



# Monterey County

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

## Board Report

Legistar File Number: 19-0480

June 25, 2019

**Introduced:** 6/11/2019

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** General Agenda Item

- a. Accept public comments and close the public comment period for: the 2019-2020 Urban County Action Plan; the Monterey County Analysis of Impediments to Fair Housing Choice; and the 4th Amendment to the Urban County Citizen Participation Plan;
- b. Authorize the Housing Program Manager to submit the 2019-2020 Urban County Action Plan to the U.S. Department of Housing and Urban Development and execute documents required by HUD to implement the 2019-2020 Action Plan;
- c. Authorize the Housing Program Manager to execute Subrecipient Agreements with Urban County Grantees, including making minor changes as necessary, subject to review and approval by County Counsel, to implement the 2019-2020 Action Plan;
- d. Authorize the Housing Program Manager to execute the Signature Page for the Monterey County Analysis of Impediments to Fair Housing Choice and submit the document to HUD as required; and,
- e. Approve the 4th Amendment to the Urban County Citizen Participation Plan.

### **RECOMMENDATION:**

It is recommended that the Board of Supervisors:

- a. Accept public comments and close the public comment period for: the 2019-2020 Urban County Action Plan; the Monterey County Analysis of Impediments to Fair Housing Choice; and the 4th Amendment to the Urban County Citizen Participation Plan;
- b. Authorize the Housing Program Manager to submit the 2019-2020 Urban County Action Plan to the U.S. Department of Housing and Urban Development and execute documents required by HUD to implement the 2019-2020 Action Plan;
- c. Authorize the Housing Program Manager to execute Subrecipient Agreements with Urban County Grantees, including making minor changes as necessary, subject to review and approval by County Counsel, to implement the 2019-2020 Action Plan;
- d. Authorize the Housing Program Manager to execute the Signature Page for the Monterey County Analysis of Impediments to Fair Housing Choice and submit the document to HUD as required; and,
- e. Approve the 4th Amendment to the Urban County Citizen Participation Plan.

### **SUMMARY:**

The Board of Supervisors is being asked to take public comment and close three simultaneous public hearings that are all related to the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant Program (CDBG). The first document under review is the Urban County's 2019-2020 Annual Action Plan (AP). This document details how the Urban County will use CDBG funds to meet the goals outlined in the 2013-2020 Consolidated Plan. The second document is the Monterey County Analysis of Impediments to Fair Housing Choice (AI). This

document is required by HUD before the Urban County can prepare the next Consolidated Plan, which is due in 2020, and outlines specific policies and actions the County should take to address fair access to housing. The third document is the 4th Amendment to the Urban County's Citizen Participation Plan (CPP). The CPP describes how the Urban County will engage with the community to allocate CDBG funds.

The Urban County includes the County of Monterey and the cities of Del Rey Oaks, Gonzales, Greenfield and Sand City. To receive its annual Community Development Block Grant (CDBG) grant allocation, the Urban County must adopt an Annual Action Plan which sets forth a description of eligible projects and programs to be funded.

At the time this staff report was prepared no public comments had been received regarding the AP or the 4th Amendment to the CPP. Comments regarding the AI were taken during a public hearing before the Seaside City Council.

**DISCUSSION:**

Monterey County was first designated as an entitlement community eligible to receive a formula allocation of CDBG funds in 2013. In order to maintain this designation as an Urban County, the County partners with the cities of Del Rey Oaks, Gonzales, Greenfield, and Sand City. As of April 5, 2019, HUD had not issued the final entitlement allocations for 2019-2020. During the 2019-2020 program year the Urban County will receive approximately \$1,391,792 in CDBG funding. This is approximately \$2,500 less than was available in 2018-2019. In addition to new CDBG funding, the Urban County is expected to receive Program Income totaling \$10,000 from loan repayments and a \$46,000, a one-time transfer of CDBG Program Income from the City of Del Rey Oaks in the amount \$46,000, and \$125,000 in unused project and general administration funds that were not used during 2018-2019 for total available funding of \$1,572,792.

The Urban County is required to prepare an Annual Action Plan (AP) that what activities will be funded with CDBG funds, and how approved funding recommendations for projects, services, and administration. To satisfy that requirement, Notices of Funding Availability (NOFA) were published in the four newspapers published by the South County Newspaper Group and the Monterey County Weekly announcing that the Urban County anticipated having CDBG funds in the amount of \$1,394,000 for FY 2019-2020. The Urban County may use up to \$209,149 to fund public service activities and \$278,865 for general administration of the CDBG program. The balance of the funds must be used for projects.

