications and on the first stages of theater reconstruction, as identified in the attached Exhibit B-1 document.

### CEQA STATUS

No changes to CEQA

### PROPERTY ARRANGEMENT

Grantee is the owner of the building

**MATCH REQUIREMENT**

About \$278K in CCHE funds and \$274K in Match have been expended to date on engineering and construction planning documents.

Remaining Match will be fulfilled as shown:

CDBG grant	\$491,000
Karuk Tribe	\$ 5,000
Arcata Economic Dev. Corp. loan	<u>\$ 330,000</u>
	<u>TOTAL: \$826,000</u>

**STAFF RECOMMENDATION**

Staff recommends approval of the requested extension in order to finalize the necessary loan and grant approvals. If the matching funds are not available by September 1st, 2013, then the grant will be withdrawn and funds will be returned to the general grant fund.

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# CALIFORNIA CULTURAL AND HISTORICAL ENDOWMENT BOARD RESOLUTION NO. 2013.02

California Cultural and Historical Endowment Board Meeting

1/30/2013

Agenda Item No. 8.0

Northern California Indian Development Council, Inc.: Carson Block and Ingomar Theater

## RESOLUTION APPROVING EXTENSION OF GRANT TERM

**WHEREAS**, the Project consists of the restoration of the Ingomar Theater in the Carson Block Building; and

**WHEREAS**, the Board reserved funding for this project in April 2006; and

**WHEREAS**, the CCHE Board awarded \$1,100,000 funding for the Project on February 15, 2007; and

**WHEREAS**, the original grant term that began on July 1, 2007 ended on June 30, 2010; and

**WHEREAS**, the grantee received a grant term extension on April 13, 2010 which ended on December 31, 2011; and

**WHEREAS**, the grantee received a second grant term extension on October 17, 2011 which ended on December 31, 2012; and

**WHEREAS**, staff extended the grant term in December 2012 which will end on February 15, 2013; and

**WHEREAS**, the grantee has requested a fourth grant term extension to February 15, 2015; and

**NOW, THEREFORE BE IT RESOLVED** that the CCHE Board approves a two year extension to February 15, 2015, to allow the grantee to continue with their project, contingent upon Match funding being available to the project by September 1, 2013, with the condition that the grant be withdrawn if funds are not available by that date;

and

**BE IT FURTHER RESOLVED** that CCHE adopts the information contained in the CCHE Staff Report.

### **Certification**

The undersigned Chair of the CCHE Board of Directors does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the CCHE Board of Directors held 1/30/2013.

**Dated:**

**Signature:**

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**Gerald Maginnity  
Acting State Librarian  
Interim Chair, CCHE Board of Directors**



## CITY OF EUREKA

ECONOMIC DEVELOPMENT &  
HOUSING DEPARTMENT

531 K Street • Eureka, California 95501-1146

January 22, 2013

Francelle Philips  
California Cultural and Historical Endowment  
900 "N" Street, Room 461  
Sacramento, CA 95814

Dear Ms. Phillips:

The City of Eureka has been working with the Northern California Indian Development Council (NCIDC) for several years to obtain necessary funding to assist in the seismic retrofit and rehabilitation of the historic Carson Block Building. The City and NCIDC have asked the State of California Department of Housing and Community Development, Community Development Block Grant Program (CDBG) representative to help us locate appropriate funding to save this key historic building.

CDBG representative Patrick Talbott has recently authorized a formal invitation to apply for over-the-counter Economic Development Funding in support of the rehabilitation of Carson Block Building. This program is specifically for Historic Preservation projects. The funding for this program is made available through the U.S. Department of Housing and Urban Development (HUD) and has several compliance requirements. The City has begun taking the initial steps in addressing these requirements by submitting the draft NEPA forms to the State Historic Preservation Office and by preparing the request for proposals (RFP) for the Uniform Relocation Act requirements. The next steps are for City staff to take HCD's formal invitation to apply for funding to the City Council to inform them of the opportunity and receive authorization for staff hours to be used toward this purpose. Additionally, we will be preparing an RFP for the Davis Bacon Labor Standards bid process.

We are excited at the prospect of working with NCIDC to complete the retrofit and bring the building back to its original beauty. It is a contributing building to the Old Town Eureka Historic District and we have a stake in seeing it rehabilitated. The City of Eureka would like to encourage CCHE to grant NCIDC's extension request to allow the time needed to finish the CDBG application process so the project can proceed.

