



# County of Monterey

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

## Board Report

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**File #:** 19-0266, **Version:** 1

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- a. Conduct a public hearing to open the public comment period for the: 1) 2019-2020 Urban County Action Plan; 2) Monterey County Analysis of Impediments to Fair Housing Choice; and, 3) 4<sup>th</sup> Amendment to the Urban County Citizen Participation Plan;
- b. Continue the public hearings until June 11, 2019; and,
- c. Approve the Subrecipient Agreement templates to be used to distribute 2019-2020 Urban County Grants for programs and projects and authorize the Housing Program Manager to execute the Agreements subject to review and approval by the Office of the County Counsel.

### **RECOMMENDATION:**

It is recommended that the Board of Supervisors:

- a. Conduct a public hearing to open the public comment period for the: 1) 2019-2020 Urban County Action Plan; 2) Monterey County Analysis of Impediments to Fair Housing Choice; and, 3) 4<sup>th</sup> Amendment to the Urban County Citizen Participation Plan;
- b. Continue the public hearings until June 11, 2019; and,
- c. Approve the Subrecipient Agreement templates to be used to distribute 2019-2020 Urban County Grants for programs and projects, and authorize the Housing Program Manager to execute the Agreements subject to review and approval by the Office of the County Counsel.

### **SUMMARY:**

The Board of Supervisors is being asked to open three simultaneous public hearings that are all related to the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant Program (CDBG). The first document under review is the Urban County's 2019-2020 Annual Action Plan (AP) that details how the Urban County plans to allocate CDBG funds to meet the goals outlined in the 2013-2021 Consolidated Plan. The second document under review is the Monterey County Analysis of Impediments to Fair Housing Choice (AI). This document is required by HUD before the Urban County can prepare the next Consolidated Plan, which is due in 2021, and outlines specific policies and actions the County should take to address fair access to housing. The third document under review is the 4<sup>th</sup> Amendment to the Urban County's Citizen Participation Plan (CPP). The CPP describes how the Urban County will engage with the community.

The Urban County 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 which sets forth a description of eligible projects and programs to be funded.

### **DISCUSSION:**

Monterey County was first designated as an entitlement community eligible to receive a formula allocation of CDBG funds in 2013. In order to maintain this designation as an Urban County, the County partners with the cities of Del Rey Oaks, Gonzales, Greenfield, and Sand City. As of April 5, 2019, HUD had not issued the final entitlement allocations for 2019-2020. However, based on historic funding, the Urban County should receive approximately \$1.4 million. The Draft AP was prepared assuming that funding would remain unchanged from the prior year, \$1,394,327, the Urban County would receive loan repayments of \$10,000, a one-time transfer of CDBG Program Income from the City of Del Rey Oaks in the amount \$46,000, and \$125,000 in unused project and general administration funds that were not used during 2018-2019 for total available funding of \$1,575,327.

The Urban County is required to prepare an Annual Action Plan (AP) that details what activities will be funded with CDBG funds, and funding recommendations for projects, services, and administration. To satisfy that requirement, Notices of Funding Availability (NOFA) were published in the four newspapers published by the South County Newspaper Group and the Monterey County Weekly announcing that the Urban County anticipated having CDBG funds in the amount of \$1,394,000 for FY 2019-2020. The Urban County may use up to \$209,149 to fund public service activities and \$278,865 for general administration of the CDBG program. The balance of the funds must be used for projects.

On December 14, 2018, an application workshop for interested parties was held at the County Government Center. The Urban County received five applications requesting \$1,698,998 for projects to improve existing community facilities, purchase land for developing affordable housing in Greenfield and to rehabilitate homes owned by low- or moderate-income households. The Urban County also received 12 applications requesting \$253,500 for public service activities. On March 21, 2019, the Urban County Standing Committee (Standing Committee) reviewed the applications received for funding and made recommendations which have been incorporated into the Draft AP and are summarized in the attachment 2019-2020 Urban County Funding Allocations.

The Draft AP, and specifically section AP-15 Expected Resources and AP-38 Project Summary, is subject to change based on the final entitlement allocations. The Board's Urban County Standing Committee directed that any additional funding received from HUD or unanticipated loan repayments be allocated first to the Environmental Justice Coalition for Water's project. If the entitlement allocation is less than was available in 2018-2019, the project awards will be adjusted accordingly.