Since the public comment period opened on May 7, 2019, the Draft Annual Action Plan has been edited for clarity, to add information on the County's efforts to address the needs of homeless residents, and to delete two projects that have been determined to be ineligible for CDBG funding. The first deleted project is the North County Recreation & Park District's Skate Park Rehabilitation. After consultation with the County's CDBG consultant it was determined that this project is ineligible because it is properly classified as operations and maintenance. The second deleted project is the City of Gonzales 5th Street Planning Project. This project cannot demonstrate a clear nexus to serving a primarily low- and moderate-income community because it has the potential to increase commercial traffic through the community. Clean and redline versions of the Revised Draft AP are attached. No

public comments had been received regarding the AP as of the time this staff report was prepared.

The Analysis of Impediments to Fair Housing Choice, is a document required by HUD as a condition of receiving CDBG and other HUD administered federal funding. The AI is intended to: provide research on housing barriers; and, develop a plan to mitigate those barriers. In 2017, the Urban County entered a Memorandum of Understanding with the other entitlement jurisdictions in the County, the cities of Monterey, Salinas, and Seaside and the Housing Authority of the County of Monterey to prepare a regional AI. This effort has resulted in a more comprehensive AI than would have been produced by each of the jurisdictions working independently. The AI is subject to concurrent public comment periods administered by each of the participating cities and the HACM. The only comments received as of the date this staff report was prepared were positive observations on the data received by the Seaside City Council. An extract of the relevant Council Minutes is attached.

The Citizen Participation Plan sets forth the Urban County's policies and procedures for citizen participation in the use of CDBG funds. The CPP provides an opportunity for the community to work in partnership with the Urban County to identify needs and to allocate CDBG funds. The Fourth Amendment to the CPP addresses two issues. The first issue is a minor correction to the list of publications where notices for the AP, NOFA Workshops, Consolidated Plan and CPP amendments will be published. While reviewing the CPP to ensure it was followed with the AI, staff noticed that the publications where AP and Consolidated Plan notices were placed was different from those used for the AI. The second issue to notify the public that all draft and final documents will be made available through the websites of all Urban County jurisdictions. Previously these documents were only posted to the County website.

The Draft AP, AI, and 4th Amendment to the CPP have been available for public review and comment since May 7, 2019.

**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. The City of Del Rey Oaks has deferred receiving its \$10,000 annual allocation and \$46,000 CDBG program income to a future year. The City of Greenfield will use its allocation to purchase a new Type 1 Fire Engine for the City. The City of Sand City encumbered its six-year, \$60,000 allocation FY 2018-2019. County staff made recommendations for county projects to the Standing Committee. Staff from the three cities and the county made recommendations to the Standing Committee about funding for public services. On March 9, 2017, the Standing Committee reviewed the applications and made recommendations on funding that are included in the Draft Annual Action Plan. County Counsel has reviewed the Annual Action Plan as to form.

**FINANCING:**

This action does not change the current FY 2019-2020 appropriations, revenues or positions. 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.

The Housing and Economic Development Division has prepared a budget request of \$1,575,327 for

FY 2019-2020 based on the FY 2018-2019 funding level, Program Income and reprogramming funds that were not used in 2018-2019 funds for Fund 13, Unit Code 8518 (Community Development Grants), Appropriation Code CAO042. The budget request was prepared before HUD announced the lower than expected 2019-2020 allocation. There is no impact to the General Fund as a result of the Board's approval of the Action Plan, AI, or CPP.

**BOARD OF SUPERVISORS STRATEGIC INITIATIVES:**

Authorizing the Urban County to post the FY 2019-2020 Action Plan is the first step toward making an anticipated \$1,572,792 available to help local jurisdictions make improvements to public facilities and non-profit agencies to create new housing opportunities for the psychiatrically disabled, provide food security, help develop children and youth develop the social skills they need to be successful in life and help homeless veterans transition into housing.

Mark a check to the related Board of Supervisors Strategic Initiatives

- X Economic Development
- X Administration
- X Health & Human Services
- X Infrastructure
- X Public Safety

Prepared by: \_\_\_\_\_  
Darby Marshall, RHO Project Analyst II, Ext. 5391

Approved by: \_\_\_\_\_  
Anastacia Wyatt, Housing Program Manager, Ext. 5387

Attachments:

- Board Report
- Attachment A - Revised Draft 2019-2020 Urban County Annual Action Plan - Clean
- Attachment B - Revised Draft 2019-2020 Urban County Annual Action Plan - Redline
- Attachment C - Compilation of Public Comments on the AI to Fair Housing Choice
- Attachment D - 2019-5-7 - MC Reg AI to Fair Hsng Choice 2-28-19 Pub Rev Draft
- Attachment E - Signature Page for Monterey County AI to Fair Housing Choice
- Attachment F - 2019-5-7 - Public Review Draft Citizen Participation Plan - Clean