Sincerely,

Cindy Trobitz-Thomas  
Economic Development and Housing Director

cc: Patrick Talbott, HCD  
Kathie Gentry, NCIDC  
Wesley Chesbro, Representative

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

**Community Development Block Grant (CDBG) Program**

1800 Third Street, Suite 390  
P. O. Box 952054  
Sacramento, CA 94252-2054  
(916) 552-9398  
FAX (916) 319-8488 or (916) 327-0579



January 17, 2013

Cindy Trobitz-Thomas  
Director of Economic Development and Housing Programs  
City of Eureka  
531 K Street  
Eureka, CA 95814

**RE: Invitation to Submit Pre-Application for CDBG Over the Counter (OTC)  
Economic Development Funding in Support of Commercial Rehabilitation  
of Carson Block Building**

Dear Ms. Trobitz-Thomas,

This letter documents the formal invitation of a pre-application from the City for the Carson Block Building commercial rehabilitation project. The Department has verified that this project is an eligible CDBG activity as a commercial rehabilitation project. The project meets the HUD national objective of elimination of spot blight in the City's historic district. The public benefit provided by the project is goods and services to the local community. Department staff has completed a cursory review of the project financial analysis. It appears that the facility can support all proposed financing needed to complete the roof, seismic retrofit and façade improvements to the building.

Based on the number of low and moderate income residents in the City which would benefit from the project, the City could apply for up to \$5,000,000 in CDBG OTC funds. These CDBG funds would be granted to the City. The City in turn may offer the CDBG OTC funds to the project sponsor, Northern California Indian Development Corporation (NCIDC) as grant and loan funds. The City may provide CDBG funds as grant match funds required by existing California Cultural and Historic Endowment grants. The balance of CDBG OTC funds may be offered to NCIDC as a loan with rates and terms that allows for the project to cash flow and stays financially viable well into the future. Department staff will work with the City, NCIDC and Arcata Economic Development Corporation on finalizing the structure of CDBG funding (loan verses grant) over the next two to three months as part of completing a pre-application.

Once the OTC pre-application is completed, the City will receive a written invitation to do the final application. The final application process is a simple administrative procedure where the City formally adopts the application for OTC funding via a public hearing and resolution.

Upon submittal of the final application the Department will do a final review for CDBG compliance and award funds. If a funding award letter is issued, then the Department would issue a grant contract for CDBG OTC funding and the City would draw down funds for eligible project construction costs. It is anticipated that this full application and award process could be complete in six months or less.

The CDBG funds being applied for by the City are federal funding made available to the Department through the U.S. Department of Housing and Urban Development (HUD). As such, use of CDBG funding for the Carson Block Building commercial rehabilitation activity will trigger compliance with several federal laws. Specifically, the City must ensure compliance with National Environmental Policy Act (NEPA), Uniform Relocation Act (URA) and Davis Bacon Labor Standards.

At this time no construction work on the project can proceed until the NEPA Environmental Review Record has been completed. Department staff recommends that the City work with NCIDC to coordinate project activities so that these federal laws are complied with and the project is not delayed.

Should you have any questions please contact me at (916) 552-9361 or via e-mail at [ptalbott@hcd.ca.gov](mailto:ptalbott@hcd.ca.gov).

Sincerely,



Patrick Talbott,  
CDBG Economic Development Representative

Cc: OTC Project File  
Kathie Hamilton-Gentry, NCIDC Staff  
Kelli Sterling, Arcata EDC

RECEIVED

JAN 9 2013

NCIDC Eureka



## Small Business Lending Center

AEDC provides loans and support to entrepreneurial, innovative business and community endeavors.

100 Ericson Court, Suite 100A, Arcata, CA 95521 707.822.4616 707.822.8982 fax www.aedc1.org

Francelle Phillips  
California Cultural and Historical Endowment  
900 "N" Street, Room 380  
Sacramento, CA 95814

January 7, 2013

RE: Northern California Indian Development Council  
Carson Block Building, Restoration Project  
241 F Street, Eureka, California

Dear Ms. Phillips,

Arcata Economic Development Corporation (AEDC) has been working with NCIDC the past few months to help them obtain a \$1.5M loan to fulfill the matching funds requirement for the CCHE grant. During the last few weeks we have lined up four local entities willing to provide \$375,000 each towards the Carson Block project and they are:

- 1) AEDC (Arcata Economic Development Corporation)
- 2) HAF (Humboldt Area Foundation)
- 3) RREDC (Redwood Region Economic Development Commission)
- 4) Headwaters Fund

We have applied to BIA (Bureau of Indian Affairs) for a 90% guaranty of the loan and hope to receive their final approval within the next four weeks.

We are so close to final approval for this loan that we hope you are able to grant NCIDC a longer extension so that we can finalize this loan for them. As you know, with the elimination of redevelopment, the City of Eureka was no longer available to help with the matching funds requirement, and we have been scrambling to get the matching money needed for the CCHE grant. We have investors for the project now and we are just waiting for final approval from the BIA. Everyone is excited about bringing the Carson Block Building back to its former glory and we hope you can extend the deadline.

Please feel free to contact me if you have any questions about this loan.

Sincerely,

Ross Welch  
Executive Director

Serving Humboldt, Del Norte, Trinity, Siskiyou, Mendocino, and Lake Counties

