



A Tradition of Stewardship  
A Commitment to Service

Agenda Date: 4/8/2014  
Agenda Placement: 9D  
Set Time: 11:00 AM PUBLIC HEARING  
Estimated Report Time: 10 minutes

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors  
**FROM:** Lawrance Florin for Steven Lederer - Director of Public Works  
Public Works  
**REPORT BY:** Phillip Miller, DEP DIR PW-FLOOD CTRL & WATER - 707-259-8620  
**SUBJECT:** Community Development Block Grant

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### **RECOMMENDATION**

Director of Housing and Intergovernmental Affairs requests the Board of Supervisors hold a public hearing and adopt a resolution approving submittal of an application for funding up to \$1,500,000, authorizing the Assistant County Executive Officer to execute the grant application, grant agreement and all grant related documents and act on the County's behalf in all matters pertaining to the grant for the 2014-15 Community Development Block Grant Program.

### **EXECUTIVE SUMMARY**

The State Department of Housing and Community Development (HCD) operates a program utilizing federal funds known as the Community Development Block Grant Program (CDBG). These are Federal funds passed to the State of California. The State of California is responsible for establishing a process to further disburse funds to cities and counties. The nature of the program is to provide grant funds to smaller cities and counties throughout the State to assist in funding of specific projects intended to benefit low income residents. On January 6, 2014 the 2014 CDBG Notice of Funding Availability was published announcing that approximately \$28,540,278 is available. Today's request seeks Board approval only to submit an application for CDBG funding by the April 11, 2014 deadline. While the resolution also designates the Assistant County Executive Officer as the authorized signatory per the requirements of the application process, staff is still in the process of evaluating the requirements of CDBG funds and will bring a recommendation to accept funds to the Board of Supervisors if the project is accepted and staff determines it is feasible to meet the grant requirements.

By letter dated January 7, 2014 the County was advised that it was eligible to participate in the CDBG program. The County serves as the applicant and fiscal agent for CDBG funds and is required to engage in a public hearing process to solicit projects eligible for funding. The County submits the application for projects on behalf of itself and/or those agencies that have eligible projects within the County. If a project is selected for funding, the County

receives the funds and is responsible for reporting and monitoring requirements. The County is allowed an administrative fee of up to 7.5% for funds disbursed to other agencies. In accordance with CDBG requirements, staff held the required public hearing and one entity, Lake Berryessa Resort Improvement District, submitted a proposal for CDBG grant funds. Today's public hearing is the application submittal phase hearing to seek Board approval to submit this project for funding consideration and to provide citizens an opportunity to comment on the proposed activity. The County may only submit projects up to a specified dollar amount each year. In future years, this hearing might require the Board to select projects from requested applicants to submit for funding.

In accordance with CDBG requirements staff created a public file, published notices in English and Spanish on February 21, 2014 and held the required public hearing on March 4, 2014. One entity proposed an activity for CDBG grant funds: Lake Berryessa Resort Improvement District. Today's public hearing is the application submittal phase hearing to determine if a grant application should be submitted for this activity. The purpose of the hearing is to provide citizens an opportunity to comment on the proposed activity. The application is due April 11, 2014.

### PROCEDURAL LANGUAGE

1. Open Public Hearing.
2. Staff reports.
3. Public comment.
4. Close Public Hearing.
5. Motion, second, discussion and vote on the item.

### FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	Community Development Block Grant Funds
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	<p>By letter dated January 7, 2014 the County was advised that it was eligible to participate in the CDBG program. The County serves as the applicant and fiscal agent for CDBG funds and is required to engage in a public hearing process to solicit projects eligible for funding. In accordance with CDBG requirements, staff held the required public hearing and one entity, Lake Berryessa Resort Improvement District (LBRID), submitted a proposal for CDBG grant funds. The request is for \$1,500,000 in funds to replace three deteriorating water tanks at LBRID with three bolted steel water tanks, new pumping equipment, new electrical equipment at two intake sites and the development of a new water intake site. Of the \$1,500,000, \$104,641 is administrative fees the County may collect for serving as the fiscal agent. The remaining funds are for the construction of the project.</p> <p>Today's public hearing is the application submittal phase hearing to seek Board approval to submit this project for funding consideration and to provide citizens an opportunity to comment on the proposed activity. While the submittal of an application requires designating a signatory, staff is still in the process of evaluating the feasibility and requirements of receiving and</p>

expending CDBG funds. Staff will return to the Board of Supervisors at a future meeting with a recommendation to accept funds should staff determine that it is feasible to meet funding requirements.

