

A year of growth, community, and dedication.



Let's review it.



Ross Welch: Executive Director Letter



When I started here at AEDC in 2008, I could not have predicted what the last few years have been like. Businesses were struggling from shut-downs, worker shortages, supply chain gaps, and more. Gaps in economic equity were brought into the spotlight. Organizations like ours were identified as a tool to help address some of the immediate impacts COVID had.

By FY 2021, we were easing our way back into business as usual (whatever that means now). It was an important time to look at our opportunities and challenges and develop a new strategic plan. As a regional leader in economic development, we wanted to assess where we could use our skills and capacity to build a stronger, more equitable economy in our region.

In FY 21, we found ourselves growing the program department significantly, while maintaining a commitment to business lending. In FY 21, we began working with the Humboldt Area Foundation (HAF) on the Public Investment and Innovation Partnership. This resulted in HAF receiving a grant from the California Endowment to secure and administer public grants, build the capacity of regional organizations to secure and administer public grants, help reduce barriers to obtain public funding, and amplify the use of local loans as a blended revenue stream. The work is to be done through a lens of racial equity and racial justice and be responsive to urgent needs and emerging opportunities while also focusing on long-term solutions for our region.

The PIIIP partnership provided AEDC with the capacity to serve as the Fiscal Administrator for the state of California's Community Economic Resilience Fund. (CERF).

The \$5M planning grant was created to promote a sustainable and equitable recovery from the economic distress of COVID-19 by supporting new plans and strategies to diversify local economies and develop sustainable industries that create high-quality, broadly accessible jobs for all Californians. AEDC was selected to apply as the fiscal agent with California Center for Rural Policy as the convener for the project and North Coast Opportunities to handle outreach and engagement.

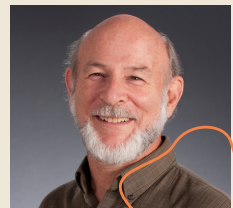
Additionally, AEDC was asked by the County of Humboldt to serve as the administrator for their American Rescue Plan Act funds for economic development. \$4.8M was approved by the Humboldt County Board of Supervisors to specifically support the Child Care Industry.

FY 2021 was also the year that AEDC worked to present the first regional economic development summit, "Future Forward." The two-day virtual summit featured over 20 presenters focusing on three themes: Industries Bringing New Opportunities; Infrastructure for Sustainable Economies; and Improving Quality of Life for All.

Meanwhile, our loan department opened an office in Del Norte County to strengthen our business relationships. That, combined with an Economic Development Administration (EDA) grant of \$1.1M for Del Norte County have allowed us to develop the kinds of ongoing relationship needed to truly serve that community.

In all, FY21 was a year when we really looked at what was happening around us and tried to set the stage for the coming years. The foundation has been laid for several programs and we continue to build our lending products in an effort to create a strong and equitable economy in our region.

Michael Proulx: Treasurer's Report



As we have come out of COVID, AEDC has been continuing to work on recovery programs, while also seeing an increase in our regular, small business lending. In the 21/22 fiscal year, we had \$7.9M in loans, including \$2.5M for the Paycheck Protection Program. This year, FY 22/23, we have already approved \$7.76M in loans, even without the Paycheck Protection Program. Our SBA 504 program (which helps businesses purchase commercial property) was our leader for lending products, with \$4.85M of those total loan funds coming through the SBA 504.

Thanks to new grants, AEDC has seen an increase in funding for business lending. We received two CDFI grants totaling \$1,826,265 and \$500,000 as well as a \$1.1 million CARES Act Recovery Assistance grant from the Department's Economic Development Administration (EDA). ARPA funds from the County of Humboldt, totaling \$4.8M will be used for the Child Care Sustainability Fund.

Finally, through a partnership with Humboldt Area Foundation and The California Endowment, \$300,000 is now available to develop a Public Investment and Innovation Program to help build the capacity of our area to capture additional community funds from various program, starting with work on a \$5M Planning Grant to create regional, equitable economic development initiatives.

In the last year, AEDC's net assets increased \$1M, from \$2.9M to \$3.9M. All of this has been achieved while continuing to improve operational efficiency and accuracy. Our last audit, like those for over the past decade, was finding free.

