

## ATTACHMENT A

### DISCUSSION

#### **BACKGROUND**

On July 1, 2013, the County of Monterey, in partnership with the cities of Del Rey Oaks and Gonzales, was designated an Urban County by the U.S. Department of Housing and Urban Development (HUD). With this designation the County was “entitled” to receive an allocation of Community Development Block Grant (CDBG) funds directly from HUD and without having to compete for funding through the State CDBG program. To receive this designation, the County completed an Analysis of Impediments to Fair Housing (AI) and a Consolidated Plan (CP). Both documents were valid for a period of five-years. In 2017, HUD issued new requirements for the AI that included direction to work with other jurisdictions within the County that also received funding from HUD to prepare one AI document. HUD also granted the County an extension for the 2013 CP so that the AI could be completed, and all jurisdictions had their CP cycles synchronized. This effectively extended the County’s 2013 CP through June 30, 2020.

After extensive community consultation the Board adopted the Monterey County Analysis of Impediments to Fair Housing Choice on June 25, 2020. This action laid the groundwork for the County to begin preparing the FY 2020-2024 Consolidated Plan. On December 20, 2019, a funding workshop was held for interested parties to learn about the Urban County CDBG program, help identify unmet or underserved needs in the community that the CDBG funds may be used to address, and to learn how to apply for CDBG funding. On the same day, the Urban County issued a Notice of Funding Availability (NOFA) to more than 190 public and non-profit service agencies soliciting funding proposals for the Urban County’s FY 2020-2021 Annual Action Plan. The Board of Supervisor’s Monterey County Urban County Standing Committee met on March 5, 2020, April 8, 2020, and April 13, 2020 to develop funding recommendations for the FY 2020-2021 Annual Action Plan and take additional public comment on unmet or underserved community development needs. On June 6, 2020, the draft 2020-2024 Consolidated Plan, including the 2020-2021 Annual Action Plan, was released for a 30-day public review. The documents were also made available on the websites of the County, Del Rey Oaks, Gonzales, Greenfield, and Sand City. 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 FY 2020-2024 Consolidated Plan and the proposed Action Plan for FY 2020-2021 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. During the time covered by the Consolidated Plan, the Urban County will receive approximately \$6,940,220 in CDBG funding. Attachment A.1 shows how this funding will likely be distributed between the County and the cities participating in the Urban County..

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The Consolidated Plan consists of four distinct parts. The first part is a needs assessment of the Urban County and begins on page 15 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 need's assessment. The second part is a Housing Market Needs Analysis. The third 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 85 of the Consolidated Plan. The following priorities were identified for the Draft FY 2020-2024 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 fourth part of the Consolidated Plan (beginning on page 116) 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.

During the five-year Consolidated Plan period, the Urban County will receive approximately \$6.9 million in CDBG funding. It is anticipated that the Urban County will receive \$1,398,044 of CDBG funds in FY 2020-21. 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 and households earning no more than 80% of Area Median Income.

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. The only mandated activity that the Urban County must fund is providing fair housing services. There are limits placed on the amounts that may be used for public services and general

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administration. The total of public service contracts cannot exceed 15% of the total grant. Administration costs cannot exceed 20% of the total grant. The Urban County may fund fair housing services under either the public service or general administrative caps.

#### **City Participation**

Funding allocations for city partners are \$10,000 annually each for Del Rey Oaks and Sand City; \$162,000 annually for Gonzales; and, \$280,000 annually for Greenfield. The County's allocation for projects in the unincorporated areas was \$460,229. These amounts roughly equate to how HUD would allocate funds to each jurisdiction if they were eligible to for designation as an entitlement community.

#### **Project Activities**

The County received four applications for projects requesting a total of \$1,952,229. Two of the projects are recommended for funding as described on pages 140-141 of the Consolidated Plan. The first project, requesting \$70,000, was submitted by the North County Recreation and Parks District and continues to implement the District's Capital Facility Master Plan by upgrading the heating system, installation of solar lighting, and installation of an automated fire suppression system. The second project, requesting \$832,229, was submitted by the North County Fire Protection District and will fund the purchase of a new Type 1 fire engine. The new fire engine will be based out of Station 3 and serve the predominately low-moderate areas of Elkhorn, Las Lomas and Pajaro. The Environmental Justice Coalition for Water's Disadvantaged Community Water Improvement project is not ready for funding and will be considered at a future time.

#### **Public Service Activities**

The Urban County has \$208,207 available to fund public services. The County received 11 applications for public service activities requesting a total of \$275,000. Staff from each jurisdiction reviewed the applications and discussed the ranking and recommended funding levels which were then forwarded to the Monterey County Urban Standing Committee for consideration and recommendation for approval by the Board of Supervisors.

Based on the amount of funding available, statutory restrictions, and the priority needs determined to have a high priority level, the Monterey County Urban Standing Committee funding recommendations for the 2020-21 Annual Action Plan are shown on pages 124-142 of the Consolidated Plan. Nine public service activities are recommended for funding. These activities include fair housing and tenant/landlord mediation; developing youth leaders; and addressing access to transitional and permanent housing. A complete list of agencies, the projects, amounts requested, and the recommended funding is included as Attachment A.2.

#### **HUD Submittal**

Once the Board of Supervisors acts, the Consolidated Plan will be submitted to HUD for final approval. A final copy of the document will be made available on each participating jurisdiction's website and a hard copy will be available at the Economic Development Department immediately thereafter.