



County of Monterey

Item No.

Budget Committee

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

Legistar File Number: BC 24-016

March 28, 2024

Introduced: 2/8/2024

Current Status: Agenda Ready

Version: 1

Matter Type: Budget Committee

Support to authorize and direct the Auditor-Controller to amend the Fiscal Year (FY) 2023-24 Adopted Budget for the Housing and Community Development Department (HCD), Community Development Grant, Fund 013, Unit 8546, Appropriation Unit HCD005 to increase appropriations by \$367,912, financed by unassigned fund balance (\$122,911) and Community Development Block Grant (CDBG) funds (\$245,000) from prior years.

RECOMMENDATION:

It is recommended that the Budget Committee support to authorize and direct the Auditor-Controller to amend the Fiscal Year (FY) 2023-24 Adopted Budget for the Housing and Community Development Department (HCD), Community Development Grant, Fund 013, Unit 8546, Appropriation Unit HCD005 to increase appropriations by \$367,912, financed by unassigned fund balance (\$122,911) and Community Development Block Grant (CDBG) funds (\$245,000) from prior years.

SUMMARY:

The Community Development Grant (CDBG) program (“Program”) is a Federal Program that provides funding to local governments for financing a range of public services, facilities, and infrastructure improvements. The County qualifies for the Program as an “Urban County” by partnering with Cities within the County to meet population and demographic requirements for the Program. The County oversees the Program and adopts a five-year Consolidated Plan that contains objectives and goals that guide the allocation of funds to services, facilities, and improvements that meet those goals and objectives. Annually, the County allocates funding in the Annual Action Plan (AAP) to programs and projects that meet the objectives of the Consolidated Plan. The AAP will have funds allocated to projects that may not be completed in the FY the plan is created. Therefore, there are times that projects are not budgeted in the FY the plan is created, which currently totals \$170,000. In prior fiscal years, some of the funds allocated went unused and were returned to the Urban County to be reallocated in future years. Prior year’s recaptured funds (funds not spent on the program or project to which they were allocated) total \$75,000. The recaptured funds allow increased funding in the San Lucas solar lighting project. Additionally, \$122,911.78 was returned for an ineligible project and will be re-issued to an eligible project in Gonzales.

The recommended action is necessary to provide adequate appropriations to cover expenses for the North County Recreation and Park District non-operational heating system replacement project, San Lucas streetlights project, and City of Gonzales Community Center project.

DISCUSSION:

On July 7, 2020, the Board of Supervisors approved the Urban County’s 2020/2021 AAP (Legistar File No. 20-536 Board Order). The AAP included \$70,000 to the North County Recreation and Park District (2020/2021 Action Plan Summary) for upgrading the gymnasium that currently lacks heating, thereby making it extremely cold to use during the winter months and remove and replace the existing sprinkler system and play structure at the park on Crane Street in Castroville

On May 9, 2023, the Board of Supervisors approved the 2023/2024 AAP (Legistar File No. RES 23-072 Board Order). The AAP allocated \$100,000 to San Lucas solar street light improvements. The AAP also has a provision if any unused funds from prior years are available, up to \$75,000 may be allocated to the project. Unused funds were identified, and the project was increased to a total of \$175,000 (2023/2024 Action Plan Summary).

On January 9, 2024, the Board of Supervisors approved the First Substantial Amendment to the 2023/2024 AAP (Legistar File No. RES 23-904 Board Order). The original AAP includes funding for the City of Gonzales Community Center Project in the amount of \$347,382. The project also received funds in the amount of \$357,475 in the 2022/2023 AAP. U.S. Department of Housing and Urban Development (HUD) recently completed a monitoring of the County of Monterey’s Urban County CDBG Program and found that the County improperly reimbursed the City of Gonzales in the amount of \$122,911.78 for ineligible work to reroof the City Council Chamber building. HUD required the County have the funds returned, which was completed on November 6, 2023. The First Substantial Amendment allocates the returned funds of \$122,911.78 to the City of Gonzales’ eligible project, the Community Center.

OTHER AGENCY INVOLVEMENT:

None.

FINANCING:

The appropriation increase on Fund 013 (Community Development) shall use incoming grant funds for \$245,000 and Unassigned Fund Balance for \$122,912. Prior years CDBG grant funds have not been used and are still available for the County to drawdown. \$18,660 from 2018/2019 AAP, \$224,985 from 2019/2020 AAP, and \$1,355 from 2020/2021 AAP for a total of \$245,000.

Unassigned Fund Balance is coming from program income returned from the City of Gonzales. The recommended action will have no impact on the General Fund.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommended action will address the Board’s commitment to infrastructure improvements that support affordable housing and public safety through accessibility improvements.

Mark a check to the related Board of Supervisors Strategic Initiatives

- 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 HCD:

Attachment A - Legistar File 20-536 Board Order

Attachment B - 2020-2021 Action Plan Summary

Attachment C - Legistar File RES 23-072 Board Order

Attachment D - 2023-2024 Action Plan Summary

Attachment C - Legistar File RES 23-072 Board Order

Attachment D - 2023-2024 Action Plan Summary

Attachment E - Legistar File RES 23-904 Board Order