

MONTEREY COUNTY BOARD OF SUPERVISORS

MEETING: March 27, 2012 – SET MATTER	AGENDA NO.:
SUBJECT	
a. Conduct a public hearing to receive input related to a State Community Development Block Grant (CDBG) Program application;	
b. Approve a resolution that authorizes the submittal of an application to the California Department of Housing and Community Development for a CDBG Grant in the amount of \$1,036,400 for (i) a Housing Acquisition / Rehabilitation project for the Camphora Highlands Farm Labor Camp and (ii) a Planning and Technical Assistance Study for a Regional Cut Flower Transportation Consolidation Study;	
c. Approve a local match of \$1,820;	
d. Authorize the County Administrative Officer to sign the Statement of Assurances;	
e. Authorize the Economic Development Director to make minor modifications to the grant application as necessary and to comply with State requirements, sign the grant application, as well as any contracts, amendments and other documents related to the application and grant funds;	
f. Approve an Agreement between the County of Monterey and South County Housing for implementation of CDBG activities at the Camphora Highlands Farm Labor Camp, if grant funds are awarded; and	
g. Authorize the Economic Development Director to make minor modifications to the Agreement, sign it, make amendments to it as necessary, and undertake other documents related to the Agreement.	
DEPARTMENT: Economic Development Department	

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Conduct a public hearing to receive input related to a State Community Development Block Grant (CDBG) Program application;
- b. Approve a resolution that authorizes the submittal of an application to the California Department of Housing and Community Development for a CDBG Grant in the amount of \$1,036,400 for (i) a Housing Acquisition / Rehabilitation project for the Camphora Highlands Farm Labor Camp and (ii) a Planning and Technical Assistance Study for a Regional Cut Flower Transportation Consolidation Study;
- c. Approve a local match of \$1,820;
- d. Authorize the County Administrative Officer to sign the Statement of Assurances;
- e. Authorize the Economic Development Director to make minor modifications to the grant application as necessary and to comply with State requirements, sign the grant application, as well as any contracts, amendments and other documents related to the application and grant funds;
- f. Approve an Agreement between the County of Monterey and South County Housing for implementation of CDBG activities at the Camphora Highlands Farm Labor Camp, if grant funds are awarded; and
- g. Authorize the Economic Development Director to make minor modifications to the Agreement, sign it, make amendments to it as necessary, and undertake other documents related to the Agreement.

SUMMARY:

The County is eligible to apply for up to \$2,000,000 through the State for Community Development Block Grant (CDBG) Program. The recommendation includes holding a public hearing, authorizing the submittal of a grant application for \$1,036,400 for two projects, approving a match in the amount of \$1,820, and approving an Agreement for implementation of grant activities, if the grant is awarded.

DISCUSSION:

The State Department of Housing and Community Development (HCD) administers the State CDBG Program. HCD issued a Notice of Funding Availability to solicit funding proposals in the following categories: Economic Development; Housing Acquisition; Housing Rehabilitation; Public Improvements; Public Facilities; and Planning and Technical Assistance. HCD has established grant maximums for each funding category. An application may be submitted for up to three activities that do not exceed the individual funding limits and \$2,000,000 in total.

HCD has made program changes to the CDBG program in regard to future eligibility requirements. In order for the County to be eligible to submit an application in 2013, it must have expended 50% of any grant awarded in 2012. This is a significant change from prior year funding cycles and played an important role in selecting which projects would move forward. The recommended County application consists of projects which should be able to expend most, if not all, of the funds prior to the next funding cycle in 2013. As with prior years, all CDBG projects must be designed to primarily benefit people and household earning 80% or less of the County Median Income.

The County Housing Advisory Committee held a public hearing on February 8, 2012, to solicit projects to include in the County's 2012 CDBG application. Following the public hearing, the HAC concurred with Staff recommendations to apply for two activities. This second public hearing is required by CDBG prior to submittal of a CDBG application. The public hearing notice was published in the Salinas Californian on March 14, 2012.

The first activity is for housing acquisition refinancing and rehabilitation of the Camphora Highlands Farm Labor Camp owned and operated by South County Housing (SCH). There are two elements of the proposed activity. The first element involves paydown of a portion of the Seller Take Back note which is due in October of 2013. Paying down this acquisition debt will help ensure that SCH has the cash flow necessary to maintain the long-term affordability of the project. The second element of the activity is to make improvements to the water storage and distribution system. The proposed construction will improve the domestic water supply to residents and increase storage capacity for fire suppression. The CDBG application requests a total of \$1,000,000 for this activity, of which \$75,000 will be for administration of the grant. The bulk of the grant, \$777,000, will be used for the refinance and \$129,150 will be spent on the construction of the improvements. The balance of the funds requested, \$18,850, will be for miscellaneous activities including title and legal costs associated with the refinancing, permits, wage monitoring, procurement, and project management. SCH will have to complete environmental reviews sufficient to satisfy the requirements of the California Environmental Quality Act (CEQA) and National Environmental Protection Act (NEPA) prior to beginning any activity that will be funded with CDBG funds. In order to score more competitively, an agreement for SCH to undertake the improvement activities is included in the application. It will take effect only if CDBG funds are awarded.

The second activity is a Planning and Technical Assistance study to evaluate the feasibility of a regional cross dock consolidation facility for the cut flower industry. The project is championed by

the California Cut Flower Commission (CCFC). In 2011, the CCFC conducted an analysis of the transportation practices of the cut flower industry in California. The study indicated that the California cut flower industry could increase its share of the national cut flower market by consolidating state-wide flower shipments prior to pick up by the major transportation companies. The CCFC believes that growers in the Monterey Bay Area could realize increased market share and decreased shipping costs by consolidating shipments regionally before they are transferred to Oxnard for shipment to their end destination. If the grant is awarded, CCFC will provide the required match of \$1,820. However, for the purposes of the application, the State requires that the match be committed by the local jurisdiction.

OTHER AGENCY INVOLVEMENT:

On February 8, 2012, the Housing Advisory Committee (HAC) conducted the required Design Phase CDBG Hearing to solicit proposals for the entire CDBG Program. South County Housing provided the only public input in regard to the CDBG Program.

FINANCING:

There is no impact on the General Fund. The Planning and Technical Assistance portion of the recommended grant requires a 5% local match (\$1,820). The source of the match is Fund 1, Unit 8397, Economic Opportunity. The total funding amount contained in the grant is \$1,036,400. While the County is pledging Economic Opportunity Funds as the source of the local match, CCFC has committed to provide the match if the grant is awarded. The grant and the match funding will cover administration and costs associated with all three activities proposed in the grant. Sufficient funding is available in the Fund/Budget Units indicated above. If the grant is awarded, a separate Board action will be recommended to increase appropriations in Fund 13, Unit 8200, Appropriation Code DEO 003.

Prepared by:

Approved by:

Jane Royer Barr,
Housing Program Manager

Jim Cook,
Director, Economic Development

Date: _____

Date: _____

Attachments: Resolution
CDBG Grant Application
Agreement between SCH and the County