



County of Santa Cruz

COUNTY ADMINISTRATIVE OFFICE

701 OCEAN STREET, SUITE 520, SANTA CRUZ, CA 95060-4073

(831) 454-2100 FAX: (831) 454-3420 TDD: (831) 454-2123

SUSAN A. MAURIELLO, J.D., COUNTY ADMINISTRATIVE OFFICER

March 6, 2008

AGENDA: March 18, 2008

BOARD OF SUPERVISORS
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

Community Development Block Grant Program

Dear Members of the Board:

On March 4, 2008, your Board was presented with a report on the Community Development Block Grant (CDBG) Program and the status of the County's proposed CDBG application. The report provided information on the grant requirements for the 2008-09 General Allocation and recommended that the Davenport Drinking Water Improvement Project and the Food Bank's Passion for Produce Program be included in the application for grant funds. Your Board approved this recommendation and directed that the required public hearing be scheduled for March 18, 2008 for final approval of the proposed application. This letter provides for the public hearing and includes a copy of the required notice of the hearing (Attachment 1). Additionally, this report identifies actions that must be taken in order to complete and submit the application by the April 3, 2008 CDBG deadline.

Description of the Recommended Projects

The March 4, 2008 status report provided an overview of the activities—the Davenport Drinking Water Improvement Project and the Food Bank's Passion for Produce Program—recommended for the grant application. Since that time, County staff, as the applicant, in conjunction with the Department of Public Works and the Food Bank, as the program operators, have enhanced these descriptions as included in Attachments 2 and 3 of this letter. During the next week and a half, these projects will be further developed in conjunction with additional materials that are requirements of the grant application. It is anticipated that the County's application will be completed by March 29, 2008, in time to meet CDBG's April 3, 2008 deadline. A copy of the submittal will be placed on file with the Clerk of the Board.

Resolution of the Governing Body

The Resolution of the Governing Body, Attachment 4, is a required component of the

public hearing process and the grant application. The resolution provides for your Board's approval of and direction to submit the proposed application and for the designation of the official(s) who will act on the County's behalf in matters pertaining to the grant. It also identifies the estimated amount of the grant request (\$1.5 million) and the amount of County funds (100,000) that will be used as leverage. These funds, which reflect staff time contributed by the County Department of Public Works to the Davenport Drinking Water Improvement Project, will increase the overall score of the application. When combined with the private match funds generated by the Passion for Produce Program, which are anticipated to be somewhat over \$630,000, the County application will achieve close to a 2:1 ratio of grant funds to matching funds. This contribution of non-state and non-federal funding will advance the competitiveness of our application and help to offset the scoring category in which our application will likely be at its greatest disadvantage – the Poverty Index. The Poverty Index score is based on the poverty index of the jurisdiction as a whole, which for Santa Cruz County is relatively low, compared to the indexes of other jurisdictions that are also likely to apply for General Allocation funds.

Summary and Conclusion

CDBG grant programs are highly competitive, requiring strict adherence to a number of State and Federal guidelines. As a result, jurisdictions must select the projects and programs that are most likely to perform well in a number of scoring categories including the level of assistance to low income beneficiaries, a well-documented need for the proposed activity, project readiness, prior proficiency in grant performance, the expertise to successfully operate the proposed program and the ability to meet specific state and federal objectives. Because the County is a newcomer to the CDBG program and had a relatively short time to prepare for the General Allocation application process, we were fortunate to be presented with several worthy activities for potential funding. Two of these, the Davenport Drinking Water Improvement Project and the Passion for Produce Program, were especially competitive and also positioned to begin the application process immediately.

Once the 2008-09 grant awards have been announced in late May, 2008, CDBG staff will be available to meet with applicants to review the strengths and weaknesses of their grant submittals. This review will be particularly useful to applicants who are new to the process, such as the County of Santa Cruz. Once we have participated in our first round of CDBG funding, we will be in a better position to gauge the potential for the program to meet County needs. Additionally, the experience will help us to position ourselves in advance for future funding cycles, solicit competitive projects for potential funding and enhance our community outreach efforts.

