

**MONTEREY URBAN COUNTY
STANDING COMMITTEE**

MEETING:	February 1, 2021	Agenda Item:	
SUBJECT:	a. Review and approve staff recommendations and options for Community Development Block Grant (CDBG) CV3, Cares Act funding. b. Provide a recommendation to staff to conduct a substantial amendment to reprogram \$1,049,326 in CDBG-CV3 grant funds.		
DEPARTMENT:	Housing and Community Development (HCD) Department		

RECOMMENDATION

It is recommended that the Urban County Standing Committee:

- a. Review and approve staff recommendations and options for Community Development Block Grant (CDBG) CV3, Cares Act funding.
- b. Provide a recommendation to staff to conduct a substantial amendment to reprogram \$1,049,326 in CDBG-CV3 grant funds.

SUMMARY

In December 2020, the Urban County Standing Committee programmed The Coronavirus Aid, Relief and Economic Security (CARES) Act Community Development Block Grant Coronavirus funding round 3 (CDBG-CV3) funds to continue a rental assistance program. Recognizing significant funding was being made available by the Department of Treasury and SB91 for rental assistance programs, at its January 12, 2021 meeting the Board of Supervisors supported that should those funds become available in a timely manner, staff could return to the Board to reprogram the CDBG-CV3 funding.

Funding to Monterey County from the state and the federal government for rental assistance is anticipated to total approximately \$26,794,711. Therefore, staff is recommending that the CDBG-CV3 funds be reprogrammed to meet other community needs, as rental assistance funding is now abundant.

DISCUSSION

The Urban County Standing Committee initially reviewed and approved recommendations for CARES Act I funding on April 17th. CARES Act funds can be used for programs or projects that prevent, prepare for and respond to the coronavirus pandemic. Programs identified and funded were public service food programs through the Food Bank and Meals on Wheels, tenant/landlord services with Legal Services for Seniors and Echo Housing, and the 2-1-1 program through United Way.

CDBG regulations typically limit the maximum amount of annual grant funding that can be used to fund public services at a maximum of 15% of the total annual CDBG award. However, the CARES Act waives the public service cap to meet the needs in the community for the COVID crisis.

CDBG-CV3 CARES Act Funds

On September 28, 2020, HUD released The Coronavirus Aid, Relief and Economic Security (CARES) Act CDBG-CV3 funds in the amount of \$1,049,326 to Monterey County. Cares Act funding is intended to prevent, prepare for, and respond to coronavirus (CDBG-CV grants).

CDBG-CV3 funds were approved at the Budget Committee meeting on December 16, 2020. On December 18, 2020, the Urban County Standing Committee programmed CDBG-CV3 funds to continue a rental assistance program after CARES Act Relief funds expired on December 30, 2020. On January 12, 2021, staff presented a CDBG Substantial Amendment to the BOS to continue rental assistance funding. However, prior to the board meeting on January 12, 2021, the Department of Treasury announced substantial funding for rental assistance that is estimated to be over \$12,905,387. Staff recommended to the board that if these funds were available in a timely manner to assist the community, staff would return to the Urban County Standing Committee to reallocate CDBG funds. The Board agreed this was a good strategy. Additionally, on January 28, the state passed SB91 that appropriated additional rental assistance funding in the amount of \$13,889,324 to the county. The total block grant to Monterey County from the state and the federal government for rental assistance is anticipated to be approximately \$26,794,711. Therefore, staff is recommending that the CDBG-CV3 funds are reprogrammed as rental assistance funding is abundant and CDBG funds can be used for other community needs.

Staff has coordinated funding needs under CDBG-CV3 with the Department of Social Services (DSS) and DSS has identified three (3) options for use of these funds to meet critical needs in the County. The first option would be to continue Project Roomkey (PRK). Currently, there are approximately 30 participants in the program with an additional 25 community members on a waitlist that cannot be served due to the program expecting to run out of funds by February 18, 2021. PRK houses medically fragile persons who are experiencing homelessness in non-congregate shelter hotel rooms. Participants for this program are determined to be at the highest risk for complications should they contract COVID-19, and providing non-congregate shelter is recommended by state and federal guidance as a best practice response for this population. The program is conducted through the County Office of Emergency Services with DSS and by the Coalition of Homeless Services Providers. The cost of PRK is approximately \$300,000/month.

A second option is that staff allow for an abbreviated application period to accept applications from eligible participants and return to the Urban County Standing Committee to review and reprogram funding within the next two months with a CDBG Substantial Amendment.

A third option is that the Committee agrees to move forward with PRK for now and should the funds be determined to not be needed or another funding source determined to continue the program, staff will move forward with an abbreviated application period and accept applications and return to the Committee for recommendations to move forward with the Substantial Amendment to CDBG funds.

Prepared by: Anastacia Wyatt, Housing Program Manager

Reviewed by: Lauren Suwansupa, Department of Social Services

Approved by: Melanie Beretti, Housing and Special Programs Services Manager