



## Board Report

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**File #: 16-507, Version: 1**

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- a. Conduct a Public Hearing to take comments on the Revised Consolidated Plan which reflects changes in Urban County Jurisdictional partners;
- b. Authorize the Director of Economic Development to submit the Revised Consolidated Plan to the U.S. Department of Housing and Urban Development (HUD);
- c. Conduct a Public Hearing to take comments on the draft Action Plan for Fiscal Year 2016-17 and proposed allocation of Community Development Block Grant (CDBG) funds;
- d. Authorize amendment of the Fiscal Year 2016-17 Action plan to direct expected savings on the Chualar Soccer Field project to installation of a track, so long as cost does not exceed the current budget for the project, and direct any excess project funds to projects on the Action Plan waitlist;
- e. Approve the Fiscal Year 2016-17 Action Plan, containing recommendations for funding of projects and programs;
- f. Authorize the Director of Economic Development to submit the Fiscal Year 2016-17 Action Plan to HUD and to execute documents required by HUD to implement the Fiscal Year 2016-17 Action Plan;
- g. Approve a Subrecipient Agreement template, to be used to distribute Fiscal Year 2016-17 Urban County grants;
- h. Authorize the Director of Economic Development to execute the Subrecipient Agreement template with Urban County grantees, including making minor changes as necessary, with prior review by County Counsel to implement Urban County Fiscal Year 2016-17 projects and programs; and
- i. Approve an allocation of Urban County Community Development Block Grant and program income funds for Fiscal Year 2016-17 of \$1,797,643.

### **RECOMMENDATION:**

It is recommended that the Board of Supervisors:

- a. Conduct a Public Hearing to take comments on the Revised Consolidated Plan which reflects changes in Urban County Jurisdictional partners;
- b. Authorize the Director of Economic Development to submit the Revised Consolidated Plan to the U.S. Department of Housing and Urban Development (HUD);
- c. Conduct a Public Hearing to take comments on the draft Action Plan for Fiscal Year 2016-17 and proposed allocation of Community Development Block Grant (CDBG) funds;
- d. Authorize amendment of the Fiscal Year 2016-17 Action plan to direct expected savings on the Chualar Soccer Field project to installation of a track, so long as cost does not exceed the current budget for the project, and direct any excess project funds to projects on the Action Plan waitlist;
- e. Approve the Fiscal Year 2016-17 Action Plan containing recommendations for funding of projects and programs;
- f. Authorize the Director of Economic Development to submit the Fiscal Year 2016-17 Action Plan to HUD and to execute documents required by HUD to implement the Fiscal Year 2016-17 Action Plan;
- g. Approve a Subrecipient Agreement template, to be used to distribute Fiscal Year 2016-17 Urban County grants;
- h. Authorize the Director of Economic Development to execute the Subrecipient Agreement template with Urban County grantees, including making minor changes as necessary, with prior review by County Counsel, to implement Urban County Fiscal Year 2016-17 projects and programs; and
- i. Approve an allocation of Urban County Community Development Block Grant and program income

funds for Fiscal Year 2016-17 of \$1,797,643.

**SUMMARY:**

The U.S. Department of Housing and Urban Development (HUD) has re-qualified Monterey's Urban County for entitlement purposes for Fiscal Year (FY) 2016-17 through FY 2018-19. Participants include past participating jurisdictions of unincorporated portions of Monterey County and Gonzales and new participating jurisdictions of Greenfield and Sand City. To receive its annual Community Development Block Grant (CDBG) grant allocation, the Urban County must revise the Consolidated Plan to reflect the new configuration and must adopt an Annual Action Plan which sets forth a description of eligible projects and programs to be funded. Both documents are due to be submitted to HUD by May 15, 2016.

**DISCUSSION:**

Since the first award of an allocation from HUD in FY 2013-14, the Urban County has received \$2,618,503 for the jurisdictions of Del Rey Oaks, Gonzales, and the unincorporated areas of the County of Monterey. For FY 2016-17, the HUD allocation is \$1,156,760 which reflects the addition of Greenfield and Sand City and the loss of Del Rey Oaks which opted to not continue as a participating jurisdiction. Together, with anticipated program income, the County expects to have \$1,797,643 total funding for FY 2016-17.

Each year, HUD recipients are required to submit an Action Plan to HUD which includes approved funding recommendations for projects, services, and administration. To satisfy that requirement, on December 3, 4, and 5, 2015, a Notice of Funding Availability (NOFA) was published in six papers for estimated CDBG funds in the amount of \$1,140,000 for FY 2016-17. On December 14, 2015, an application workshop for interested parties was held at the County Government Center. Nineteen applications requesting a total of \$2,083,970 for funding were received on or before the due date of January 22, 2016.

