



# County of Monterey

Item No.

## Board Report

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

Legistar File Number: RES 24-166

September 17, 2024

**Introduced:** 8/30/2024

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** BoS Resolution

Adopt a resolution to:

- a. Enter into a Joint Exercise of Powers Agreements and Cooperation Agreements (JPA and CA) with Gonzales, Greenfield, Marina, and Sand City to participate in Monterey County's CDBG Urban County Consortium for the period of July 1, 2025, to June 30, 2028;
- b. Authorize the County Administrative Officer to sign the JPA and CA;
- c. Authorize the County Administrative Officer to make minor modifications to the JPA and CA as necessary to comply with federal requirements and as directed by the U.S. Department of Housing and Urban Development (HUD); and,
- d. Authorize the Housing and Community Development Director to submit the JPA and CA and other necessary documents to HUD to requalify for and receive direct entitlement funds as an Urban County.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Enter into a Joint Exercise of Powers Agreements and Cooperation Agreements (JPA and CA) with Gonzales, Greenfield, Marina, and Sand City to participate in Monterey County's CDBG Urban County Consortium for the period of July 1, 2025, to June 30, 2028;
- b. Authorize the County Administrative Officer to sign the JPA and CA;
- c. Authorize the County Administrative Officer to make minor modifications to the JPA and CA as necessary to comply with federal requirements and as directed by the U.S. Department of Housing and Urban Development (HUD); and,
- d. Authorize the Housing and Community Development Director to submit the JPA and CA and other necessary documents to HUD to requalify for and receive direct entitlement funds as an Urban County.

### SUMMARY:

The U.S. Department of Housing and Urban Development (HUD) qualified Monterey County as an Urban County Consortium for entitlement purposes on November 1, 2012. The County is required to requalify as an entitlement community every three years. On its own, Monterey County does not qualify as an entitlement community and must therefore form an Urban County Consortium with cities in the County. The recommended actions will renew the Urban County Consortium and allow the County to requalify for the entitlement designation.

### DISCUSSION:

The CDBG entitlement program provides annual federal grants on a formula basis to entitled cities and counties to develop viable urban communities and to expand economic opportunities. HUD awards

grants to entitlement community grantees to carry out a wide range of economic and community development activities directed toward promoting economic development, revitalizing neighborhoods, and providing improved community facilities and services.

Entitlement grantees must give maximum feasible priority to activities which benefit low- and moderate-income (Low/Mod) persons. CDBG funds may not be used for activities which do not meet these broad national objectives.

There are two thresholds that a county could meet to qualify as an Urban County. The first, which the County does not meet, is to have a total combined population of 200,000 from unincorporated areas. The second method, which is how the County/Consortium qualifies, has two requirements to meet: 1) the unincorporated areas must have a population of at least 100,000; and 2) more than 50% of the Low/Mod population are in the non-entitled cities and unincorporated areas of the county. On its own, the County does not meet the second requirement. To requalify, the County must partner with smaller cities to increase the number of Low/Mod persons covered by the Urban County Consortium.

The proposed Urban County Consortium is made up of the County and cities of Gonzales, Greenfield, Marina, and Sand City. As required by HUD, the County did extend an invitation to all non-entitlement cities to join the Consortium. In response, the County received correspondence from King City declining and no responses from the cities of Carmel-by-the-Sea, Del Rey Oaks, and Soledad. The cities of Monterey, Salinas, and Seaside are CDBG Metropolitan Cities and were not invited to join the Consortium.

HUD estimates, based on FY2023 federal appropriations, that the Urban County Consortium is expected to receive approximately \$4,630,695 in new CDBG funds over the next three years. Of the total, the County will retain approximately \$693,825 to manage the program and \$641,876 will be allocated to public services not benefiting a specific community. The balance of the funding will be allocated as follows: Gonzales - \$175,566; Greenfield - \$547,299; Marina - \$452,696; Sand City - \$74,076 and the County - \$1,693,834. Unused public service funds or general administration funds not used in the year awarded will be retained by the County for future County sponsored projects.

In May 2025, the Board will consider the Urban County Consolidated Plan for 2025-2029. The Consolidated Plan describes existing conditions and how CDBG funds will be used to improve upon those conditions. The Consolidated Plan also included an outline of how the Urban County would program CDBG funding over a longer period than the term of the proposed JPA.

#### OTHER AGENCY INVOLVEMENT:

The County is required by HUD to allow all nine non-entitlement jurisdictions to participate in its application for designation as an Urban County. The city councils of cities of Gonzales, Greenfield, Marina, and Sand City will ratify the JPA and CA prior to September 17, 2024. Staff from the cities of Gonzales, Greenfield, Marina, and Sand City have indicated that their cities want to continue participating in the Urban County Consortium. City staff are recommending their respective city councils approve the Joint Powers and Cooperation Agreement to their respective city councils prior to September 17, 2024. County Counsel has reviewed the Joint Powers Agreements and Cooperation Agreements as to form. The HUD Office of General Council has also reviewed the JPA and CA as to form and content and approved it.

FINANCING:

There is no impact on the General Fund. Should HUD renew the grant for another three (3) years, the grant funding will include administrative funds in the amount of 20%. If future grants are awarded for FY25, FY26, and FY27, they will be budgeted as part of the Department's annual budget submission in Appropriation Code HCD005, Fund 013, Unit Code 8546 (Community Development Grants).

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The broad nature of the CDBG program means that it has the potential to support on any of the Board's Strategic Initiatives.

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

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Approved by: Craig Spencer, Director, Housing and Community Development *CS*

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

Attachment A - Joint Powers and Cooperative Agreement

Attachment B - Resolution