



# Monterey County

168 West Alisal Street,  
1st Floor  
Salinas, CA 93901  
831.755.5066

## Board Report

Legistar File Number: 15-1304

December 15, 2015

**Introduced:** 11/25/2015

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** General Agenda Item

- a. Conduct a public hearing to receive input on the results of the activities funded by a State Community Development Block Grant to the County; and
- b. Authorize the Economic Development Director to sign and submit closeout documents required by the State of California, and make such minor revisions as requested by the State after submittal.

### **RECOMMENDATION:**

It is recommended that the Board of Supervisors:

- a. Conduct a public hearing to receive input on the results of the activities funded by a State Community Development Block Grant to the County; and
- b. Authorize the Economic Development Director to sign and submit closeout documents required by the State of California, and make such minor revisions as requested by the State after submittal.

### **SUMMARY:**

In December 2012, the County received a \$1,036,400 Community Development Block Grant (CDBG) from the State Department of Housing and Community Development. The grant was utilized by the County to: 1) fund a loan to South County Housing Corporation (SCH) for the Camphora Highlands affordable housing acquisition/rehabilitation (\$959,580); 2) prepare a study to determine the feasibility of a regional consolidation shipping facility for the local cut flower industry (\$23,172); and 3) fund administrative costs of the grant (\$16,040). There is a balance of unspent funds in the amount of \$37,608 which will not be drawn down. This public hearing is to present the results of the activities funded by the grant.

### **DISCUSSION:**

The 2012 CDBG award was the last CDBG grant the County received from the California State CDBG Program before it qualified as an Urban County and began receiving CDBG funding directly from the U.S. Department of Housing and Urban Development. This State CDBG award funded two activities: acquisition/rehabilitation of an affordable housing project and a planning and technical assistance study.

Camphora Highlands affordable housing project: A portion of the CDBG funds dedicated to this project were used to pay down of a portion of the Seller financing which was due in October 2013. Paying down this acquisition debt helped to ensure that the owner/developer South County Housing (SCH) had sufficient cash flow to maintain the long-term affordability of the project. Another part of the CDBG funds was used to make improvements to the water storage and distribution system servicing the housing project. This improved the domestic water supply for residents and increased storage capacity for fire suppression.

Acquisition and rehabilitation of the Camphora Highlands farm worker housing project is now complete. SCH recorded a notice of completion for this activity on November 20, 2014. The County loan of \$959,580 has an interest rate of three percent (3%) simple interest and is due on the earlier of 57 years from close of escrow of the construction loan, or December 31, 2071. As a result of the County's use of CDBG grant funds, forty one units of affordable housing for farmworkers in the Salinas Valley were preserved and improved.

Planning and technical assistance study: The second activity funded by the CDBG grant was a Planning and Technical Assistance study to evaluate the feasibility of a regional shipping consolidation facility to be located in Monterey County to serve local cut flower growers. The project was championed by the California Cut Flower Commission (CCFC) and Congressman Farr. The study was undertaken to determine if such a facility could make the local flower industry more competitive, and thus assist in arresting the decline in this industry, and thus save local jobs. The study found that regional consolidation would result in increased competitiveness and found that two facilities, located in north and south county, would be best serve the industry.

Administrative costs: County staff time spent to oversee the two activities was reimbursed through the grant.

**OTHER AGENCY INVOLVEMENT:**

None.

**FINANCING:**

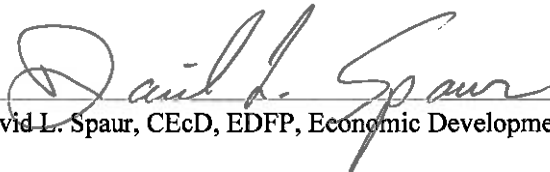
Implementing this grant had no impact on the General Fund. The State grant dollars funded the projects as well as the cost of administering the grant.

Prepared by:



Jane Royer Barr, Housing Program Manager, Ext. 5389

Approved by:



David L. Spaur, CEcD, EDFP, Economic Development Director, Ext. 5387

**Attachments:**

- CDBG-8401 Close Out Certification - 2015-12-15 12
- CDBG-8401 Multi Family Completion Report - 2015-12-15 12
- CDBG-8401 Multi Family Set Up Report - 2015-12-15 12
- CDBG-8401 Planning Set Up Completion Report - 2015-12-15-12
- Regional Cut Flower Shipping Consolidation Study\_Final  
(Attachments are on file with the Clerk of the Board)