Is the general fund affected? Yes

Future fiscal impact: The application period is for funds for Fiscal Year 2014-2015.

Consequences if not approved: If this item is not approved, the County will not submit an application for Community Development Block Grant funding. As a result, the Lake Berryessa Resort Improvement District would not have the opportunity to be considered for funding from this source.

Additional Information:

### **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable

### **BACKGROUND AND DISCUSSION**

The State Department of Housing and Community Development (HCD) operates a program utilizing federal funds known as the Community Development Block Grant Program (CDBG). These are Federal funds passed to the State of California. The State of California is responsible for establishing a process to further disburse funds to cities and counties. The nature of the program is to provide grant funds to smaller cities and counties throughout the State to assist in funding of specific projects intended to benefit low income residents. On January 6, 2014 the 2014 CDBG Notice of Funding Availability was published announcing that approximately \$28,540,278 is available. Today's request seeks Board approval only to submit an application for CDBG funding by the April 11, 2014 deadline. While the resolution also designates the Assistant County Executive Officer as the authorized signatory per the requirements of the application process, staff is still in the process of evaluating the requirements of CDBG funds and will bring a recommendation to accept funds to the Board of Supervisors if the project is accepted and staff determines it is feasible to meet the grant requirements.

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### **NATIONAL OBJECTIVES of CDBG:**

1. Benefit low and moderate income persons,
2. Prevent or eliminate slums or blight,
3. Meet other community development needs that pose a threat to the health and welfare of the community.

#### FEDERAL CITIZEN PARTICIPATION REQUIREMENTS:

The Community Development Block Grant (CDBG) application requires the County to assure and certify that it has or will comply with all citizen participation requirements, which include, at a minimum, the following components:

- 1) Provides for and encourages citizen participation, with particular emphasis on participation by persons of low and moderate income who are residents of areas in which CDBG funds are proposed to be used, and provides for participation of residents in low and moderate income neighborhoods as defined by the local jurisdiction; and
- 2) Provides citizens with reasonable and timely access to local meetings, information, and records relating to the grantee's proposed use of funds; and
- 3) Provides for technical assistance to groups representative of persons of low and moderate income that request such assistance in developing proposals with the level and type of assistance to be determined by the grantee; and
- 4) Provides for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program. These include at least the development of needs, the review of proposed activities, and review of program performance, which hearings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries and with accommodation for the handicapped; and
- 5) Solicits and provides for a timely written answer to written complaints and grievances; and
- 6) Identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can reasonably be expected to participate.

CDBG applicants and grantees are responsible for holding public hearings at the following stages of the grant process: 1) before receiving a CDBG award; 2) during the term of a CDBG grant; and 3) at the end of a CDBG contract term. Two public hearings are required before the County can receive a CDBG allocation: 1) at the project design phase; and 2) at the application submittal phase. The only public hearings that must be held before the local governing body are hearings which require the generation of a resolution. Today's hearing is the application submittal phase hearing, which requires the County to generate a Resolution approving the application's contents and designates an authorized person to enter into a contract.

On March 4, 2014 staff held the project design phase hearing, which was noticed in the Napa Valley Register in English and Spanish, and through a press release issued by Napa County. This public hearing was attended by County staff and a representative from the Lake Berryessa Resort Improvement District. At this hearing the following was available: an explanation of the CDBG program, an opportunity for attendees to ask questions and suggest possible uses of funds, information about the amount of funding available, information about the range of possible activities that may be undertaken with CDBG funds, the opportunities for citizen involvement as the program progresses, a discussion of the national objective of benefit to Targeted Income Group (TIG) persons, information about plans to minimize displacement that may occur as a result of grant funding, information that any assessments resulting from a CDBG funded project will not be paid by members of the lowest TIG and whether TIG households who benefit from the project must pay any assessments, an invitation for written comments and how to submit such comments and information about the availability of technical assistance to groups representing TIG persons that request such assistance in developing proposals.

