



Monterey County

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Report

Legistar File Number: 17-0370

May 09, 2017

Introduced: 4/12/2017

Version: 1

Current Status: Scheduled AM

Matter Type: General Agenda Item

Conduct a Public Hearing to consider:

- a. Approving proposed amendments to the Citizen Participation Plan (CPP) to incorporate new U.S. Department of Housing and Urban Development (HUD) requirements to prepare an Assessment of Fair Housing (AFH), and to take comments on the draft Urban County Community Development Block Grant (CDBG) Annual Action Plan for Fiscal Year 2017-2018;
- b. Authorizing the Director of Economic Development to submit the amended CPP to HUD as required;
- c. Approving the Fiscal Year 2017-18 Annual Action Plan, containing recommendations for funding of projects and programs;
- d. Authorizing the Director of Economic Development to submit the Fiscal Year 2017-18 Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD) and to execute documents required by HUD to implement the Fiscal Year 2017-18 Action Plan;
- e. Approving a Subrecipient Agreement template, to be used to distribute Fiscal Year 2017-18 Urban County grants to approved projects and programs;
- f. Authorizing the Director of Economic Development to execute completed Subrecipient Agreements based on the approved Subrecipient Agreement template with Urban County grantees, including making minor changes as necessary, subject to review and approval by County Counsel as to form and legality, to implement Urban County Fiscal Year 2017-18 projects and programs listed in the Annual Action Plan; and,
- g. Approving an allocation of Urban County CDBG and program income funds for Fiscal Year 2017-18 of \$1,168,660.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approving proposed amendments to the Citizen Participation Plan (CPP) to incorporate new U.S. Department of Housing and Urban Development (HUD) requirements to prepare an Assessment of Fair Housing (AFH), and to take comments on the draft Urban County Community Development Block Grant (CDBG) Annual Action Plan for Fiscal Year 2017-2018;
- b. Authorizing the Director of Economic Development to submit the amended CPP to HUD as required;
- c. Approving the Fiscal Year 2017-18 Annual Action Plan, containing recommendations for funding of projects and programs;
- d. Authorizing the Director of Economic Development to submit the Fiscal Year 2017-18 Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD) and to execute documents required by HUD to implement the Fiscal Year 2017-18 Action Plan;
- e. Approving a Subrecipient Agreement template, to be used to distribute Fiscal Year 2017

- 18 Urban County grants to approved projects and programs;
- f. Authorizing the Director of Economic Development to execute completed Subrecipient Agreements based on the approved Subrecipient Agreement template with Urban County grantees, including making minor changes as necessary, subject to review and approval by County Counsel as to form and legality, to implement Urban County Fiscal Year 2017-18 projects and programs listed in the Annual Action Plan; and,
- g. Approving an allocation of Urban County CDBG and program income funds for Fiscal Year 2017-18 of \$1,168,660.

SUMMARY:

The U.S. Department of Housing and Urban Development (HUD) has re-qualified the County of Monterey as an Urban County for entitlement purposes for Fiscal Year (FY) 2017-18 through FY 2019-2020. The Urban County includes the County of Monterey and the cities of 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. The Annual Action Plan is to be submitted to HUD by May 15, 2017.

DISCUSSION:

Since the first award of an allocation from HUD in FY 2013-14, the Urban County has received \$3,775,263 for use in the jurisdictions of Del Rey Oaks, Gonzales, Greenfield, Sand City and the unincorporated areas of the County of Monterey. For FY 2017-2018, the HUD allocation is anticipated to be \$1,156,760. The Urban County also anticipates receiving loan repayments totaling \$11,900 in FY 2017-18 for total available financing of \$1,168,660. Beginning with FY 2016-2017, the City of Del Rey Oaks opted out of the Urban County and the cities of Greenfield and Sand City joined the Urban County.

Each year, HUD recipients are required to submit an Action Plan to HUD which includes approved funding recommendations for projects, services, and administration. To satisfy that requirement, Notices of Funding Availability (NOFA) were published in El Sol, the South County Newspaper Group and the Monterey County Weekly announcing that the Urban County anticipated having CDBG funds in the amount of \$1,168,660 for FY 2017-2018. The Urban County may use up to \$173,514 to fund public service activities and \$233,732 for general administration of the CDBG program. The balance of the funds must be used for projects.