On March 9, 2016, the Urban County Standing Committee (Standing Committee) reviewed the applications received for funding and made recommendations which have been incorporated into the Annual Action Plan (see Exhibit A - FY 2016-17 Urban County Funding Allocation).

On March 22, 2016, the Board of Supervisors approved the Draft Action Plan for Fiscal years 2016-17, including recommendations for projects and programs to be funded, for issuance for a 30-day period of public review. On April 6th, 7th and 9th, a Notice of 30-Day Public Comment Period and Adoption of Community Development Block Grant Program FY 2016-17 Annual Action Plan & Revised Consolidated Plan was published in the following papers: Coast Weekly, Gonzales Tribune, Soledad Bee, Greenfield News and the King City Rustler, and El Sol newspapers.

Staff recommends that the Board authorize amendment of the Action Plan in regard to the Chualar Soccer Field project, which is presently recommended for additional funding in the Annual Action Plan. Replacement of the worn track that surrounds the field is needed but has not been included in the project to date, as it would have cost more than the budgeted funds available for the project. Bids for approved work on the project have been received and savings of \$145,000, and possibly as much as \$178,000, are expected; these savings are estimated to be enough to replace the track and leave between \$30,000 to \$63,000 in unexpended project funds.

Staff recommends that the Board (a) approve a change be made to the Action Plan, prior to submittal to HUD, to include track replacement as part of the Chualar Soccer Field project, as long as the cost does not exceed the current budget for the project, and (b) direct any excess project funds to other Urban County projects on the Action Plan funding wait list. This amendment would be contingent on amending the County's existing agreement with Chualar School District to add the District's obligation to maintain the improved track.

Replacement of the track is recommended as it is in very poor condition; the District has no funding to undertake it; and future replacement would cost more than doing it in conjunction with the current improvements. Alternatively, the Board could direct the expected savings on the Chualar Project to funding projects currently on the Action Plan wait list.

The purpose of the Public Hearing is to receive final comments on the revised Consolidated Plan and Draft Action Plan for the FY 2016-17 Community Development Block Grant (CDBG) program. In the absence of evidence and testimony to the contrary, it is recommended that the Board of Supervisors take action to submit the revised Consolidated Plan and Action Plan to HUD for approval in order to receive the County direct entitlement funding for FY 2016-17. A final copy of the documents will be made available on each participating jurisdiction's website and a hard copy will be available at the Economic Development Department immediately thereafter.

Additionally, the Subrecipient Agreement to be used to distribute grant funds to grant recipients is included for the Board's review and approval. The Board had previously approved a similar document when the Urban County program was first established. The Subrecipient Agreement has been updated to reflect new state Department of Industrial Relations public works project registration requirements. The Board is asked to authorize the Director of the Economic Development Department to execute the Subrecipient Agreement with Urban County subrecipients, with minor changes as necessary, subject to County Counsel prior review.

**OTHER AGENCY INVOLVEMENT:**

The Cities of Gonzales, Greenfield, and Sand City have partnered with the County to be requalified as a HUD-designated Urban County. Each City approved applications for projects located in their jurisdictions. 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 in regard to programs. On March 9, 2016, the Standing Committee reviewed the applications and made recommendations on funding that are included in the Urban County Annual Action Plan, FY 2016-17. County Counsel has reviewed the Revised Consolidated Plan, the Annual Action Plan for FY 2016-17, and the Subrecipient Agreement, as to form.

**FINANCING:**

The HUD grant is an annual agreement. The County anticipates \$1,797,643 from grant and program income sources in FY 2016-17. 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 grant will be budgeted in the FY 2016-17 recommended budget in Fund 13, Unit Code 8200 (Community Development Grants), Appropriation Code DEO 003. There is no impact to the General Fund as a result of the Board's approval of the Revised Consolidated Plan or Action Plan.

Prepared by: \_\_\_\_\_

Jane Royer Barr, Housing Program Manager, Ext. 5389

Approved by: \_\_\_\_\_

David L. Spaur, CEcD, EDFP, Economic Development Director, Ext. 5387

**Attachments:**

Exhibit A FY 2016-17 Urban County Funding Allocation

Revised Consolidated Plan

Annual Action Plan for FY 2016-17

Subrecipient Agreement

(Attachments are on file with the Clerk of the Board)