AEDC continues to provide loan funds and technical assistance to small businesses while simultaneously seeking new programs and services to offer through special project grants. While the FY2021/22 financials and program offerings were impressive, we anticipate even greater accomplishments in 2022/23.

2022 Programs to Highlight

Community Development Financial Institutions Fund

In December 2021, AEDC received a \$500,000 grant from the U.S. Department of the Treasury’s Community Development Financial Institutions Fund (CDFI Fund), which invests federal resources matched with private funding. This grant enabled CDFIs to increase lending and investment activity in low-income and economically distressed communities throughout the local region. The Community Development Financial Institutions Program (CDFI Program) invests federal resources—which are matched with private funding—in CDFIs to serve low-income and underserved people and communities.

Economic Development Administration

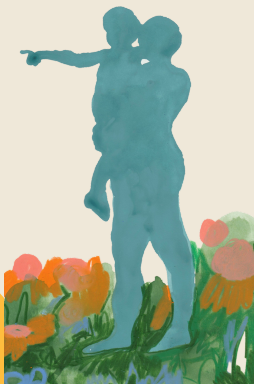
AEDC was awarded a \$1.1 million CARES Act Recovery Assistance grant from the Department’s Economic Development Administration (EDA). This loan will help capitalize and administer a Revolving Loan Fund (RLF), providing critical gap financing to small businesses and entrepreneurs negatively impacted by the coronavirus pandemic in Del Norte. We approved our first loan with these funds in October 2021.

(AEDC) has been exemplary in their response to small businesses that might otherwise have fallen through the cracks. It has successfully reached out into the most rural areas, to non-traditional businesses and organizations, and to those who did not have the resources to navigate this emergency alone. The economic fallout from this crisis will continue to be far-reaching, and support like these grants will be needed well into the future.

–U.S. Congressman Jared Huffman

Humboldt Child Care Program

In a collaboration between the County of Humboldt, Changing Tides Family Services, First 5 Humboldt, and the Humboldt County Office of Education Local Child Care Planning Council, we used the allocated \$4.86 million of State and Local Fiscal Recovery Funds (SLRF) to support our local childcare industry by integrating various childcare services, as well as resources for both parents and providers. Among the programs generated with the SLRF fund was a retention bonus providing up to \$6,000 for providers and employees who worked through the height of the pandemic. We look forward to more programs debuting this year.



Strategic Plan

AEDC's strategic plan, approved in Feb. 2022, centers on strengthening its capacity to serve the community and support entrepreneurial, innovative business and community endeavors. The key objective is to reflect on how AEDC's history, culture, organization and partnerships guide how AEDC invests and collaborates across its six-county region.

The plan identified six over-arching strategic objectives, identified as the foundation of all subsequent goals and projects:

- Invest in business, communities and people
- Increase service to underserved communities
- Build and leverage funds and partnerships
- Strengthen internal infrastructure
- Implement sustainable strategy and accountability
- Assess and update technology that will allow us to increase efficiency

FY22 Financial Position Operational Activities

Dates: July 1, 2021 to June 30, 2022



	FY 2022	FY 2021	FY 2020
Current Assets	\$8,843,816	\$3,499,525	\$3,444,264
Total Assets	\$14,061,742	\$8,322,650	\$8,888,811
Current Liabilities	\$5,649,603	\$690,473	\$1,145,985
Total Liabilities	\$9,795,822	\$5,410,237	\$6,379,025
Total Revenue	\$1,860,303	\$1,194,814	\$1,162,534
Total Expenses	\$842,949	\$792,187	\$692,566
EOY Net Assets	\$3,929,767	\$2,912,413	\$2,509,786

Portfolio	# Loans	Total \$\$
AEDC RLF	1	\$50,000
EDA	2	\$325,000
CDFI RRP	5	\$1.5M
USDA (IRP)	5	\$740,000
USDA (RMAP)	4	\$170,000
City of Arcata	1	\$60,000
SBA Microloan	4	\$45,000
SBA 504	5	\$4.85M

Total Loans FY22	\$7.76 M
Total Loans FY21	\$7.9M
Total Loans FY20	\$4.7M

Jobs Created & Retained

Created	59.5
Retained	136.5

Staff & Board



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Michael Proulx, Treasurer	Kathy Montagne
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Loan Servicing, Tony Rodrigues
Loan Officer, Jayne Lovig
Program Director, Susan Seaman
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