On December 15, 2016, an application workshop for interested parties was held at the County Government Center. The Urban County received four applications requesting \$937,311 for projects to improve existing community facilities and to rehabilitate homes owned by low or moderate income households. The Urban County also received nine applications requesting \$308,814 for public service activities. On March 9, 2017, the Urban County Standing Committee (Standing Committee) reviewed the applications received for funding and made recommendations which have been incorporated into the Annual Action Plan.

On March 28, 2017, the Board of Supervisors authorized staff to circulate the Draft Fiscal Year 2017-18 Annual Action Plan, including funding recommendations, for public comment. The Draft Annual Action Plan is attached to this report as Exhibit A and a summary of the funding

recommendations is attached as Exhibit B. Public Notices announcing that the Draft Fiscal Year 2017-18 Annual Action Plan was available for review and comment were published on April 5th, April 6th, and April 8th in the following newspapers: Coast Weekly, Gonzales Tribune, Soledad Bee, Greenfield News and the King City Rustler, and El Sol.

The purpose of the Public Hearing is to receive final comments on the revised Citizen Participation Plan and Draft Annual Action Plan for the FY 2017-18 CDBG program. In the absence of evidence and testimony to the contrary, it is recommended that the Board of Supervisors act to submit the Annual Action Plan to HUD for approval so that the County may receive its direct entitlement funding for FY 2017-18. A final copy of the documents will be made available on each participating jurisdiction's website and a hard copy will be available at the Economic Development Department immediately thereafter.

Additionally, the Subrecipient Agreement to be used to distribute grant funds to grant recipients is included for the Board's review and approval. The Board had previously approved a similar document when the Urban County program was first established. The Board is asked to authorize the Director of the Economic Development Department to execute the Subrecipient Agreement with Urban County subrecipients, with minor changes as necessary, subject to County Counsel's review and approval as to form and legality. The Subrecipient Agreement template is attached to this report as Exhibit C.

In July 2015, HUD issued a Final Rule that requires public housing authorities and Consolidated Planning agencies to conduct and Assessment of Fair Housing as part of their consolidated planning process. This new requirement replaces the Analysis of Impediments to Fair Housing (AI) with a more rigorous evaluation of fair housing issues facing the jurisdiction and to develop specific goals to address these issues. The Final Rule also requires jurisdictions to update their Citizen Participation Plan (CPP) to reflect this new requirement. A draft of the amended Citizen Participation Plan is attached as Exhibit D. The Urban County's CPP requires the Board of Supervisors to conduct a public hearing to solicit comments on any proposed amendments to the CPP before it is adopted. In the absence of evidence and testimony to the contrary, it is recommended that the Board of Supervisors act to submit the amended CPP to HUD as required.

OTHER AGENCY INVOLVEMENT:

The cities of Gonzales, Greenfield, and Sand City have partnered with the County to be re-qualified as a HUD designated Urban County. The City of Gonzales approved an allocation to make ADA accessibility improvements to their City Hall and Council Chambers. The cities of Greenfield and Sand City elected to roll their annual allocation over to 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 regarding programs. On March 9, 2017, the Standing Committee reviewed the applications and made recommendations on funding that are included in the Annual Action Plan. County Counsel has reviewed the Annual Action Plan as to form and legality.

FINANCING:

This action does not change the current FY 2016-2017 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 Economic Development Department has prepared a budget request for FY 2017-18 based on the FY 2016-2017 funding level plus \$11,900 from Program Income for Fund 13, Unit Code 8200 (Community Development Grants), Appropriation Code DEO 003. There is no impact to the General Fund because of the Board's approval of the Action Plan. Should the actual grant from HUD be less than the \$1,156,760 received in FY2016-2017, the amount made available to subrecipients will be reduced on a pro-rata basis.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Authorizing the Urban County to post the FY 2017-18 Action Plan is the first step toward making an anticipated \$1,168,660 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
- __ Administration
- X Health & Human Services
- X Infrastructure
- X Public Safety

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

Approved by: _____
David L. Spaur, CEcD, EDFP, Economic Development Director, Ext. 5387

Attachments:

- Exhibit A - Fiscal Year 2017-18 Draft Annual Action Plan
 - Exhibit B - FY 17-18 Urban County Funding Recommendations
 - Exhibit C - Subrecipient Agreement Template
 - Exhibit D - Draft Amended Citizen Participation Plan Clean and Redline Versions
- (Attachments are on file with the Clerk of the Board)