



# County of Monterey

## Item No.2

### Board Report

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

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- a. Conduct a workshop on the Community Development Block Grant (CDBG) Program; and,
- b. Provide direction to staff.

#### **RECOMMENDATION:**

It is recommended that the Urban County Standing Committee:

- a. Conduct a workshop on the Community Development Block Grant (CDBG) Program; and,
- b. Provide direction to staff.

#### **BACKGROUND:**

During the Committee's meeting on March 10, 2025, members expressed a desire to receive additional background information on the County's Community Development Block Grant (CDBG) Program. Specifically, the Committee was looking for additional information on:

- Outlook for the CDBG, and associated federal, programs.
- The purpose and history of the CDBG program in Monterey County.
- The 2025-2026 Annual Action Plan.
- Community outreach efforts and applicant information.
- The rating and ranking process.

#### **DISCUSSION:**

The Community Development Block Grant (CDBG) Program provides annual grants on a formula basis to state, cities, and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for the low- and moderate-income persons. The program is authorized under Title I of the Housing and Community Development Act of 1974, Public Law 93383, as amended 42 U.S.C. 5301 et seq. The program was designed to reinforce several important values and principles of community development:

- CDBG's flexibility empowers people and communities to design and implement strategies tailored to their own needs and priorities.
- CDBG's emphasis on consolidated planning expands and strengthens partnerships among all levels of government and the private sector in enhancing community development.
- CDBG's technical assistance activities and set-aside for grantees builds the capacity of these partners.

The CDBG Program is one of four U.S. Department of Housing and Urban Development (HUD) programs that requires the preparation of a single planning document, the 5-Consolidated Plan. The other three programs are the Emergency Shelter Grant (ESG), HOME Partnership Investment Act

(HOME), and the Housing for People with AIDS (HOPWA). The County has not received funding under these programs. The City of Salinas is the ESG recipient for Monterey and San Benito counties and the County has not reached the threshold criteria for HOPWA. HUD recently notified the County that it had reached the threshold to qualify for HOME entitlement funding. The County is working with its consulting team and HUD to prepare the required amendments to the Consolidated Plan to receive these funds.

There are two-CDBG Programs funded under federal law. Entitlement grants, which are made to communities that meet specified population and low-moderate income population requirements. States CDBG, which is administered by the states to make CDBG funding available to communities that are not qualified for the Entitlement program. Until 2013, the County competed for CDBG funding through the State Program.

Since 1987, the oldest documented CDBG activity in County records, the County has used more than \$25.8 million in grants and program income to support a variety of CDBG eligible activities. Approximately 60% of the County's CDBG expenditures have come since 2013, when the County attained Urban County Entitlement status. Detailed information on the use of CDBG funds by Supervisorial District can be found at <https://app.powerbigov.us/view?r=eyJrIjoiaNzc3MmU1ODktNDJlNi00Zjk1LWFiOGYtZmJjMTI2NjgyZmNmIiwidCI6ImNhNzFjMGFhLWEwMjgtNDNIYy04YzMwLTA1NmI2MGVhZmZxNCJ9>>

CDBG Program Year 2025-2026 is the first year of a new five-year Consolidated Plan Period. The Urban County begins this CP period in partnership with the cities of Gonzales, Greenfield, Marina, and Sand City. As partners in the Urban County, the County is required to expend at least some CDBG funding within each of these jurisdictions during the next three-years. The Urban County also looks to our partners to help identify, rate, and rank applications for the public service component of the CDBG Program.

Over the next five-years, the Urban County is expected to receive approximately \$7.1 million in new CDBG funds and \$50,000 in CDBG Program Income. By statute, the Urban County can use no more than 20% of new grant funds to manage the program, and 15% of new grant funds for public services. The Urban County can use up to 20% of program income for program management in the year it is received and 15% of program income for public services the year after it is received. To keep the program simple, the Urban County has historically allocated all program income to affordable housing, community or public facilities in the year it is received. If the Urban County does not use the full amount available to manage the program or for public services, the remaining funds may be used in a subsequent year for affordable housing, community or public facilities.

At its March 2025 meeting, the Committee had a lot of questions about how the Urban County conducted its outreach, so community organizations are aware of the funding opportunity and how Urban County and partner city staff developed funding recommendations. Attached to this report are several documents that provide additional information on information collected during the application process but not included in the Committee's materials in March. These documents are provided to facilitate a conversation with the Committee.

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Attachments:

- A. Application Summaries
- B. Application Details
- C. Application Extended Details
- D. Application Beneficiaries by Geography
- E. Application Outcomes
- F. Application Timeliness Report
- G. Application Scoring
- H. Urban County Email Contact List
- I. Urban County Outreach
- J. Historic CDBG Applications & Funding Recommendations