



# Monterey County

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## Board Report

Legistar File Number: 15-0291

April 21, 2015

Introduced: 3/23/2015

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

- a. Modify the County budget for fiscal year 2014-15 to reflect the Board of Supervisors' prior September 30, 2014 authorization for the Economic Development Department to expend grant funds on various projects, thereby increasing this Department's estimated revenues and appropriations in the amount of \$478,165; and
- b. Authorize the Auditor-Controller to amend the fiscal year 2014-15 Economic Development Department's adopted budget for Community Development, Fund 013, and Appropriation Unit DEO003, Unit 8200 to increase estimated revenues and appropriations by \$478,165. (4/5ths vote required)

### **RECOMMENDATION:**

It is recommended that the Board of Supervisors:

- a. Modify the County budget for fiscal year 2014-15 to reflect the Board's prior September 30, 2014 authorization for the Economic Development Department to expend grant funds on various community development projects, thereby increasing this Department's estimated revenues and appropriations in the amount of \$478,165; and
- b. Authorize the Auditor-Controller to amend the fiscal year 2014-15 Economic Development Department's adopted budget for Community Development, Fund 013, and Appropriation Unit DEO003, to increase estimated revenues and appropriations by \$478,165. (4/5ths vote required)

### **SUMMARY:**

This request is to amend the Fiscal Year 2014-15 County budget to reflect prior Board of Supervisor funding approvals, and thereby increase revenues and appropriations within the Economic Development Department's adopted budget for Community Development, Fund 13, in regard to two programs:

- (1) Urban County (HUD direct entitlement) as follows: Community Development Block Grant (CDBG) 2013-2014 fund balances available for reallocation; CDBG 2013-2014 programs extended into Fiscal Year 2014-2015; and CDBG Program Income from the City of Del Rey Oaks.
- (2) Drawdown of state CDBG-12 grant funds for the Camphora Highlands Farm Labor Camp project.

**DISCUSSION:**

HUD CDBG Funds-Urban County

Carry-over of unexpended CDBG funds:

On May 7, 2013, the Board of Supervisors approved allocation of CDBG funds for fiscal year 2013-2014 to various projects. At the end of that fiscal year-June 30, 2014-funds allocated to certain projects, in the amount of \$33,874, had not been expended although the projects were complete. Thus, on September 30, 2014, the Board of Supervisors approved re-allocation of unexpended CDBG funds in the amount of \$33,874 to approved CDBG projects for fiscal year 2014-2015. For this reason, the sum of \$33,874 must be added to the Economic Development Department's community development budget in the form of anticipated revenues and appropriations for fiscal year 2014-15.

Uncompleted CDBG projects:

Certain CDBG projects funded for fiscal year 2013-2014 projects were not completed in the expected timeframe and therefore funds allocated to them remained unexpended at the end of the fiscal year, June 30, 2014. These projects include: Aromas Water District (Oakridge and Vista Del Sol system expansion), the City of Gonzales (Child Care Center HVAC, Child Care Center Roof, and Medical Center HVAC), and Rancho Cielo (Fifth Independent Living House). On 9/30/2014, the Board of Supervisors approved extensions of time for completion of these projects to December 31, 2014. Funds associated with these extended projects total \$253,116. For this reason, the sum of \$253,116 must be added into the Economic Development Department's community development budget in the form of anticipated revenues and appropriations for fiscal year 2014-2015.

Del Rey Oaks CDBG Program Income:

In June 2014, the State of California revised CDBG Program Income rules to require local jurisdictions to either return income earned from CDBG activities to the state or transfer it to HUD direct entitlement programs, such as Urban County. On September 30, 2014, the City of Del Rey Oaks opted to deposit Program Income in the amount of \$43,175 with the Urban County. For this reason, the sum of \$43,175 must be added into the Economic Development Department's community development budget in the form of anticipated revenues and appropriations for fiscal year 2014-2015.

State CDBG funds-Camphora Highlands Farm Labor Camp project

On November 4, 2013, Monterey County and South County Housing (SCH) entered into a Loan Agreement to fund the Camphora Highlands Farm Labor Camp project in the amount of \$925,000, made from State of California CDBG funds. During fiscal year 2013-14, SCH expended \$777,000 of the \$925,000 in loan funds available. It completed work on the Camphora Highlands project on November 14, 2014 and is requesting a final draw of funds per the Loan Agreement in the amount of \$148,000.

The total amount of the requested increase for estimated revenues and appropriations within Community Development appropriations Unit 013-8200-DEO003 is \$478,165.

**OTHER AGENCY INVOLVEMENT:**

None.

**FINANCING:**

There is no impact to the General Fund as a result of this action. All these changes are in Fund 013 and are related to Program Income or Grant funds.

Prepared by:



Sandra Henderson, Management Analyst

Approved by:



David L. Spaur, EDD Director

Attachments:

FY 15 Fund 013 Unit 8200 Breakdown