

Attachment A

BACKGROUND

On June 19, 2012, the County of Monterey approved the submittal of an application to HUD to become a direct entitlement Urban County along with the cities of Del Rey Oaks and Gonzales. On November 1, 2012, the County received HUD approval as an Urban County. On November 26, 2012, a Notice of Funding Availability (NOFA) was issued for future CDBG funds. On December 5, 2012, two application workshops for interested parties were held at the County Government Center. Eighteen applications for funding were received on January 2, 2013. On January 7, 8, and 9, 2013, community meetings were held to introduce the Urban County's CDBG program and to receive input on housing and community development needs from the public. On February 12, 2013, the Board of Supervisors conducted a public hearing and created an Ad Hoc Committee to review and recommend funding for County projects and services. On March 12, 2013, the Board of Supervisors opened a public hearing to consider the funding allocation recommendations of the CDBG Ad Hoc Committee and continued it to March 19, 2013 at which time the Board of Supervisors approved the funding recommendations of the CDBG Ad Hoc Committee. On April 5, 2013, the draft Fiscal Year 2013-17 Consolidated Plan, including the Annual Action Plan, and the AIFHC were released for a 30-day public review. The documents have been available on the websites of the County, Gonzales, and Del Rey Oaks. A hard copy has also been available at the County's Economic Development department.

DISCUSSION:

Consolidated Plan

The CDBG entitlement program provides annual federal grants 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 which benefit low and moderate income persons.

The Urban County's draft Fiscal Year 2013-17 Consolidated Plan and the proposed First Year Action Plan for Fiscal Year 2013-14 is now in the final stage of process. The purpose of the public hearing is to solicit public comment from interested citizens, public agencies, and other interested parties regarding the development of the Five Year Consolidated Plan and proposed use of federal funds in the preparation of the First Year Action Plan.

The Consolidated Plan consists of three distinct parts. The first part is a needs assessment of the Urban County and begins on page 12 of the Consolidated Plan. This includes an assessment of housing needs for extremely low, very low, low, and moderate-income families, including the needs of homeless individuals and families. The County held consultation meetings, made surveys available and continuously requested input from the community to assist with the needs assessment. The second part is a five-year strategic plan which includes priorities for assisting categories of residents by income level, statements of objectives, proposed programs, as well as

accomplishments that are expected to be achieved in the next five years. This part begins on page 68 of the Consolidated Plan. The following priorities were identified for the Draft Fiscal Year 2013-17 Five-Year Consolidated Plan:

1. **Infrastructure Improvements:** Improve and expand infrastructure improvements that benefit low- and moderate-income neighborhoods and residents,
2. **Public Facilities:** Improve and expand public facilities that benefit low- and moderate-income neighborhoods and residents,
3. **Public Services including Fair Housing:** Improve and expand public services that benefit low- and moderate-income neighborhoods and residents; and promote fair and equal housing choice for all persons, promote housing that is accessible to and usable by persons with disabilities, and comply with the non-discrimination requirements of the various Fair Housing laws,
4. **Homeless Services and Homeless Prevention:** Improve and expand public services that benefit the homeless and those at risk of becoming homeless
5. **Affordable Housing:** Promote, preserve, and assist in the development of affordable housing for low- and moderate-income residents, special needs groups, those at-risk of homelessness, and disproportionately impacted residents.
6. **Planning and Administration:** Provide for administration and planning activities to develop housing and community development strategies and programs needed to carry out actions that address identified needs in the Consolidated Plan.

The third part of the Consolidated Plan (beginning on page 89) is the first year Action Plan. It provides a proposed one-year allocation of funding, outlines the intended use of resources, a description of activities to be undertaken, and the specific objectives and priority needs to be addressed. The Action Plan serves as the Urban County's application for funding from HUD. While the Federal Budget has not yet been approved, the County must nevertheless meet certain statutory deadlines in submitting the Consolidated Plan and Action Plan and allowing for citizen participation. Once the official allocation for the Urban County is released from HUD, staff will revise the budget as provided for in the Action Plan.

