



County of Monterey

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

Board Report

File #: 21-008, Version: 1

- a. Conduct a public hearing, close the public comment period, and approve an amendment to Monterey County's Community Development Block Grant (CDBG) 2019-2020 Program Annual Action Plan to increase the amount available by \$1,049,326 in additional CDBG Coronavirus funding.
- b. Accept funds for the Community Development Block Grant (CDBG)-CV3, CARES Act through the Housing and Urban Development (HUD) Secretary in the amount of \$1,049,326 and approve an amendment to the FY 19/20 HUD Action Plan to program CARES Act funds.; and
- c. Authorize and direct the Auditor-Controller to receive funds and amend the FY 20-21 Adopted Budget, General Fund, Fund 0013, Housing and Economic Development appropriation unit CAO042 to increase appropriations and revenue by \$1,049,326 financed by the CDBG-CV3 grant funds (4/5th vote required).
- d. Approve the Urban County Standing Committee's December 18, 2020 recommendation to allocate \$1,049,326 to the United Way of Monterey County to provide rental assistance to income-qualified households in the Urban County's service area.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Conduct a public hearing, close the public comment period, and approve an amendment to Monterey County's Community Development Block Grant (CDBG) 2019-2020 Program Annual Action Plan to increase the amount available by \$1,049,326 in additional CDBG Coronavirus funding
- b. Accept funds for the Community Development Block Grant (CDBG)-CV3, CARES Act through the Housing and Urban Development (HUD) Secretary in the amount of \$1,049,326 and approve an amendment to the FY 19/20 HUD Action Plan to program CARES Act funds.; and
- c. Approve the Urban County Standing Committee's December 18, 2020 recommendation to allocate \$1,049,326 to the United Way of Monterey County to provide rental assistance to income-qualified households in the Urban County's service area.
Authorize and direct the Auditor-Controller to receive funds and amend the FY 20-21 Adopted Budget, General Fund, Fund 0013, Housing and Economic Development appropriation unit CAO042 to increase appropriations and revenue by \$1,049,326 financed by the CDBG-CV3 grant funds (4/5th vote required).
- d. Approve the Urban County Standing Committee's December 18, 2020 recommendation to allocate \$1,049,326 to the United Way of Monterey County to provide rental assistance to income-qualified households in the Urban County's service area.

SUMMARY/DISCUSSION:

On March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, to directly address the impacts of the COVID-19 Novel Coronavirus. As part of the CARES ACT, Congress appropriated \$5 billion in Community Development Block Grant Coronavirus (CDBG-CV) funds. The U.S. Department of Housing and Urban Development immediately allocated \$2 billion to entitlement communities based on the fiscal year 2020 CDBG formula. The third billion was allocated to states and insular areas. The final \$2 billion was to be allocated at the Secretary of Housing and Urban Development's discretion. On September 11, 2020, HUD notified the County that it was awarded an additional \$1,049,326 in CDBG-CV funding. The recommended actions will allow the County to expend these additional funds to help

low- and moderate-income households who are at risk of eviction for non-payment of rent.

The Department of Social Services (DSS) and Housing staff began working with the United Way on Rental Assistance programs and have participated in regional rental assistance COVID discussions since April 2020. The DSS began their rental assistance program with CARES Act Coronavirus Relief funds in October and dedicated \$1,250,000 to this program. To date, the County expects these funds to be expended by December 30, 2020, which is when the CARES Act Relief funds expire. Staff recommend continuing this program with the full \$1,049,326 in CDBG-CV3 CARES Act funds with the United Way and dedicate the entirety of the allocation to rental assistance.

The recommendation to allocate the County's additional CDBG-CV funding to emergency rental assistance is based on the need for continued rental assistance. Under HUD regulations, CDBG funds may only be used in the geographic territory covered by the Urban County. Unlike the CARES Act Relief funds, CDBG CARES Act funds will limit assistance to the Urban County and its consortium cities that include income qualified households residing in the cities of Del Rey Oaks, Gonzales, Greenfield, and Sand City as well as the unincorporated areas of the County. HUD regulations limit emergency, subsistence payments, to six consecutive months. In addition to residing in a geographic area of the Urban County, eligible households must demonstrate that their current need for rental assistance is due to an economic injury directly attributable to COVID-19. This test may be satisfied by the applicant household demonstrating that they have lost income due to COVID-19 related layoff and/or a reduction in work hours. Because the additional grant funds are from the CARES Act, simply being a low- or moderate-income household is not enough to qualify for this assistance.

OTHER AGENCY INVOLVEMENT:

The Housing Office worked with DSS and the United Way to establish the initial rental assistance program so that it was consistent with all applicable CDBG regulations except for the geographic limitations. This coordination will ensure that the transition to the CDBG-CV funding source will be as seamless as possible. On December 18, 2020, the Urban County Standing Committee met and agreed to forward the staff recommendation to the Board of Supervisors.

FINANCING:

This action increases revenue and appropriations in Fiscal Year 2020-2021 by \$1,049,326 in 013-1050-8518-CA0042, financed by an increase in grant revenue from CDBG-CV CARES Act funds. There is no impact on the General Fund. Any funds not spent in FY 2020-21 will be included in future budget cycles.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This action addresses the Health and Human Services Strategic Initiative by providing subsistence payments to prevent low- and moderate-income households from being evicted or having utility services cut off during the Novel Coronavirus pandemic.

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

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Approved by: Carl P. Holm, AICP, Housing and Community Development Director

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

Attachment A - DRAFT 4th Substantial Amendment to the 2019-2020 Annual Action Plan - CLEAN

Attachment B - DRAFT 4th Substantial Amendment to the 2019-2020 Annual Action Plan - REDLINE

Attachment C - Draft Resolution