



County of Monterey

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

Board Report

File #: 21-589, Version: 1

- a. Accept public comments and close the public comment period for the 4th Amendment to the Monterey Urban County Fiscal Year (FY) 2013-2020 Community Development Block Grant (CDBG) Consolidated Plan;
- b. Accept public comments and close the public comment period for the 4th Substantial Amendment to the Monterey Urban County Fiscal Year (FY) 2019-2020 CDBG Annual Action Plan.
- c. Authorize the Auditor-Controller to amend the Fiscal Year 2021-2022 CDBG funding (Unit 013-3100-8546-HCDO005) increasing revenue and appropriations by \$1,049,326, funded by new grant revenue from CARES Act funds (4/5th vote required);
- d. Adopt and authorize the Housing Program Manager to submit the 4th Substantial Amendment to the FY 2019-2020 CDBG Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD) and execute documents required, including those required by the National Environmental Policy Act (NEPA); and,
- e. Authorize the Housing Program Manager to execute Subrecipient Agreements with the Urban County Subrecipients identified in Attachment A, including making minor changes necessary, subject to review and approval by County Counsel, to implement the 4th Substantial Amendment.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Accept public comments and close the public comment period for the 4th Amendment to the Monterey Urban County Fiscal Year (FY) 2013-2020 Community Development Block Grant (CDBG) Consolidated Plan;
- b. Accept public comments and close the public comment period for the 4th Substantial Amendment to the Monterey Urban County FY 2019-2020 CDBG Annual Action Plan;
- c. Authorize the Auditor-Controller to amend the Fiscal Year 2021-2022 CDBG funding (Unit 013-3100-8546-HCDO005) increasing revenue and appropriations by \$1,049,326, funded by new grant revenue from CARES Act funds (4/5th vote required);
- d. Adopt and authorize the Housing Program Manager to submit the 4th Substantial Amendment to the FY 2019-2020 CDBG Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD) and execute documents required, including those required by the National Environmental Policy Act (NEPA), by HUD to implement the 4th Substantial Amendment; and,
- e. Authorize the Housing Program Manager to execute Subrecipient Agreements with the Urban County Subrecipients identified in Attachment A, including making minor changes necessary, subject to review and approval by County Counsel, to implement the 4th Substantial Amendment.

SUMMARY:

On September 28, 2020, the County was notified that HUD released The Coronavirus Aid, Relief and Economic Security Act (CARES) Act CDBG-CV3 funds in the amount of \$1,049,326. Care Act funding is intended to prevent, prepare for, and respond to coronavirus (CDBG-CV grants). The CARES Act allowed for waivers that included suspending the CDBG 15% cap on using CDBG funding to support public services.

DISCUSSION:

The Board of Supervisors has taken action to amend the 2019-20 Annual Action Plan multiple times since it was adopted in June 2019. The First and Second Substantial Amendments reallocated unused funds to priority projects that included a change of scope of work for funds allocated to the Greenfield Commons housing development with the developer EAH Housing, and Interim, Inc.'s project for the construction of transitional housing to serve homeless. The Third Substantial Amendment was adopted on May 19, 2020 and approved the allocation of \$816,541 in supplemental CDBG funds made available through the first round of Coronavirus Aid, Relief, and Economic Security Act (CARES Act), CDBG-CV1. These funds could only be used to prepare for, respond to, or recover from the effects of the Novel Corona Virus. CDBG-CV1 funds also suspended limits on how much could be used for public services and funding supported public service programs that included: meal delivery for homebound seniors with Meals on Wheels; purchase of additional food supplies and distribution equipment for the Food Bank for Monterey County; fair housing and tenant/landlord assistance; and to provide additional 2-1-1 information and referral capacity at the United Way for Monterey County.