It is therefore **RECOMMENDED** that your Board take the following actions:

SERVING THE COMMUNITY - WORKING FOR THE FUTURE

1. Open the public hearing for discussion of the County's application for the CDBG General Allocation program;
2. Receive public comment regarding the CDBG program and the proposed application for General Allocation funds;
3. Adopt the Resolution of the Governing Body;
4. Approve the proposed CDBG General Allocation grant submittal and direct staff to submit the application to CDBG by the April 3, 2008 deadline with a copy placed on file with the Clerk of the Board; and
5. Direct staff to provide your Board with a report on the funding status of the County's CDBG General Allocation application as soon as the results are available.

Very truly yours,



Susan A. Mauriello
 County Administrative Officer

H:\MyFiles\CDBG March 18, 2008 public hearing.wpd

Attachments

cc: Public Works Department
 The Food Bank
 The Davenport Resource Center
 Planning Department
 Redevelopment Agency
 Human Resources Department
 CASA (Court Appointed Special Advocates)
 Felton Library Friends
 Clerk of the Board
 County Administrative Office

Public Notices	Public Notices
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The County Administrative Office on behalf of the County of Santa Cruz is applying for a grant amount of up to \$1.5 million under the General Allocation for two activities: (1) the Davenport Drinking Water Improvement Project which is designed to benefit residents of the Community of Davenport which is served by the Davenport Sanitation District Water System and (2) the Second Harvest Food Bank's Passion for Produce Program which is designed to benefit specific targeted populations within the unincorporated areas of Santa Cruz County.

The purpose of the public hearing is to provide citizens with an opportunity to comment on the proposed activities. If you are unable to attend the public hearing, you may direct written comments to the County Administrative Office, 701 Ocean Street, Room 520, Santa Cruz, CA 95060 or you may telephone Chris Hirsch with the County Administrative Office at (831) 454-3409 or the Clerk of the Board Office at (831) 454-2323. In addition, a public information file is available for review in the Clerk of the Board Office between the hours of 8:00 a.m. and 5:00 p.m. on weekdays.

The County complies with the Americans with Disabilities Act. Questions regarding accommodation under the ADA should be directed for this hearing to the Clerk of the Board's Office at (831) 454-2323.

The County of Santa Cruz promotes fair housing and makes all its programs available to low and moderate income families regardless of age, race, color, religion, sex, national origin, sexual preference, marital status or handicap.

By ORDER OF THE BOARD OF SUPERVISORS

By: Tess E. Fitzgerald
Chief Deputy Clerk

3/8

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Davenport Drinking Water Improvement Project Davenport Sanitation District

Overview

The County will apply for a Community Development Block Grant (CDBG) of approximately \$1 million to build a new water treatment plant and water tank and upgrade some of the water transmission lines in the Community of Davenport. The same project was recently awarded a grant of \$600,000 from the Integrated Regional Water Management Grant Program; however, new cost estimates reveal a total need of about \$1.4 million to complete the treatment plant and tank.

The Problem

Citizens of Davenport were under a continuous boil-water order over the winters of 2005-2006 and 2006-07 because the water treatment plant does not meet the California Surface Water Treatment Rule, Title 22, Sections 64650-64666. The Surface Water Treatment Rule requires that all water utilities that use surface water provide reliable, multi-barrier treatment to ensure that pathogens are removed. The Davenport Water System treatment techniques do not meet state standards for turbidity, *Giardia* or *Cryptosporidium*. Residents receive quarterly notifications warning them of potential health risks associated with the water system.

