



Agenda Date: 9/18/2007
Agenda Placement: 6R

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Britt Ferguson for Watt, Nancy - County Executive Officer
Community and Intergovernmental Affairs Division
REPORT BY: Howard Siegel, DIR OF COM AND INTERGOV AFFAIR, 253-4621
SUBJECT: Community Development Block Grant Subrecipient Agreements

RECOMMENDATION

County Executive Officer requests approval of and authorization for the Chair to sign the following Subrecipient Agreements for the term September 18, 2007 through December 31, 2007 for Community Development Block Grant (CDBG) Planning and Technical Assistance (PTA) Grants:

1. Agreement with St. Helena Hospital for a maximum of \$17,500; and
2. Agreement with Howell Mountain Mutual Water Company for a maximum of \$17,500.

EXECUTIVE SUMMARY

The State Department of Housing and Community Development (HCD) operates a program utilizing federal funds that is known as the Community Development Block Grant (CDBG) Program. This program provides funding for local governments to help finance projects that assist neighborhoods and/or regions that have a large number of lower-income households. The CDBG Program includes both "General Allocation" funding (for physical improvements, such as infrastructure) and Planning & Technical Assistance (PTA) Grants for planning such improvements.

The County has been awarded a PTA Grant in the amount of \$35,000 that will be divided evenly between two Angwin/Deer Park-area entities that provide water service to households in that area - St. Helena Hospital and Howell Mountain Mutual Water Company. Today's proposed action is to approve two contractual agreements that would enable these two entities to develop water system master plans for their respective service areas, totalling over 600 households between them.

FISCAL IMPACT

Is there a Fiscal Impact? Yes

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| Is it currently budgeted? | Yes |
| Where is it budgeted? | Community and Intergovernmental Affairs budget unit. |
| Is it Mandatory or Discretionary? | Discretionary |
| Discretionary Justification: | This planning grant will assist two small water districts, with a majority of lower income residents, in addressing their water system needs. |
| Is the general fund affected? | Yes |
| Future fiscal impact: | This will likely lead to a request from these districts for future County CDBG applications on their behalf. |
| Consequences if not approved: | The districts in question would have to find other means to address their water system needs. |
| 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 operates a program known as the Community Development Block Grant (CDBG) Program. That program provides funding for local governments to help finance projects that assist neighborhoods or regions that have a large number of lower-income households. Although the County has participated in this program before (e.g. Calistoga Farm Worker Camp, American Canyon Rehabilitation, Small Business Revolving Loan Fund), we were ineligible for a 12-year period, due to lack of a certified Housing Element (corrected in late 2004). The County has now been awarded a \$35,000 Grant to fund two specific projects.

The process of allocating the grant funds or identifying "applicants", including public hearings, began in August 2005, with the Grant Agreement being approved by State and County, in February and March 2006, respectively. This process resulted in two applications (very similar in nature) - one each from St. Helena Hospital and Howell Mountain Mutual Water Company - seeking to conduct a comprehensive study of their water service needs for their respective service areas (which happen to be adjacent to each other), with a combined service area of over 600 households.

Each party recently completed their required Income Surveys to ensure that a minimum of 51% of their customers fall into the Targeted Income Group. The State has also approved two "Subrecipient Agreements". Those agreements are the proposed contractual vehicles by which the County reimburses the two entities for their work (using CDBG funds), upon completion of these 2 water system plans.

This work will be completed by the end of December with the intent, on the part of both parties, to seek future funding to implement these plans, allowing them to improve their respective infrastructure systems and to better serve their customer base in the Angwin/Deer Park Area.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Maiko Klieman