On September 28, 2020 the County was notified that it had been awarded an additional \$1,049,326 in CARES Act funding, CDBG-CV3. Initially, CDBG-CV3 funding was intended to be programmed to continue the County's Emergency Rental Assistance program. The Urban County Standing Committee (UCSC) met on December 18, 2020, and the recommendation moved forward to the Board of Supervisors on March 16th. However, the Friday before the BOS meeting, the County learned of the Department of Treasury's multi-million rental assistance program. Staff recommended to the Board that should those additional rental funds become available, staff would not complete the Substantial Amendment and would issue a Notice of Funding Availability (NOFA) and come back to the UCSC to reprogram CDBG funds, as CDBG would be able to meet other unmet community needs. In March 2021, the County received \$14,063,253 from the U.S. Treasury and \$12,905,387 through state SB 91 funding for emergency rental assistance.

To reprogram CDBG-CV 3 funds, on March 17, 2021, the Urban County emailed a NOFA to more than 225 community organizations and posted the NOFA on the County's website. On March 25, 2021, the Urban County hosted a virtual NOFA workshop to begin soliciting new applications for CDBG CV-3 funding and respond to questions from interested parties. Staff utilized HUD coronavirus waivers and followed the outreach procedures in the County's Citizen Participation Plan as amended that allows for shorter notice periods and allows for published notices on the County's website.

The Urban County received 10 applications for funding that included eight applications for public services requesting a total of \$746,000. Two economic development applications were submitted by the Cities of Greenfield and Gonzales, requesting a total of \$400,000 for business assistance. Staff evaluated the public service applications to ensure programs met eligibility criteria for CDBG CARES Act funding. Two applications requested funding for veterinary services for animals that were determined to be ineligible. This public service is ineligible for CDBG funds because the program provides basic income assistance to assist with pet care expenses. Income assistance under CDBG may only pay for eligible activities that include housing or utility costs. The Urban County Standing Committee considered the requests for funding on May 21, 2021 and the funding recommendations are included in Attachment 1.

Funding is recommended for the following public service programs: Boys and Girls Club youth programs and services; Court Appointed Special Advocates (CASA) of Monterey County for foster youth affected by COVID; Legal Services for Seniors; Food Bank of Monterey County; Interim Inc., Street Outreach for those experiencing homelessness to ensure health information and support in receiving COVID vaccinations; Meals on Wheels of the Salinas Valley; and Rancho Cielo for youth remote learning and vocational training needs. Economic Development assistance is recommended for the Cities of Greenfield and Gonzales. Administrative

funding was included for County administrative expenses.

Economic development is an eligible activity under CDBG but was not identified as a strategic goal in the Urban County Consolidated Plan. To fund the cities of Gonzales and Greenfield's economic development initiatives it is necessary to amend the FY 2021-2020 Consolidated Plan to include economic development as a strategic initiative.

OTHER AGENCY INVOLVEMENT:

County Counsel and reviewed and approved the Subrecipient Agreement templates for economic development activities.

FINANCING:

On January 12, 2021, the Board directed the Auditor-Controller to increase revenue and appropriations 013-1050-8518-CAO042, financed by an increase in \$1,049,326 of grant revenue from CDBG-CV CARES Act funds. These funds were not rolled over to the FY2021-22 budget. It is requested that the Board of Supervisors renew its direction to the Auditor-Controller to increase revenue and appropriations 013-3100-8546-HCDO005 in the FY2021-22 budget. Because there was prior Board action on these funds, this action was not taken back before the Board's Budget Subcommittee. 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 three of the Board's strategic initiatives by funding small business lending in Gonzales and Greenfield, providing a range of services to help people remain in their homes, and providing outside funding to manage these activities.

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

Prepared by: Darby Marshall, Redevelopment/Housing Analyst II, Ext. 5391

Reviewed by: Anastacia Wyatt, Housing Program Manager

Approved by: Erik Lundquist, Housing and Community Development Director

Attachments:

Attachment 1 - Application Summary

Attachment 2 - Application Descriptions

Attachment 3 - DRAFT 4th Substantial Amendment to the 2019-2020 Annual Action Plan

Attachment 4 - Economic Development Subrecipient Agreement Template

Attachment 5 - Urban County Committee PowerPoint Presentation - 2021-7-10