



County of Monterey

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

Board Report

File #: 21-364, Version: 1

- a. Accept public comments and close the public comment period for the Monterey Urban County 2021-2022 Community Development Block Grant Annual Action Plan;
- b. Adopt and authorize the Housing Program Manager to submit the 2021-2022 Annual Action Plan to the U.S. Department of Housing and Urban Development and execute documents required by HUD to implement the 2021-2022 Annual Action Plan; and
- c. Authorize the Housing Program Manager to execute Subrecipient Agreements with Urban County Grantees, including making minor changes as necessary, subject to review and approval by County Counsel, to implement the 2021-2022 Annual Action Plan.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Accept public comments and close the public comment period for the 2021-2022 Urban County Annual Action Plan;
- b. Adopt and authorize the Housing Program Manager to submit the 2021-2022 Urban County Action Plan to the U.S. Department of Housing and Urban Development (HUD) and execute any documents required by HUD to implement the 2021-2022 Annual Action Plan; and,
- c. Authorize the Housing Program Manager to execute Subrecipient Agreements with Urban County Grantees, including making minor changes as necessary, subject to review and approval by County Counsel, to implement the 2021-2022 Annual Action Plan.

SUMMARY:

The Board of Supervisors is being asked to take public comment and close the 30-day public comment period on the Monterey Urban County 2021-2022 Community Development Block Grant (CDBG) Annual Action Plan. The Urban County, for purposes of this plan, includes the County of Monterey and the cities of Del Rey Oaks, 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 that sets forth a description of eligible projects and programs to be funded.

The Annual Action Plan details how the Urban County will use CDBG funds to meet the goals outlined in the 2020-2024 Consolidated Plan. The Urban County will have approximately \$1,350,488 available to support CDBG eligible activities during 2021-2022. As of the drafting of this report, no comments have been received.

DISCUSSION:

Monterey County was first designated as an entitlement community eligible to receive a formula allocation of CDBG funds in 2013. To qualify for, and maintain, this designation as an Urban County, the County partners with the cities of Del Rey Oaks, Gonzales, Greenfield, and Sand City. The Urban County will receive \$1,340,488 in new CDBG Entitlement funding in 2021-2022. In addition, the Urban County is expected to receive Program Income totaling \$10,000 from loan repayments for total available funding of \$1,350,488. This is the third consecutive year that Urban County's funding under the entitlement formula decreased. Since the County received \$1,394,327 in 2018-2019, entitlement funding has gone down by \$53,839 or 4%.

In July 2020 the Board of Supervisors adopted the 2020-2024 Consolidated Plan. The Consolidated Plan provides strategic direction and identifies the types of projects that the Urban County anticipates funding with CDBG during the planning period. The Urban County is required to prepare an Annual Action Plan (AP) that identifies the specific activities will be funded with CDBG funds and how these activities will address the goals contained in the 2020-2024 Consolidated Plan. To ensure that the Urban County considers the widest possible number of activities, it annually issues a Notice of Funding Availability (NOFA) inviting funding proposals. The NOFA is published in El Sol (Spanish translation), the Monterey County Weekly, and the four newspapers published by the South County Newspaper Group. The NOFA is also emailed to more than 150 non-profit organizations that serve Monterey County. Central to the NOFA is the amount of available funding. For 2021-2022, the Urban County anticipates having \$1,350,488 in CDBG funding available. Federal law governing the CDBG program limits the Urban County to using no more than 15% of the new entitlement funding for public services and no more than 20% for general administration of the program. The only activity that is mandated is fair housing activities.

Funding proposals were due January 19, 2021. At the time applications were due, the Urban County received 10 proposals for public services requesting a total of \$276,217 and 3 proposals for public facilities requesting a total of \$1,066,317. County staff and representatives from its partner jurisdictions evaluated the public service requests and recommended eight for full funding. County staff evaluated the applications for public facilities and recommended one for funding to the Urban County Standing Committee (Standing Committee). The Standing Committee met on March 15, 2021 to review the applications and recommend project funding that is included in the Annual Action Plan. The Standing Committee's funding recommendations are included as Attachment B to this staff report. Eight public service activities are recommended for funding. These activities address a broad range of activities including youth leadership development, fair housing, and programs targeted to helping seniors maintain their independence. Construction of curbs, gutters, sidewalks, and drainage swales in San Lucas is the recommended public facility/infrastructure project. Attachment C provides information on all applicants and their proposed projects. The AAP proposes that any unallocated funds be allocated among a public works project in San Lucas, accessibility improvements at the North County Recreation & Park District's Recreation Center, and the Veterans Transition Center.

The Urban County uses two forms of non-standard Subrecipient Agreements (Attachments D and E) to implement the program with approved grantees. Subrecipient Agreements are used because the Urban County is not entering into the traditional purchase of goods or services when awarding funds to applicants. The Subrecipient Agreements incorporate most standard County requirements, particularly regarding insurance and requirements imposed by HUD to administer the CDBG program. Because the Urban County may contract with agencies that provide legal services, it was necessary to develop a second version of the Subrecipient Agreement to ensure client confidentiality (Attachment E).

No public comments had been received regarding the Annual Action Plan as of the time this staff report was prepared.

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. 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 about funding for public services and public facilities. On March 15, 2021, the Standing Committee reviewed the applications and made recommendations on funding that are included in the Draft Annual Action Plan. County Counsel has reviewed the Annual Action Plan and Subrecipient Agreement templates as to form.

FINANCING:

This action does not change the current FY 2021-2022 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 Housing and Community Development Department has prepared a budget of \$1,350,488 for the annual program for FY 2021-2022 based on notification by HUD of the FY2021-2022 funding amount and anticipated Program Income. The budget is included as part of Fund 13, Unit Code 8518 (Community Development Grants), Appropriation Code CAO042. There is no impact to the General Fund because of the Board's approval of the Annual Action Plan.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Authorizing the Urban County to post the FY 2021-2022 Annual Action Plan is the first step toward making an anticipated \$1,350,488 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 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

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

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Approved by: Mike Novo, AICP, Interim HCD Director

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

- Board Report
- Attachment A - Draft 2021-2022 Urban County Annual Action Plan
- Attachment B - Funding Recommendations
- Attachment C - Application Descriptions
- Attachment D - Subrecipient Agreement
- Attachment E - Subrecipient Agreement with Legal Privilege