



County of Monterey

Item No.

Board Report

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

Legistar File Number: 24-637

September 24, 2024

Introduced: 9/16/2024

Current Status: Agenda Ready

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- a. Conduct a required public hearing to obtain residents' views and respond to proposals and questions received during the preceding 30-day public comment period regarding the Urban County Community Development Block Grant (CDBG) Consolidated Annual Performance and Evaluation Report (CAPER) for FY23/24;
- b. Receive and Accept the CAPER for FY23/24;
- c. Authorize the Director of Housing and Community Development to submit the CAPER to the U.S. Department of Housing and Urban Development (HUD);
- d. Approve the Urban County CDBG CAPER for FY23/24 for submittal to the U.S. Department of Housing and Urban Development (HUD); and,
- e. Authorize the Director of Housing and Community Development to make minor changes to the CAPER as needed or in response to comments from HUD.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Conduct a required public hearing to obtain residents' views and respond to proposals and questions received during the preceding 30-day public comment period regarding the Urban County Community Development Block Grant (CDBG) Consolidated Annual Performance and Evaluation Report (CAPER) for FY23/24;
- b. Receive and Accept the CAPER for FY23/24;
- c. Authorize the Director of Housing and Community Development to submit the CAPER to the U.S. Department of Housing and Urban Development (HUD);
- d. Approve the Urban County CDBG CAPER for FY23/24 for submittal to the U.S. Department of Housing and Urban Development (HUD); and,
- e. Authorize the Director of Housing and Community Development 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. To remain eligible for HUD CDBG funds, the County is required to conduct two public hearings annually on CDBG funding priorities and goals. The County adopts an Action Plan annually in May following a public comment period and public hearing. The second public hearing is held the following September when the Board of Supervisors considers the Consolidated Annual Performance and Evaluation Report (CAPER) of the prior fiscal year Annual Action Plan. The CAPER 30-day public comment period began on August 15, 2024, and will conclude with this public hearing to consider the CAPER. The CAPER summarizes accomplishments for FY23/24 to date.

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 prioritize activities which primarily 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 FY23/24, the County was allocated \$1,191,644 in regular CDBG funding and \$375,000 in funds from prior years projects that were unused. CDBG regulations cap the amount of grant funding that may be used for administrative costs at 20% and the amount allocated to public services at 15% of the grant amount. The remaining 65% of the grant funds must be used for projects that support affordable housing, community facilities, and infrastructure that primarily benefit low-moderate income persons and households.

DISCUSSION:

The County's Consolidated Plan, which is prepared every five years and guides development of the Annual Action Plans (AAP), identified seven programmatic areas for CDBG funding priorities that primarily benefit low- and 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 FY23/24 is summarized below.

The Consolidated Annual Performance and Evaluation Report (CAPER) closes the 2023-24 fiscal year, July 1, 2023-June 30, 2024, by summarizing the accomplishments and the progress the Urban County made towards the goals and objectives it established in its AAP. The FY23/24 AAP was approved by the Board of Supervisors on May 9, 2023. The AAP allocated CDBG funds in the amount of \$949,573 for three public facility projects in South Monterey County, \$205,000 for two public facility projects in North Monterey County, \$178,747 for eight public service activities, and \$238,325 for general program administration.

Public Facilities - The Urban County allocated \$347,382 for Gonzales Community Center, \$427,191 for Greenfield Walnut Avenue Pedestrian improvements, \$5,000 to Aromas community sidewalks, \$175,000 to San Lucas Solar Streetlights, and \$200,000 to Las Lomas Sidewalks. San Lucas Solar Streetlights was completed in April 2024. Other projects are currently under construction and will be reported on in the FY24/25 CAPER.

Public Services - During FY23/24, the Urban County allocated approximately \$178,747 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 1,694 primarily low- and moderate-income Monterey County residents last year.

Area Agency on Aging: 104
Boys & Girls Clubs of Monterey County: 624
Girls, Inc.: 93
Interim, Inc. 23
Meals on Wheels of the Monterey Peninsula: 126
Meals on Wheels of the Salinas Valley: 29
YMCA: 695

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 FY23/24. Both agencies assisted approximately 434 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.

Eden Council for Hope & Opportunity: 134
Legal Services for Seniors: 300

The County budgets the maximum amount possible for general administration even if it may not need the full amount. Any unused public service or general administration funds may only be used for affordable housing, community facilities, or public facilities in a subsequent year. The Urban County will rollover approximately \$65,000 from these FY23/24 sources to FY24/25. As approved by the Board when it adopted the 2024-2025 Annual Action Plan, these funds will be used to fund solar empowerment for the Veterans Transition Center housing units dedicated to Veterans facing homelessness or housing insecurity.

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 FY24/25 appropriations, revenues, or positions as it reports on outcomes for the prior fiscal year. 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 FY23/24 CAPER to HUD by September 30, 2024, is required 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 \$1.19 million annually.

Economic Development

- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Approved by: Craig Spencer, Director of Housing & Community Development, x5233 CS

The following attachments are on file with the Clerk of the Board:

Attachment A - Draft CAPER for FY23/24