

# Capitola City Council

## Agenda Report



**Meeting:** August 24, 2023  
**From:** Community Development  
**Subject:** CDBG-CV Grant Closeout

**Recommended Action:** Conduct a duly noticed public hearing to receive a report summarizing the allocation of grant funding under State CDBG-CV Agreements and direct staff to proceed with submitting required closeout documents to the State.

**Background:** On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to support preparation for and response to the community impacts of the COVID-19 pandemic. The state of California received approximately \$90 million in CARES Act funds that were distributed in multiple rounds by the California Department of Housing and Community Development (HCD) Community Development Block Grant (CDBG) Program.

In the first round of CDBG-CV (CV1), Capitola was allocated \$88,010 in CARES Act funding. The City also utilized \$80,632 of CDBG Program Income funds toward Coronavirus relief. During the first round, applicants could receive aid for three federally defined “activities” and one additional activity for the program income funds. The City funded four entities all of which fit into the “public service” activity.

In the second round of CDBG-CV (CV2/3), Capitola was allocated \$320,261 in CARES Act funding. The City also utilized \$44,200 of CDBG Program Income funds toward Coronavirus relief. During the second round, applicants could receive funding to one new “activity” and/or funding activities that were previously funded in Round 1.

The following table lists the state contract, sub-recipient, and amount awarded between rounds 1 and 2.

20-CDBG-CV1-00005	Grey Bears (originally CAB)	Healthy Food Distribution	\$20,000
20-CDBG-CV1-00006	Community Bridges	Meals on Wheels and Lift Line	\$66,925
20-CDBG-CV1-00007	Second Harvest	Food Bank	\$37,298
20-CDBG-CV1-00008	Grey Bears	Healthy Food Distribution	\$15,750
20-CDBG-CV2-3-00016	Grey Bears	Healthy Food Distribution	\$15,000
20-CDBG-CV2-3-00040	Second Harvest	Food Bank	\$51,686

20-CDBG-CV2-3-00041	Community Bridges	Meals on Wheels and Lift Line	\$15,000
20-CDBG-CV2-3-00054	Santa Cruz Small Business Development Center	Business Assistance Grants	\$165,000
	Grey Bears	Healthy Food Distribution	\$29,025
	Community Bridges	Meals on Wheels and Lift Line	\$75,720
<b>Total Grant Funds</b>			<b>\$491,404</b>

All funding identified has now been fully expended and reimbursed by the Housing and Community Development Department (HCD). In addition to the activity dollars listed above, remaining funds were utilized for “grant administration” which is allowed and reimbursed by the HCD. These funds were used to pay for City staff time, consultant time, and public hearing notices.

Discussion: Now that all funds have been expended and grant contracts have reached their expiration date, the City is required by HCD to hold a public hearing and submit closeout documents for each contract. The following summarizes the accomplishments of each sub-recipient relative to the state CDBG-CV contracts.

#### *Grey Bears*

20-CDBG-CV1-0005 - Grey Bears delivered 101,536 pounds of fresh produce, healthy staples, and loaves of bread to 321 Capitola seniors, including 75 who are homebound and received their deliveries door-to-door. In addition, Grey Bears distributed 45,470 pounds of food and served 1,290 meals to 31 Capitola seniors at the Live Oak Chanticleer Grey Bears campus and congregate dining site. The grocery bags were distributed weekly at the Mid-County Senior Center, Shadowbrook Restaurant, and mobile home parks, including Tradewinds, Brookvale Terrace, and Loma Vista. 21.9% (1,201) of the 12,160 grocery bags were delivered door-to-door to recipient homes in the areas of Jade Street, Jewel Box, Clares Street, and Park Avenue in Capitola.

20-CDBG-CV1-0008 - Grey Bears delivered 78,275 pounds of fresh produce, healthy staples, and supplies (e.g. face masks) to 302 Capitola seniors. The food was distributed weekly at the Mid-County Senior Center and Shadowbrook Restaurant, and delivered to mobile home parks, including Tradewinds, Brookvale Terrace, and Loma Vista. 25% (2,145) of the 8,580 grocery bags were delivered door-to-door to recipient homes in the areas of Jade Street Park, Jewel Box, Clares Street, and Park Avenue.

20-CDBG-CV2-3-00016 - Grey Bears delivered 81,258 pounds of fresh produce, healthy staples, and holiday meals to 314 Capitola seniors, including 67 who are homebound and received their deliveries door-to-door. The bags of groceries were distributed weekly at the Mid-County Senior Center and Shadowbrook parking lot, mobile home parks, including Tradewinds, Brookvale Terrace, and Loma Vista. 21% of the 7,328 grocery bags were delivered door-to-door to recipient homes in the areas of Jade Street, Jewel Box, Clares Street, and Park Avenue.

20-CDBG-CV-2-3-00054 - Grey Bears delivered 131,499 pounds of fresh produce, healthy staples, and loaves of bread to 321 Capitola seniors, including 75 who are homebound and received their deliveries door-to-door. In addition, holiday dinners were also made available in to-go containers for pick up at the Chanticleer Grey Bears dining site.

#### *Second Harvest*

20-CDBG-CV-1-00007 – Second Harvest Food Bank distributes food to a number of agencies and pantries throughout the County, so it can be difficult to pinpoint exact figures. Based on agencies reporting

participation by Capitola residents, residents received approximately 97,700 pounds of food from 37 different partner agencies. They also served approximately 890 individuals a month of all ages.

20-CDBG-CV2-3-00040 - Capitola residents collected food from 39 different locations around the county, only three of which are truly within city limits. Second Harvest provided 197,000 pounds of food to Capitola residents with these donations.

#### *Community Bridges*

20-CDBG-CV1-00006 - Meals on Wheels delivered essential five-day breakfast packs to 43 unduplicated Capitola residents, with over 9,000 meals being provided.

20-CDBG-CV2-3-00041 - Meals on Wheels delivered essential five-day breakfast packs to 40 unduplicated Capitola residents, with over 3,364 meals being provided.

20-CDBG-CV2-3-00054 - Meals on Wheels delivered seven-day breakfast packs and lunch packs to 53 unduplicated senior Capitola residents, with 11,466 meals being provided.

#### *Small Business Development Center (SBDC)*

20-CDBG-CV2-3-00054 – SBDC utilized these funds to implement a small business grant program to provide financial assistance to local businesses that were negatively impacted by COVID-19. The program successfully assisted 10 businesses with \$15,000 grants for each.

Fiscal Impact: All CDBG funds utilized under these contracts were 100% grant funded. No other funding was utilized that would impact general funds.

Report Prepared By: Katie Herlihy, Community Development Director

Reviewed By: Julia Moss, City Clerk

Approved By: Jamie Goldstein, City Manager