In the winter rainy season, turbidity levels are so high that the current treatment system cannot operate at all and must be shut down. During these periods the Sanitation District must pay to haul water purchased from the City of Santa Cruz. The economic impacts to the District as well as the elementary school and small businesses are substantial. The boil order is a major inconvenience to customers, places a great financial burden upon the community and forces people to make the hard choice between risking the health of their family and paying higher utility bills. An upgraded treatment plant including additional water storage will allow the water system to operate safely even during the winter months, and continuously meet state and federal standards.

The Solution

This project will upgrade the water treatment system and plant to meet current state and federal standards. The water tank will be upgraded to meet state standards for fire protection. A SCADA (Supervisory Control and Data Acquisition) system will be installed for remote monitoring and control of the water treatment plant. The transmission lines in will be upgraded in 2009.

Benefits of this project include ensuring water supply reliability and protecting public health. The neighboring CEMEX cement plant which also uses the water from the community treatment facility will contribute \$50,000 to the project, and the Davenport Sanitation District has or will contribute approximately \$150,000

for project planning, construction oversight and bottled water for customers during the construction period.

Budget

The total cost for the Davenport Drinking Water Quality Improvement Project is \$1,705,522. The County is requesting approximately \$955,000 through the Community Development Block Grant General Allocation program. As mentioned previously, the project has already been awarded State funds totaling \$600,000 from an Integrated Regional Water Management Grant and a contribution of \$50,000 has been committed by the CEMEX cement plant in Davenport. The Davenport Sanitation District will contribute \$100,000 in staff time which will serve as the local match and leverage for the project.

CDBG Funds

CDBG funds, if awarded to the Davenport Drinking Water Quality Improvement Project, will fill a significant gap in project costs and help to ensure an improved quality of life for the residents of the Davenport community. As currently budgeted, CDBG funds will be used to pay for approximately \$210,000 in engineering, permitting and contingencies; \$480,000 in materials, equipment and labor; \$25,000 in grant administration and reporting; \$80,000 in construction inspection costs; and \$160,000 in project contingencies.

Second Harvest Food Bank Passion for Produce Program

Overview

The Second Harvest Food Bank is developing a new program in the unincorporated areas of Santa Cruz County designed to address the nutrition related health crisis faced by many low-income residents of our community.

The Problem

The people we serve—community members with low-incomes—suffer nutrition related disease at twice the rate of the rest of the community. In Santa Cruz County, the numbers of children either currently obese or at imminent risk for childhood obesity and malnutrition is nearly 40%—surpassing both the national and state averages.

These rates are a direct result of high poverty and underemployment rates endemic in this community. Santa Cruz County has the most expensive housing costs in the nation. Meanwhile, our 2006 Hunger Study revealed that the average annual household income among those we serve in is \$10,900, with 92% of those served by soup kitchens, and 69% of those served by pantries reporting they couldn't afford to pay for balanced meals. Additionally, one in five survey respondents noted that someone in their household has diabetes.

This problem is particularly acute in the areas immediately surrounding our Watsonville warehouse, a farming community where 25,000 migrant farmworkers are employed seasonally to harvest crops grown here. Ironically, those same farmworkers cannot afford to include the vegetables they harvest in their families' diets. Too many local, underemployed families forced to stretch fewer dollars further rely on cheaper foods high in sugar and fat, and their children pay the price in high rates of childhood obesity and malnutrition.

Second Harvest works to remedy this problem by providing access to the fresh fruits, vegetables, and staple foods that are often out of financial reach for working poor families. However, up to now we have been unable to meet the growing need for fresh produce. In the 2006 Hunger Study, from 18% to 33.3% of the pantries, kitchens and shelters reported needing more fruits and vegetables. Furthermore, when asked what areas of additional assistance were desired by the agencies serving low-income residents, 49.5% of pantries, 31.5% of kitchens, and 13.6% of shelters requested nutrition education. In fact, this service was by far the greatest unmet need identified by the pantry and kitchen programs.

The Solution

Numerous studies have shown that healthy eating—especially fresh produce—is key to addressing the high rates of diabetes, cancer, heart illnesses and obesity that are becoming so common in our country.