The Analysis of Impediments to Fair Housing Choice (AI), is a document required by HUD as a condition of receiving CDBG and other HUD administered federal funding. The AI is intended to provide research on housing barriers and develop a plan to mitigate those barriers. In 2017, the Urban County entered a Memorandum of Understanding with the other entitlement jurisdictions in the County, the cities of Monterey, Salinas, and Seaside and the Housing Authority of the County of Monterey to prepare a regional AI. This effort has resulted in a more comprehensive AI than would have been produced by each of the jurisdictions working independently. It also means that the AI takes a more regional approach to addressing access to housing.

The Citizen Participation Plan sets forth the Urban County's policies and procedures for citizen participation in the use of CDBG funds. The CPP provides an opportunity for the community to work in partnership with the Urban County to identify needs and to allocate CDBG funds. The Fourth Amendment to the CPP addresses two issues. The first issue is a minor correction to the list of publications where notices for the AP, NOFA Workshops, Consolidated Plan and CPP amendments will be published. While reviewing the CPP to ensure it was followed with the AI, staff noticed that the publications where AP and Consolidated Plan notices were placed was different from those used for the AI. Secondly, the Amendment notifies the public that all draft and final documents will be made available through the websites of all Urban County jurisdictions. Previously these documents were only posted to the County website. The CPP is also being reviewed by the Civil Rights Office for compliance with the County's Title VI Civil Rights Implementation Plan and Community Engagement Guide.

After the Board of Supervisors opens the public hearing, the Draft AP, AI, and 4<sup>th</sup> Amendment to the CPP will be made available for public comment for a period of 30 days. These documents will then be brought back to the Board on June 11, 2019. At that time, the Board will be advised of all public comments received and recommendations to address those comments. Copies of the draft and approved Urban County AP for 2019-2020, AI, and CPP will be made available on each participating jurisdiction's website and a hard copy will be available at Monterey County's Economic Development Department office and the city halls of Del Rey Oaks, Gonzales, Greenfield and Sand City during and after the public comment period.

#### **OTHER AGENCY INVOLVMENT**

The cities of Del Rey Oaks, Gonzales, Greenfield, and Sand City have partnered with the County to be designated as an Urban County. The City of Del Rey Oaks has deferred receiving its \$10,000 annual allocation and \$46,000 CDBG program income to a future year. The City of Gonzales will use a portion of its annual allocation to complete planning for improvements to 5<sup>th</sup> Street at Highway 101 and roll over \$115,000 to construct the project in 2020-2021. The City of Greenfield will use its allocation to purchase a new Type 1 Fire Engine for the City. The City of Sand City drew down its six-year, \$60,000 allocation and Sand City elected to roll their annual allocation over to FY 2018-2019. 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. On March 9, 2017, 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 as to form.

#### **FINANCING:**

This action does not change the current FY 2019-2020 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 Economic Development Division has prepared a budget request of \$1,575,327 for FY 2019-2020 based on the FY 2018-2019 funding level, Program Income and reprogramming funds that were not used in 2018-2019 funds for Fund 13, Unit Code 8518 (Community Development Grants), Appropriation Code CAO042. There is no impact to the General Fund as a result of the Board's approval of the Action Plan. Should the actual grant from HUD be less than the \$1,394,327 received in FY2018-2019, the

amount made available to subrecipients will be reduced on a pro-rata basis.

**BOARD OF SUPERVISORS STRATEGIC INITIATIVES:**

Authorizing the Urban County to post the FY 2019-2020 Action Plan is the first step toward making an anticipated \$1,575,327 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 develop children and youth develop the social skills they need to be successful in life and help homeless veterans transition into housing.

Check the related Board of Supervisors Strategic Initiatives:

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

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Attachments:

- Board Report
- 2019-5-7 - 2019-2020 Urban County Funding Allocations
- 2019-5-7 - DRAFT 2019-2020 Action Plan
- 2019-5-7 - Public Review Draft Citizen Participation Plan - Clean
- 2019-5-7 - Public Review Draft Citizen Participation Plan - Redline
- 2019-5-7 - Urban County Subrecipient Template
- 2019-5-7 - Urban County Subrecipient w Privilege Template