



Agenda Date: 9/27/2005
Agenda Placement: 8C
Set Time: 9:45 AM PUBLIC HEARING
Estimated Report Time: 30 Minutes

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Britt Ferguson for Nancy Watt - County Executive Officer
County Executive Office
REPORT BY: Howard Siegel, Community Partnership Manager, 253-4621
SUBJECT: Public Hearing - CDBG application submittals

RECOMMENDATION

County Executive Officer requests adoption of a resolution authorizing the submittal of an application for a \$35,000 Planning and Technical Assistance Grant to the State Community Development Block Grant Program (CDBG) for the following projects:

1. Howell Mountain Mutual Water Company to conduct a comprehensive study of water service needs in the Angwin - Deer Park area; and
2. St. Helena Hospital to conduct a comprehensive study of water service needs in the Angwin - Deer Park area.

EXECUTIVE SUMMARY

The State Department of Housing and Community Development (HCD) operates a program utilizing federal funds known as the Community Development Block Grant (CDBG) Program. The nature of this program is to provide grant funds to smaller cities and counties throughout the State to assist in the funding of specific projects intended to benefit low-income residents.

The County has recently become eligible for these grants since having received State approval of its Housing Element, after a 12-year period of ineligibility. The availability of \$35,000 in Planning and Technical Assistance (PTA) grants was communicated to the public via newspaper ads with a public hearing being held on August 24th for potential applicants.

On September 8th, two applications were received, one each from St. Helena Hospital and the Howell Mountain Mutual Water Company. The County, however, is the only appropriate eligible applicant to submit these proposals to the State for its consideration, with the deadline for such submittals being September 30th.

Each application was for the amount of \$17,500, half of the maximum allocation. Furthermore, each applicant is seeking to conduct a comprehensive study of their water service needs for their adjacent service areas in the

Angwin and Deer Park areas.

Staff is recommending the submittal of an application for the full amount of \$35,000 in order to obtain sufficient funding for both efforts.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	State grants/payments from sub-grantees will cover actual grant costs. The County can retain 7.5% of the grant amount to cover administrative costs. It is not clear if that will fully cover the County's administrative costs and if it does not, that will be a General Fund cost.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	County is the only eligible applicant to request these funds, which are critical to these two small water companies. Further, the County's match obligation will be met by revenues provided by the applicants, in accordance with sub-grant agreements.
Is the general fund affected?	Yes
Future fiscal impact:	None.
Consequences if not approved:	These water system improvements will not be made until or unless other funding sources are identified.
Additional Information:	If the County is awarded and accepts these grants, it will be obligated to provide a local match, totalling \$1,750. The County would enter into sub-grant agreements with the applicants under which the applicants would agree to provide the County with these match funds, so there would be no impact on Net County Cost.

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 two applications received in response to this solicitation were both to obtain funds for the development of a master water system study, although for two different entities and service areas. St. Helena Hospital serves approximately 200 households while Howell Mountain Water Company serves approximately 400.

The common need of these two water services agencies at this time is to develop a water supply and facilities improvement master plan to improve infrastructure and accommodate demand for the drinking water system. Each agency has stated their intent to conduct a study to determine needs for general water service improvements within

their respective service areas, which are adjacent to each other.

The two applications were received on September 8th, a County-established deadline that was necessary to allow sufficient time for County staff to review and generate a recommended action in time for the September 27th Board meeting, which - in turn - was necessary to enable an application to be submitted to the State by their September 30th deadline.

It should be noted that one of the tasks outlined in both of the applications is a survey to determine if the areas in question meet the CDBG Program's low income requirement. Essentially, this requirement states that at least 50% of those who live in the project area earn no more than 80% of the County's median income based on family size. If the surveys determine that a project area does not meet the low income requirement, then the project would end at that point, and no further CDBG grant funding would be available for that project.

Both agencies have some common needs, including the improvement of distribution system facilities. Howell Mountain also has significant issues related to dam and treatment facilities while St. Helena Hospital's issues include water storage and fire protection.

Pending Board approval, the County would submit two applications - under its own name - for \$17,500 each for these purposes.

SUPPORTING DOCUMENTS

- A . Howell Mountain Water Company Application
- B . St. Helena Hospital Application
- C . Resolution
- D . Minutes of the August 24, 2005 Design Phase Public Hearing

CEO Recommendation: Approve

Reviewed By: Howard Siegel