The Passion for Produce Program goal is to increase the overall health of low-income residents in Santa Cruz County through the delivery of fresh fruits and vegetables, coupled with a model, culturally appropriate, nutrition education program.

The Passion for Produce Program will begin in ten unincorporated county delivery sites: three migrant farmworker camps, four sites in south county, two in mid-county and one in north county. The Food Bank will collect, store, specially package, and deliver 20-pound bags of fresh fruits and vegetables to each site once a week for 30 months. Volunteers at each program sites will distribute these bags to 40 to 60 low-income households every week. The six-week intensive nutrition education program, inclusive of cooking demonstrations utilizing the fruits and vegetables being distributed, will be provided on a rotating basis among sites.

The program will grow from 10 sites serving 400 households per month to 20 sites—inclusive of six additional migrant farmworker camps—serving 800 households by the second year of the program. Over the course of the 30-month program, 3,400 households with 13,600 people will have received 1,632,000 pounds of fresh produce.

The nutrition education program objective is to have participating low-income households incorporate appropriate amounts of fruits and vegetables into their diet on a permanent basis. This will be accomplished by demonstrating the use of the vegetables and fruits the participants have just received, along with education on the economic and health benefits of eating fruits and vegetables. Participants will also receive incentives, including cookbooks, tote bags, field trips, etc. for attending the six-week course.

In the first year, nutrition education curriculums and cooking demonstrations will be developed and piloted at five sites, serving an average of 30 people per site. Curriculum design and content will be dependent upon the culture, eating habits and primary language of the participating households. The pilot year curriculum will be professionally evaluated to determine the rate of participating households success with incorporating fruits and vegetables into their diets. Any necessary changes will be made to the curriculum following the evaluation.

Beginning in the second year, the six-week program will be provided at sites on a rotating basis, so that all households will have the opportunity to participate. A final evaluation will be implemented in the last six-months of the program.

The Second Harvest Food Bank of Santa Cruz and San Benito Counties will utilize the CDBG 30-month program funding to allow time to develop private funding streams to continue the program into the future. We are committed to the long-term health and well being of the children, working families and low-income seniors in our community. We see the Passion for Produce Program as a core program in our efforts to end hunger and alleviate malnutrition.

Budget

The total budget for the 30-month Passion for Produce Program is \$1,260,994, with CDBG providing funds \$498,125 and Second Harvest providing \$768,869 in local and private funding.

CDBG Funds

Second Harvest will use \$95,000 in CDBG funds to purchase a delivery truck, forklift and electric pallet jack that will be used to receive and distribute fresh fruit and vegetables to 3,400 low-income families at 20 sites across the county through the new Passion for Produce Program. A nutrition coordinator and nutrition educator will develop and implement six to ten-hour culturally competent nutrition education and cooking curriculums (delivered once a week, for six week cycles) in Spanish and English for families enrolled in the Passion for Produce Program.

\$240,000 in CDBG funds will be used for the salary and benefits of the full-time truck driver and full-time nutrition manager over the year-round, 30-month program. CDBG funds will also be used to pay for produce acquisition @ \$.036765/pound, totaling 1,632,000 pounds for \$60,000; program supplies at \$50,000; program evaluation @ \$25,000; as well as indirect costs @ 7.5% totaling \$28,125.

Second Harvest Funds

Second Harvest has raised funds through a capital campaign to build a new 30,000sq/ft cooler/refrigerator to store the additional produce that will be acquired for this program and the solar panels that will furnish the electricity to run the cooler/refrigerator, electric forklift and pallet jack used by the program.

Second Harvest will pay the warehouse worker and nutrition educator salaries and benefits, as well as program supplies, evaluation services, and a portion of the indirect and produce acquisition costs through grants and community donations.

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO.

