



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: A 15-243, Version: 1

- a. Approve a Resolution to enter into three Joint Exercise of Powers Agreements and Cooperation Agreements with Gonzales, Greenfield, and Sand City to participate in Monterey County's Community Block Development Grant Urban County program for the period of October 1, 2015 to September 30, 2018;
- b. Authorize the County Administrative Officer to sign the Joint Exercise of Powers Agreements and Cooperation Agreements;
- c. Authorize the County Administrative Officer to make minor modifications to these Agreements as necessary to implement the CDBG Urban County program and to comply with federal requirements; and
- d. Authorize the Economic Development Director to submit the Joint Exercise of Powers Agreements and Cooperation Agreements and other necessary documents to the U.S. Department of Housing and Urban Development to requalify for and receive direct entitlement funds as an Urban County.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve a Resolution to enter into three Joint Exercise of Powers Agreements and Cooperation Agreements with Gonzales, Greenfield, and Sand City to participate in Monterey County's CDBG Urban County program for the period of October 1, 2015 to September 30, 2018;
- b. Authorize the County Administrative Officer to sign the Joint Exercise of Powers Agreements and Cooperation Agreements;
- c. Authorize the County Administrative Officer to make minor modifications to these Agreements as necessary to implement the CDBG Urban County program and to comply with federal requirements; and
- d. Authorize the Economic Development Director to submit the Joint Exercise of Powers Agreements and Cooperation Agreements and other necessary documents to the U.S. Department of Housing and Urban Development to requalify for and receive direct entitlement funds as an Urban County.

SUMMARY:

The U.S. Department of Housing and Urban Development (HUD) qualified Monterey County, together with the Cities of Del Rey Oaks and Gonzales as an Urban County for entitlement purposes on November 1, 2012 for a period of three years ending September 30, 2015. Subsequently, in May 2013, the Urban County submitted a Consolidated Plan, including a First Year Action Plan, and an Analysis of Impediments to Fair Housing Choice (AIFHC) to HUD for approval. HUD approved these documents in June 2013. The County must now requalify with HUD to continue as an Urban County, for entitlement purposes, for another three year period.

DISCUSSION:

The CDBG entitlement program provides annual federal grants on a formula basis to entitled cities and counties to develop viable urban communities and to expand economic opportunities. HUD awards grants to entitlement community grantees to carry out a wide range of economic and community development activities directed toward promoting economic development, revitalizing neighborhoods, and providing improved community facilities and services. Entitlement grantees must give maximum feasible priority to activities which benefit low- and moderate- (Low/Mod) income persons. CDBG funds may not be used for activities which do not meet these broad national objectives.

HUD determines the amount of each entitlement grant by a statutory formula which uses several objective

measures of community needs including the extent of poverty, population, housing overcrowding, age of housing, and population growth lag in relationship to other metropolitan areas.

To become a CDBG entitlement jurisdiction, the County submitted an application for funding to HUD. Since the County did not meet the eligibility criteria on its own, on July 22, 2012, it entered into Joint Exercise of Powers Agreements and Cooperation Agreements with Del Rey Oaks and Gonzales so that it would meet the HUD requirements in regard to total population represented by the Urban County (at least 100,000) and more than 50% of the Low/Mod population of the non-entitled cities and county.

Current entitlement jurisdictions in Monterey County include the Urban County (including Del Rey Oaks, Gonzales and the unincorporated area of the County), Salinas, Monterey, and Seaside. Entitlement jurisdictions receive HUD grant funds annually on a non-competitive basis. The other seven non-entitled cities in the county can only receive CDBG grant funds through a State competitive application process.

Before the end of the three-year term for the Urban County, the County is required to ask all jurisdictions if they would like to participate in the Urban County for the next three-year term. The County issued letters on May 14, 2015 to all cities. Of the current partners, Gonzales will continue to participate in the Urban County but Del Rey Oaks decided to not continue, citing a lack of time to dedicate to their projects. Of the remaining seven cities, Greenfield and Sand City have notified HUD and the County that they would like to participate while Marina, Pacific Grove, and Soledad have declined to participate. The cities of Carmel and King City did not respond.

HUD will not quantify the amount of funds that could be allocated to the Urban County until after it is formally approved as an Urban County. However, it is estimated that the annual allocation would be approximately \$1,140,000. The County would receive approximately \$186,000 for management of the CDBG grant. The County's annual share of CDBG funding for projects is estimated at \$420,000. The County will also benefit from the services that non-profit entities funded by Urban County funds provide in unincorporated areas of the county.

OTHER AGENCY INVOLVEMENT:

The County is required by HUD to allow all nine non-entitlement jurisdictions to participate in its application for designation as an Urban County. Gonzales desires to continue its participation in the Urban County and Greenfield and Sand City wish to join as new partners. County Counsel has reviewed the Joint Powers Agreements and Cooperation Agreements as to form.

FINANCING:

There is no impact on the General Fund. Should HUD renew the grant for another three (3) years, the grant funding will include administrative funds in the amount of 20%. Funding in the amount of \$896,616 is currently in the adopted budget Fiscal Year 2015-16 including up to \$184,923 for grant administration. If awarded, the new grant will be budgeted in the department's budget submissions for Fiscal Year 2016-2017 in its Appropriation Code DEO 003, Fund 013, Unit Code 8200 (Community Development Grants).

Prepared by: _____
Jane Royer Barr, Housing Program Manager, 5389

Approved by: _____
David Spaur, CEcD, EDFP, Economic Development Director, 5387

Attachments:

CDBG Direct Entitlement Grant Application Resolution

JPA & Coop Agreement Gonzales

JPA & Coop Agreement Greenfield

JPA & Coop Agreement Sand City

(Attachments are on file with the Clerk of the Board)