



Board Report

File #: 21-799, **Version:** 1

- a. Conduct a public hearing on Urban County Community Development Block Grant (CDBG) Consolidated Annual Performance and Evaluation Report (CAPER) for FY20/21;
- b. Consider the CAPER for FY20/21;
- c. Consider authorizing the Director of Housing and Community Development to submit the CAPER to the U.S. Department of Housing and Urban Development (HUD);
- d. Consider authorizing the Director of Housing and Community Development to make minor changes to the CAPER as needed in response to comments from HUD;
- e. Approve the Urban County CDBG CAPER for FY20/21 for submittal to the U.S. Department of Housing and Urban Development (HUD); and,
- f. Authorize the Director of Housing and Community Development to make minor changes to the CAPER as needed or in response to comments from HUD.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Conduct a public hearing on Urban County Community Development Block Grant (CDBG) Consolidated Annual Performance and Evaluation Report (CAPER) for FY20/21;
- b. Consider the CAPER for FY20/21;
- c. Consider authorizing the Director of Housing and Community Development to submit the CAPER to the U.S. Department of Housing and Urban Development (HUD);
- d. Consider authorizing the Director of Housing and Community Development to make minor changes to the CAPER as needed in response to comments from HUD;
- e. Approve the Urban County CDBG CAPER for FY20/21 for submittal to the U.S. Department of Housing and Urban Development (HUD); and,
- f. Authorize the Director of Housing and Community Development to make minor changes to the CAPER as needed or in response to comments from HUD.]

SUMMARY:

In 2012, the County of Monterey created a HUD Urban County Consortium to become a CDBG Entitlement community. To remain eligible for HUD CDBG funds, the County is required to conduct two public hearings annually on CDBG funding priorities and goals. The County adopts an Action Plan annually in May following a public comment period and public hearing. A second hearing is held to consider a Consolidated Annual Performance and Evaluation Report, known as the CAPER. The CAPER being considered by the Board today summarizes accomplishments for the FY20/21 CAPER.

CDBG funds may be used to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services. As an Entitlement community, the County and its consortium members must give maximum feasible priority to activities which benefit low- and moderate-income persons. Other eligible activities may aid in the prevention or elimination of slums or blight and activities that meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of

the community where other financial resources are not available to meet such needs. CDBG funds may not be used for activities which do not meet one of these national objectives.

In FY 20/21, the County had \$1,397,970 in CDBG funding available. CDBG regulations cap the amount of grant funding that may be used for administrative costs to 20% or \$277,566 toward program administration based on the FY20/21 allocation and 15% or \$208,175 toward public service projects. The Urban County also received a second allocation of \$1,049,326 in supplemental CARES Act funding for CDBG activities targeted at addressing the increased demand for public services related to the Novel Corona Virus pandemic. These supplemental funds are not included in this CAPER.

DISCUSSION:

The Consolidated Annual Performance and Evaluation Report (CAPER) closes the 2020-21 fiscal year, July 1, 2020-June 30, 2021, by summarizing the accomplishments and the progress the Urban County made towards the goals and objectives it established in its Annual Action Plan (AAP). The FY20/21 AAP was approved by the Board of Supervisors on July 7, 2020. The AAP allocated CDBG funds in the amount of \$912,229 for two public facility projects in North Monterey County; \$208,175 for nine public service activities; and, \$277,566 for general program administration.

The County's Consolidated Plan, which is prepared every 5-years and guides development of the AAPs, identified seven programmatic areas for CDBG funding priorities to primarily benefit low-moderate income communities. These programmatic areas are: Affordable Housing; Fair Housing; Homeless and Homeless Prevention Services; Infrastructure Improvements; Public Facilities; Public Services and General Program Administration. The Urban County's accomplishments in each of these areas during FY20/21 is summarized below.

Public Facilities - The Urban County allocated \$912,229 for improvements to community facilities that will primarily serve North Monterey County. These projects included: revitalizing recreational facilities in Castroville; and purchasing a new fire engine for the North Monterey County Fire Protection District. Both projects are incomplete. NCFPD has paid for, but not taken delivery of, the new fire engine because of long manufacturing lead times. The County is still completing the required environmental review to begin the North County Recreation and Park District's project.

Public Services - During FY20/21, the Urban County allocated approximately \$208,175 to support a wide range of public services. Services included youth leadership development programs in Gonzales, Greenfield, and North County; providing food security and companionship in North County and the Salinas Valley; and programs to help maintain the independence and quality of life for the disabled and seniors. These services benefitted an estimated 1,800 primarily low-moderate income Monterey County residents last year.

Fair Housing - The Urban County retained the services of the Eden Council for Hope and Opportunity (ECHO Housing) and Legal Services for Seniors (LSS) to provide fair housing activities during FY20/21. Both agencies assisted almost 800 people with fair housing services and tenant/landlord dispute resolution. The Tenant/Landlord Counseling Program provides information to tenants and landlords on their housing rights and responsibilities. Additionally, ECHO has trained mediators to assist in resolving housing disputes through conciliation and mediation. The primary objective of the program is to build awareness of housing laws and prevent homelessness. This has become particularly important during COVID and additional funds were allocated to both agencies to assist with the COVID crisis. ECHO Housing conducted weekly webinars in English and Spanish throughout the County.

Homeless and Homeless Prevention Services - The Urban County invested \$20,000 to support life skills counseling for residents of the Rancho Cielo Youth (18-24) Campus's Transitional Housing Program through the Public Service allocation.

Because of COVID some public service providers were not able to spend their full award during FY20/21. The County budgets the maximum amount possible for general administration even if it may not need the full amount. Any unused public service or general administration funds may only be used for affordable housing, community facilities, or public facilities in a subsequent year. The Urban County will rollover \$202,800 from these sources to FY21/22. As approved by the Board when it adopted the 2021-2022 Annual Action Plan, these funds will be used to fund sidewalk repairs around the North County Recreation & Park District's Castroville Recreation Center; housing rehabilitation by the Veterans Transition Centre; and to augment the available funding for the San Lucas sidewalk project.

OTHER AGENCY INVOLVEMENT:

The cities of Del Rey Oaks, Gonzales, Greenfield, and Sand City have partnered with the County to be designated as an Urban County.

FINANCING:

This action does not change the current FY2021-22 appropriations, revenues, or positions as it reports on outcomes for the prior fiscal year. 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.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Authorizing the Urban County to submit the FY20/21 CAPER to HUD by September 30, 2021, is required to keep the Urban County in compliance with HUD CDBG requirements. Continued eligibility for the Urban County designation will allow the County to continue to receive the Entitlement Allocation of CDBG from HUD, approximately \$1.35 million annually.

Check the related Board of Supervisors Strategic Initiatives:

- Economic Development Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Approved by: Erik Lundquist, Director of Housing & Community Development, x5154

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

Attachment A - Draft Consolidated Annual Performance and Evaluation Report for FY2020/21

