



Monterey County

Item No.56

Board Report

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

Legistar File Number: RES 21-150

August 24, 2021

Introduced: 8/13/2021

Current Status: RMA Administration -
Consent

Version: 1

Matter Type: BoS Resolution

Adopt a resolution to:

- a. Enter into a Joint Exercise of Powers Agreements and Cooperation Agreements (JPA and CA) with Del Rey Oaks, Gonzales, Greenfield, and Sand City to participate in Monterey County's CDBG Urban County Consortium for the period of July 1, 2022 to June 30, 2025;
- b. Authorize the County Administrative Officer to sign the JPA and CA;
- c. Authorize the County Administrative Officer to make minor modifications to the JPA and CA as necessary to comply with federal requirements and as directed by the U.S. Department of Housing and Urban Development (HUD); and,
- d. Authorize the Housing and Community Development Director to submit the JPA and CA and other necessary documents to the U.S. Department of Housing and Urban Development to requalify for and receive direct entitlement funds as an Urban County.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Adopt Resolution to:

- a. Enter into a Joint Exercise of Powers Agreements and Cooperation Agreements (JPA and CA) with Del Rey Oaks, Gonzales, Greenfield, and Sand City to participate in Monterey County's CDBG Urban County Consortium for the period of July 1, 2022 to June 30, 2025;
- b. Authorize the County Administrative Officer to sign the JPA and CA;
- c. Authorize the County Administrative Officer to make minor modifications to the JPA and CA as necessary to comply with federal requirements and as directed by the U.S. Department of Housing and Urban Development (HUD); and,
- d. Authorize the Housing and Community Development Director to submit the JPA and CA and other necessary documents to the U.S. Department of Housing and Urban Development to requalify for and receive direct entitlement funds as an Urban County.

SUMMARY:

The U.S. Department of Housing and Urban Development (HUD) qualified Monterey County, an Urban County Consortium for entitlement purposes on November 1, 2012. The County is required to requalify as an entitlement community every three-years. On its own, Monterey County does not qualify as an entitlement community and must therefore form an Urban County Consortium with cities in the County. The recommended actions will renew the Urban County Consortium and allow the County to requalify for the entitlement designation.

DISCUSSION:

The CDBG entitlement program provides annual federal grants on a formula basis to entitled cities and counties to develop viable urban communities and to expand economic opportunities. HUD awards grants to entitlement community grantees 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.

Entitlement grantees must give maximum feasible priority to activities which benefit low- and moderate-income (Low/Mod) persons. CDBG funds may not be used for activities which do not meet these broad national objectives.

There are two thresholds that must be met to be designated as an Urban County: 1) the unincorporated areas must have a population of at least 100,000; and 2) more than 50% of the Low/Mod population of the non-entitled cities and unincorporated areas of the county. On its own, the County does not meet the second threshold. In order to requalify, the County must partner with smaller cities to increase the number of Low/Mod persons covered by the Urban County Consortium.

The proposed Urban County Consortium is made up of the County and cities of Del Rey Oaks, Gonzales, Greenfield, and Sand City. This is the same composition as the current Consortium. As required by HUD, the County did extend an invitation to all non-entitlement cities to join the Consortium. In response the County received correspondence from the cities of Carmel-by-the-Sea, Pacific Grove and Soledad declining to join and no response from the cities of King City and Marina.

Based on the FY2021-22 funding amount, the Urban County Consortium is expected to receive approximately \$4,080,700 in new CDBG funds over the next three years. Of the total, the County will retain approximately \$816,150 to manage the program and \$612,100 will be allocated to public services not benefiting a specific community. The balance of the funding will be allocated as follows: Del Rey Oaks - \$50,000 (plus an additional \$40,000 in city Program Income); Gonzales - \$810,000; Greenfield - \$1,400,000; and the County - \$392,450. The County will also retain any unused administrative and public service funds for County sponsored projects. The City of Sand City received an advance of \$30,000 in FY 2019/20 and will not receive additional funding.

In July 2020, the Board adopted the Urban County Consolidated Plan for 2021- 2026. The Consolidated Plan describes existing conditions and how CDBG funds will be used to improve upon those conditions. The Consolidated Plan also included an outline of how the Urban County would program CDBG funding over a longer period than the term of the proposed JPA. Under the funding framework contained in the Consolidated Plan, the County took “advances” against funds it would receive during the 2022-2024 JPA period and skews the picture of how much the County will receive in future CDBG funds.

OTHER AGENCY INVOLVEMENT:

The County is required by HUD to allow all nine non-entitlement jurisdictions to participate in its application for designation as an Urban County. Staff from the cities of Del Rey Oaks, Gonzales, Greenfield, and Sand City have indicated that their cities want to continue participating in the Urban County Consortium and are presenting the Joint Powers and Cooperation Agreement to their respective city councils prior to the Urban County recertification application due date of August 27,

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2021. County Counsel has reviewed the Joint Powers Agreements and Cooperation Agreements as to form.

FINANCING:

There is no impact on the General Fund. Should HUD renew the grant for another three (3) years, the grant funding will include administrative funds in the amount of 20%. If future grants are awarded for FY23, FY24, and FY25, they will be budgeted as part of the Department's annual budget submission in Appropriation Code HCD005, Fund 013, Unit Code 8546 (Community Development Grants).

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The broad nature of the CDBG program means that it has the potential to support on any of the Board's Strategic Initiatives.

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: Erik V. Lundquist, AICP, Director

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The following attachments are on file with the Clerk of the Board:

Attachment A - Joint Powers and Cooperative Agreement

Attachment B - Draft Resolution