On the motion of Supervisor
duly seconded by Supervisor
the following resolution is adopted:

**RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ APPROVING AN APPLICATION FOR
FUNDING AND THE EXECUTION OF A GRANT AGREEMENT AND ANY AMENDMENTS
THERETO FROM THE GENERAL ALLOCATION OF THE STATE COMMUNITY
DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM**

WHEREAS, the State Community Development Block Grant (CDBG) Program was established by the federal Department of Housing and Community Development Act of 1974; and

WHEREAS, the California State Legislature assumed State oversight of the program and through the Department of Housing and Community Development based on the requirements of the California Health and Safety Code, section 50825, et seq, and the California Code of Regulations (Title 25, Section 7050, et seq); and

WHEREAS, each year, CDBG makes funds available to eligible jurisdictions through several allocations including the General Allocation; and

WHEREAS, the CDBG General Allocation is currently accepting grant applications for funding for the 2008-09 funding cycle; and

WHEREAS, the County of Santa Cruz qualifies for State CDBG General Allocation funds.

NOW, THEREFORE, the Board of Supervisors of the County of Santa Cruz adopts Resolution No. _____ as follows:

1. The Board of Supervisors of the County of Santa Cruz approves an application to be submitted to CDBG for General Allocation funds for up to \$1.5 million for the Davenport Water Quality Improvement Project and the Passion for Produce Program.
2. The Board of Supervisors of the County of Santa Cruz has determined that federal Citizen Participation requirements were met during the development of this application.
3. The Board of Supervisors of the County of Santa Cruz hereby approves the use of \$100,000 in staff time contributed by the Department of Public Works toward the design and implementation of the Davenport Water Quality Improvement Project to be used as the County's leverage for this application.
4. The County Administrative Officer of the County of Santa Cruz, Susan A. Mauriello, and her designated representatives are hereby authorized and directed to act on the County's behalf in all matters pertaining to this application.

RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ – CDBG

- 5. If the application is approved, the County Administrative Officer of the County of Santa Cruz and her designated representatives are authorized to enter into and sign the grant agreement and any subsequent amendments with the State of California for the purposes of this grant.
- 6. If the application is approved, the County Administrative Officer of the County of Santa Cruz and her designated representatives are authorized to sign Funds Requests and other required reporting forms.

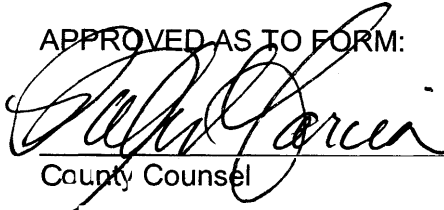
PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this _____ day of _____, 2008, by the following vote:

AYES: SUPERVISORS
 NOES: SUPERVISORS
 ABSENT: SUPERVISORS

ATTEST: _____
 Clerk of said Board

 Ellen Pirie, Chair
 Board of Supervisors

APPROVED AS TO FORM:



 County Counsel

DISTRIBUTION: Department of Public Works
 Food Bank
 County Counsel
 Clerk of the Board
 County Administrative Office

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OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

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Pacific Elementary School

50 Ocean Street
Davenport, CA 95017
(831) 425-7002

13 March 2008

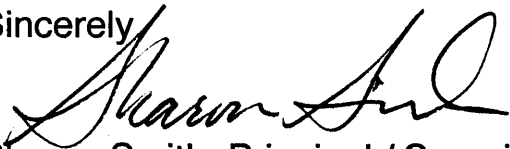
County Board of Supervisors
701 Ocean Street
Santa Cruz, CA 95060

Dear County Board of Supervisors,

We would like to encourage the Board of Supervisors to use the Community Development Block Grant to help fund the Davenport water treatment project. We feel very strongly that the water treatment facility is a necessity for our school and community.

With costs going up for the project, this grant is critical to the community, so that the already high water rates don't increase any further. Education funding is decreasing and we do not need another budget expense increase. We urge the Supervisors to use Community Development Block Grant funding to support the water treatment project.

Sincerely



Sharon Smith, Principal / Superintendent,
Pacific Elementary School

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