



Legislation Details (With Board Report)

**File #:** 13-0114      **Name:** CDBG Urban County Program  
**Type:** General Agenda Item      **Status:** Passed  
**File created:** 1/25/2013      **In control:** Board of Supervisors  
**On agenda:** 2/12/2013      **Final action:** 2/12/2013

**Title:** a. Receive a report on Monterey County’s Urban County program;  
b. Conduct a Public Hearing to take comment on the potential allocation of Community Development Block Grant Program (CDBG) funds estimated to be \$800,000 in fiscal year 2013/2104; and  
c. Create an Ad Hoc committee consisting of two Board of Supervisors members to review and recommend funding for County projects and review and comment on the Consolidated Plan documents; and  
d. Invite a representative from the cities of Gonzales and one from Del Rey Oaks to participate on the Ad Hoc Committee to review and make recommendations for services.

**Sponsors:** Jim Cook

**Indexes:**

**Code sections:**

**Attachments:** 1. Table A-D Project Summary Tables, 2. CDBG - HUD Notification letter, 3. CDBG - Attach Public Notices, 4. Table A - Urban County Project Activities Requests, 5. Table B - Del Rey Oaks Recommended Project, 6. Table C - Gonzales Recommended Proj. Act., 7. Table D - Urban County Serv. Activities, 8. Completed Board Order

Date	Ver.	Action By	Action	Result
2/12/2013	1	Board of Supervisors	approved	Pass

a. Receive a report on Monterey County’s Urban County program;  
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d. Invite a representative from the cities of Gonzales and one from Del Rey Oaks to participate on the Ad Hoc Committee to review and make recommendations for services.

**RECOMMENDATION:**

It is recommended that the Board of Supervisors:

- a. Receive a report on Monterey County’s Urban County program;
- b. Conduct a Public Hearing to take comment on the potential allocation of Community Development Block Grant Program (CDBG) funds estimated to be \$800,000 in fiscal year 2013/2104; and
- c. Create an Ad Hoc committee consisting of two Board of Supervisors members to review and recommend funding for County projects and review and comment on the Consolidated Plan documents; and
- d. Invite a representative from the cities of Gonzales and one from Del Rey Oaks to participate on the Ad Hoc Committee to review and make recommendations for services.

**SUMMARY:**

The U.S. Department of Housing and Urban Development (HUD) has qualified Monterey County together with the Cities of Del Rey Oaks and Gonzales as an Urban County for entitlement purposes. To receive the CDBG grant, the County must have an approved Consolidated Plan which includes an Action Plan and an Analysis of Impediments to Fair Housing. The Action Plan must include a description of eligible projects and programs to

be funded. The Public Hearing is required to complete the application process.

BACKGROUND:

On June 19, 2012, the County of Monterey approved the submittal of an application to the U.S. Department of Housing and Urban Development (HUD) to become a direct entitlement Urban County. The County entered into Cooperative Agreements with the Cities of Del Rey Oaks and Gonzales to meet the population and low/moderate income criteria for becoming an Urban County. On November 1, 2012, the County received HUD approval as an Urban County. The County hired VT+A, a well known consultant who prepares CDBG Consolidated Plans, to prepare the County's required Consolidated Plan. On November 26, 2012, a Notice of Funding Availability (NOFA) was issued for future CDBG funds. Over 200 agencies/jurisdictions/individuals were notified and the Public Notice was published in English and Spanish in four local newspapers. On December 5, 2012, two application workshops for interested parties were held at the County Government Center. Twenty three people attended representing seventeen non-profit agencies and jurisdictions. Eighteen applications for funding were received on January 2, 2013. On January 7, 8, and 9, 2013, community meetings were held to introduce the Urban County's CDBG program and to receive input on housing and community development needs from the public.

DISCUSSION:

The CDBG entitlement program provides annual federal grants 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 which benefit low and moderate (Low/Mod) income persons.

Each entitlement jurisdiction must prepare a Consolidated Plan that establishes CDBG activities for a five year period. For each individual Consolidated Plan year, entitlement cities must adopt a separate planning document called the Annual Action Plan. This document identifies how the Urban County will allocate CDBG funds for the upcoming year while meeting the goals established in the Consolidated Plan.

