



Monterey County

Item No.

Board Report

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

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- a. Conduct a Public Hearing on Community Development Block Grant (CDBG) funding priorities and goals; and
- b. Consider the draft Urban County Community Development Block Grant (CDBG) Consolidated Annual Performance and Evaluation Report (CAPER) for FY2019/20.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve the Urban County CDBG CAPER for FY2019/20 for submittal to the U.S. Department of Housing and Urban Development (HUD); and,
- b. Authorize the Housing Program Manager to make minor changes to the CAPER as needed or in response to comments from HUD.

SUMMARY:

In 2012, the County of Monterey created a HUD Urban County Consortium to become a CDBG Entitlement community. In order to be eligible for HUD CDBG funds, the County is required to conduct two public hearings annually on CDBG funding priorities and goals. The County adopts a five-year Consolidated Plan (Con Plan) and derives annual Action Plans (AP) from that Con Plan, (annual hearing in May). A second hearing is held to consider a Consolidated Annual Performance and Evaluation Report, known as the CAPER. This report summarizes accomplishments for FY2019/20 CAPER and explains the application process.

CDBG funds may be used to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services. As an Entitlement community, the County and its consortium members must give maximum feasible priority to activities which benefit low- and moderate-income persons. Other eligible activities may aid in the prevention or elimination of slums or blight and activities that meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. CDBG funds may not be used for activities which do not meet one of these national objectives.

In FY 19/20, the County was allocated \$1,391,792 in regular CDBG funding and \$816,541 in supplemental CARES Act funding for CDBG activities targeted at addressing the increased demand for public services related to the Novel Corona Virus pandemic. CDBG regulations cap the amount of grant funding that may be used for administrative costs to 20% or \$278,358 toward program

administration based on the FY 19/20 allocation and 15% or \$208,769 toward public service projects.

DISCUSSION:

The Consolidated Annual Performance and Evaluation Report (CAPER) closes the HUD FY19/20, July 1, 2019-June 30, 2020, by summarizing the accomplishments and the progress the Urban County is making towards the goals and objectives it established in its Con Plan. On June 25, 2019, the Board of Supervisors approved the Urban County's Program Year 2019/20 (FY19/20) Annual Action Plan (AP). The AP allocated CDBG funds in the amount of \$1,575,327 to one affordable housing energy efficiency project, two community facilities, and two public facility projects, 12 public service projects conducted by subrecipients within the community and general program administration. The FY19/20 AP was subsequently amended on January 1, 2020, April 21, 2020, and May 19, 2020. These amendments reallocated funds between approved uses, allocated unused funds from prior years to new programs, and allocated a supplemental CARES Act funding allocation to address the extraordinary need brought on by the COVID-19 public health emergency.

The County's Con Plan identified seven programmatic areas for CDBG funding priorities to primarily benefit low-moderate income communities. These programmatic areas are: Affordable Housing; Fair Housing; Homeless and Homeless Prevention Services; Infrastructure Improvements; Public Facilities; Public Services and General Program Administration. The Urban County's accomplishments in each of these areas during FY19/20 is summarized below.

Affordable Housing - During FY19/20, the Urban County used \$50,000 to underwrite the GRID Alternatives cost of installing rooftop solar systems on homes owned by low- or moderate-income households. Since 2013, the Urban County has invested \$268,800 and assisted 63 low-moderate income households through this program.

Fair Housing - The Urban County retained the services of the Eden Council for Hope and Opportunity (ECHO Housing) and Legal Services for Seniors (LSS) to provide fair housing activities during FY19/20. Both agencies assisted more than 600 people with fair housing services and tenant/landlord dispute resolution. The Tenant/Landlord Counseling Program provides information to tenants and landlords on their housing rights and responsibilities. Additionally, ECHO has trained mediators to assist in resolving housing disputes through conciliation and mediation. The primary objective of the program is to build awareness of housing laws and prevent homelessness. This has become particularly important during COVID and additional funds were allocated to both agencies to assist with the COVID crisis. ECHO Housing conducted weekly webinars in English and Spanish throughout the County. Since FY13/14, the Urban County has allocated approximately \$150,000 in CDBG Public Service funds to enable fair housing activities in the County and assisted more than 3,600 low-moderate income people with fair housing services.

Homeless and Homeless Prevention Services - The Urban County invested \$20,000 to support life skills counseling for residents of the Rancho Cielo Youth (18-24) Campus's Transitional Housing Program through the Public Service allocation.

Infrastructure Improvements - During FY19/20, the Urban County allocated \$382,618 towards

infrastructure improvements. The Environmental Justice Coalition (EJC) for Water proposed using the funds to help low and moderate-income homeowners implement the County's point of entry/point of use water treatment ordinance by providing grants for sewer connections to a new wastewater system. This project is not ready due to EJC needing more time to gather community agreement and to complete main infrastructure improvements. The funds were reallocated with a substantial amendment to Interim, Inc.'s Sun Rose Gardens Transitional Housing project in the City of Salinas. The Sun Rose Garden project will provide transitional housing to people experiencing homelessness and is expected to begin construction in the spring of 2021

Community Facilities - The Urban County allocated \$823,171 for improvements to community facilities that will primarily serve the communities of Castroville and Greenfield. These projects included: revitalizing recreational facilities in Castroville; and purchasing a new fire engine for the Greenfield Fire Protection District.

Public Facilities - The Urban County allocated \$2,239,942 for improvements to public facilities that will serve primarily low-moderate income populations in Greenfield, Salinas, and Sand City. The project in Greenfield will support acquisition of property for development of affordable housing. The project in Salinas will develop 7 new transitional housing beds for homeless persons with dual psychological and drug dependency diagnosis. With more than \$5.588 million in CDBG investments, Public Facilities have been the single largest use of CDBG funds by the Urban County.

Public Services - During FY2019/20, the Urban County allocated approximately \$150,000 to support a wide range of public services. Services included youth leadership development programs in Gonzales, Greenfield and North County; providing food security and companionship in North County and the Salinas Valley; and programs to help maintain the independence and quality of life for the disabled and seniors. These services benefitted an estimated 10,600 primarily low-moderate income Monterey County residents last year.

OTHER AGENCY INVOLVEMENT:

The cities of Del Rey Oaks, Gonzales, Greenfield, and Sand City have partnered with the County to be designated as an Urban County.

FINANCING:

This action does not change the current FY2020-21 appropriations, revenues or positions. The HUD grant is an annual agreement. If the County complies with grant requirements, the County may elect to continue to receive annual entitlement funding, subject to the federal budget process.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Authorizing the Urban County to submit the FY19/20 CAPER to HUD by December 31, 2020, is necessary to keep the Urban County in compliance with HUD CDBG requirements. Continued eligibility for the Urban County designation will allow the County to continue to receive the Entitlement Allocation of CDBG from HUD, approximately \$1.35 million annually.

Economic Development
Administration

- Health & Human Services
- Infrastructure
- Public Safety

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Approved by: Carl P. Holm, AICP, Director Monterey County Resource Management Agency



Attachments:

Board Report

Attachment A - Draft Consolidated Annual Performance and Evaluation Report for FY2019/20

Attachment B - 2019 CAPER Public Services Accomplishments

Attachment C - 2019 CAPER Other Activities Accomplishments

Attachment D - 2019 CAPER CARES Act A Accomplishments

Attachment E - 2019 CAPER Substantial Amendment Actions

Attachment F - 2019 CAPER PowerPoint