It is anticipated that the Urban County will receive an *estimated* \$800,000 of CDBG funds in Fiscal Year 2013-14. Three types of activities can be undertaken: projects, services, and administration. Project activities are generally infrastructure or construction projects. Service activities are programs benefitting low and moderate individuals. Administration activities include direct and indirect costs associated with managing the grant. There are no restrictions on the amount of grant funds that can be allocated for project activities. There are limits placed on the other two activities. The total of public service contracts cannot exceed 15% of the total grant and must include fair housing services as mandated by HUD. Administration costs cannot exceed 20% of the total grant.

City Participation

Funding allocations for the first year for the two city partners are based upon poverty levels and population data. The City of Del Rey Oaks has been allocated \$27,181 of which \$2,718 may be used to cover their administration program costs. The City of Gonzales has been allocated \$144,422 of which \$14,442 may be used to cover their administration program costs. Each city made funding decisions for the project activities that they want to undertake in their jurisdictions with their share of funding. These allocations are included in the Action Plan section of the Consolidated Plan and are subject to ratification by the Board of Supervisors. For recommendations for service activities; each city approved their respective project recommendations, which were forwarded to the CDBG Ad Hoc Committee for review and approval.

Project Activities

The County received eight applications for County projects but one was subsequently withdrawn. The remaining projects totaled \$1,509,511. Three of these projects are recommended for funding as described on page 97 of the Consolidated Plan. They include infrastructure improvements to the Chualar Waste Water Treatment Plant and Pump Station, purchase of construction materials for a public facility transitional housing unit at Rancho Cielo, and infrastructure improvements to the Aromas Water District to benefit the Oakridge and Via del Sol water system. The Del Rey Oaks City Council recommended one project consisting of public facility Americans with Disabilities (ADA) improvements to City Hall in the amount of \$24,463 and as described on page 98 of the Consolidated Plan. The Gonzales City Council recommended five projects totaling \$130,000 as described on page 98-99 of the Consolidated Plan. They include public facility improvements for a roof at a childcare center, Heating, Ventilation, and Air Conditioning (HVAC) at a childcare center, pedestrian lighting at Central Park, HVAC at a medical center, and curb ramp accessibility throughout the city.

Public Service Activities

The County received four applications for Urban County service activities requesting a total of \$155,391. Staff from each jurisdiction reviewed the applications and discussed the ranking and recommended funding levels which were then forwarded to each City Council for consideration and recommendation for approval by the Board of Supervisors.

Based on the estimated amount of resources available, statutory restrictions, and the priority needs determined to have a high priority level, staff recommendations for the Fiscal Year 2013-14 CDBG First Year Action Plan are shown on pages 93-94 and 97-103 of the Consolidated Plan. The recommended funding allocations are based upon an estimated funding award of \$800,000 from HUD. Should the actual award vary from the estimate, final funding allocations will be adjusted per the method outlined in the Consolidated Plan.

Analysis of Impediments to Fair Housing Choice (AIFHC)

HUD requires all entitlement jurisdictions that receive funding to provide an adopted AIFHC study which reviews and analyzes the following types of information and issues/concerns:

1. Analysis of the community profile to include demographic profile, income distribution, housing stock characteristics, and access to public transportation to determine the: development of housing patterns in relation to race, ethnicity, income and other characteristics.
2. Evaluation of fair housing complaints and violations to identify trends and patterns.
3. Analysis of public and private activities that may impede fair housing choices including, but not limited to, housing brokerage services and financing assistance, public policies and actions affecting the construction of affordable housing, and administrative policies concerning community development and housing activities.
4. Assessment of current public and private fair housing programs and activities.
5. Provision of conclusions and recommendations to further fair housing choice.

HUD Submittal

Once the Board of Supervisors takes action, the Consolidated Plan and AIFHC will be submitted to the U.S. Department of Housing and Urban Development (HUD) for final approval. A final copy of the documents will be made available on each participating jurisdiction's website and a hard copy will be available at the Economic Development Department immediately thereafter.