The Urban County CDBG grant award is estimated to be \$800,000 for fiscal year 2013/14. Three types of activities can be undertaken: projects, services, and administration. Project activities are generally infrastructure or construction projects. Service activities are programs benefitting Low/Mod individuals. Administration activities include direct and indirect costs associated with managing the grant. There are no restrictions on the amount of grant funds that can be allocated for project activities. There are limits placed on the other two activities. The total of public service contracts cannot exceed 15% of the total grant. Because HUD mandates that fair housing services must be a component of the CDBG services program and responses to the original NOFA were insufficient in this area, staff will issue a Request for Proposals seeking the provision of these services in February. Administration cannot exceed 20% of the total grant.

Ad Hoc Committee

This is the first year of the Urban County program for direct HUD CDBG entitlement. It is recommended that the Board select two Board members to review and recommend funding for county projects and public services to the Board. Del Rey Oaks and Gonzales have made their project activities recommendations to the Board as are shown in Tables B and C. It is recommended that a representative from each of the two partner jurisdictions, Gonzales and Del Rey Oaks, participate in the Ad Hoc Committee to review and recommend funding for that portion of the grant related to service activities. The Ad Hoc committee will need to meet prior to February 19, 2013 in order to incorporate funding recommendations in the Board report for the March 12, 2013 meeting. Final recommendations for funding of projects and services will then be forwarded to the Board of Supervisors for deliberation and action on March 12, 2013. It is also recommended that the Ad Hoc Committee review the draft Consolidated Plan documents in early March and provide comments to staff. The

process should include review of community comments and suggestions and prioritizing of the proposed goals for the CDBG program documents.

#### City Participation

Funding allocations for the first year for the two city partners are based upon poverty levels and population data. The City of Del Rey Oaks has been allocated \$27,181 of which \$2,718 may be used to cover their administration program costs. The City of Gonzales has been allocated \$144,422 of which \$14,442 may be used to cover their administration program costs. Each city has made funding decisions for the project activities subject to ratification by the Board of Supervisors.

#### Project Activities

The County received eight applications but one was subsequently withdrawn. The remaining requests total \$1,509,511. A summary of unincorporated County project activities requests is shown in Table A. The Ad Hoc Committee would review these applications (see the attached Requests for Funding Applications) and make recommendations to the Board.

The Del Rey Oaks City Council submitted and has recommended one application for ADA improvements to City Hall in the amount of \$24,463. The project activity request for Del Rey Oaks is shown in Table B.

The Gonzales City Council has recommended five projects totaling \$130,000. The project activities requests for Gonzales are shown in Table C.

#### Public Service Activities

The County received four applications for Urban County service activities requesting a total of \$155,391. Staff reviewed the applications and discussed the ranking and recommended funding levels which were then forwarded to each City Council for consideration and recommendation for approval by the Board of Supervisors. Summaries of the requests for service activities are shown in Table D. The Ad Hoc Committee would meet and make recommendations for public service activities. The recommendations will then be submitted to the County Board of Supervisor for final approval.

#### Consolidated Plan

The act of becoming an entitlement recipient as an Urban County requires that the County prepare a Consolidated Plan, Action Plan, and Analysis of Impediments to Fair Housing. These documents need to be submitted for approval by HUD no later than May 15, 2013. Staff recommends that the Ad Hoc Committee, including the city representatives, review the draft documents in early March and provide comment to staff and the consultant team. The draft documents will be noticed for a 30-day public review period beginning in early April. A Public Hearing is scheduled for May 7, 2013 to consider adoption of the documents.

#### Ad Hoc Committee Schedule

It is recommended that the Ads Hoc Committee meet prior to the dates below:

- **February 19, 2013 - Action:** Review and make funding recommendations for the CDBG program for FY 13-14
- **March 8, 2013 - Action:** Review and comment on draft CDBG document

Assuming adoption of the Consolidate Plan with funding recommendations, the Ad Hoc Committee would no longer be needed.

#### OTHER AGENCY INVOLVEMENT:

The Cities of Del Rey Oaks and Gonzales have partnered with the County to become a HUD designated Urban County.

FINANCING:

The HUD grant is a three year agreement, funded annually. Funding is currently estimated to be \$800,000 for the first year. The County expects formal notification of the amount of the grant award in March of 2013.

The grant will be budgeted in Community Development Grants, Fund 013, Unit Code 8200. When the grant is awarded, a separate Board action will be recommended to increase appropriations in Fund 13, Unit 8200, Appropriation Code DEO 003.

Prepared by:

Approved by:

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ATTACHMENTS:

- Requests for Funding Summary Tables A-D
- Letter from HUD Re: Designation as an Urban County of Monterey
- Public Notice
- Requests for Funding Applications (Tables A-D)