Today's hearing was noticed in the Napa Valley Register on April 2, 2014 in English and Spanish.

As of the writing of this report, staff has received no written comments, complaints or grievances and all required citizen participation requirements have been met. Staff will verbally update the Board on anything received between

the writing of this report and the public hearing.

GRANT AWARD LIMITS AND APPLICATION COMBINATIONS ALLOWED:

The maximum grant award per jurisdiction is \$2,000,000. Each application is limited to three activities:

1. Enterprise Fund Activity: Up to a maximum of \$300,000.
2. Housing Activity: Up to a maximum of \$1,000,000 for a combination any two categories consisting of 1) Housing Rehabilitation (HR) or Home ownership Assistance (HA) (up to \$600,000) or a combination of HR and HA (up to \$1,000,000), 2) Housing Project - Multi-Family Rental Rehabilitation with or without acquisition (up to \$1,000,000) or 3) Housing Project - Acquisition of Real Property - for Multi-Family Housing Projects (up to \$600,000).
3. Public Facility Activity: Up to a maximum of \$1,500,000 for one eligible project.
4. Public Improvements and Public Improvements in Support of Housing New Construction: Up to a maximum of \$1,500,000 for one eligible project.
5. Public Service Activity: Up to a maximum of \$500,000 for up to three public services.
6. Planning and Technical Assistance Activities: Up to a maximum \$100,000 for up to two studies.

PROPOSED ACTIVITY:

The Lake Berryessa Resort Improvement District is the only entity to request funding in the amount of \$1,500,000 for one Public Improvements project.

The proposed project will replace three aging potable water storage reservoirs (tanks) with three bolted steel potable water storage reservoirs, new pumping equipment for each of the tanks, new electrical equipment at two pump stations and a new water intake (well) to obtain water for storage and use. The current infrastructure was built in the 1960's, including its three water storage tanks constructed with redwood staves and steel hoops. The tanks have exceeded their useful life and two are structurally unstable. The associated pumps and motors are also frequently in need of repair. This project will improve the District's water supply intake on Putah Creek and is consistent with National Objective 3.

The intake structure for the water treatment plant is in Putah Creek. At low lake levels the intake location produces high turbidity water that is difficult to treat. This greatly reduces the plant's treatment capacity resulting in water shortages. An unreliable water supply poses a threat to the health and welfare of the community. The proposed activity will replace the three redwood tanks with modern, steel bolted tanks. The aging pumps and motors will be replaced with modern high efficiency equipment. The water plant intake will be evaluated and a more reliable structure will be constructed. It is expected that the entire project will be completed in calendar year 2014 pending adequate funding. No residents would be relocated due to the project.

The requested budget of \$1,500,000 includes design, construction and administration costs for a completed project. Of this amount, \$104,641 is for the County of Napa's administrative costs and \$1,395,359 will be subgranted to LBRID for the project.

LBRID serves 180 residences and one commercial property in the disadvantaged community (DAC) of Berryessa Estates. Berryessa Estates was defined as a DAC in the Fall of 2012. The community's residents were surveyed to determine the Mean Household Income (MHI). The MHI was determined to be \$45,000, which is less than the \$48,516 threshold to qualify as a DAC.

STAFF RECOMMENDATION:

Staff recommends that the Board approve an application for up to \$1,500,000 for the Lake Berryessa Resort Improvement District reservoir replacement and water supply intake project. This would constitute total funding for the current application. As referenced above, staff will return to the Board of Supervisors with a recommendation to accept any awarded funds upon complete analysis of the required terms and conditions of accepting funds.

**SUPPORTING DOCUMENTS**

A . Resolution

CEO Recommendation: Approve

Reviewed By: Molly Rattigan