



County of Monterey

Item No.2

Board Report

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

Legistar File Number: 25-738

October 29, 2025

Introduced: 10/10/2025

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

- a. Receive a report regarding County allocations for HOME Investment Partnership Program funds of \$500,000 for the Amended County Community Development Block Grant and HOME Investment Partnership Act 2025-2029 Consolidated Plan and Annual Action Plan for Fiscal Year 2025-26;
- b. Support to authorize and direct the Auditor-Controller to amend the Fiscal Year 2025-26 Adopted Budget for the Housing and Community Development, Community Development Reuse, Fund 013, Unit 8545, Appropriation Unit HCD004 to increase revenues and appropriations by \$403,480;
- c. Approve HOME Investment Partnership Program funding recommendations to be included in the Draft Amended Community Development Block Grant and HOME Investment Partnership Act 2025-2029 Consolidated Plan and Annual Action Plan for Fiscal Year 2025-26;
- d. Approve an overall plan for the Amended Community Development Block Grant and HOME Investment Partnership Act 2025-2029 Consolidated Plan; and
- e. Direct staff to prepare Amended Community Development Block Grant and HOME Investment Partnership Act 2025-2029 Consolidated Plan and Annual Action Plan for Fiscal Year 2025-26 for consideration by the Board of Supervisors on November 4, 2025, as required by U.S. Department of Housing and Urban Development regulations.

It is recommended that the Urban County Standing Committee:

- a. Receive a report regarding County allocations for HOME Investment Partnership Program funds of \$500,000 for the Amended County Community Development Block Grant and HOME Investment Partnership Act 2025-2029 Consolidated Plan and Annual Action Plan for Fiscal Year 2025-26;
- b. Support to authorize and direct the Auditor-Controller to amend the Fiscal Year 2025-26 Adopted Budget for the Housing and Community Development, Community Development Reuse, Fund 013, Unit 8545, Appropriation Unit HCD004 to increase revenues and appropriations by \$403,480;
- c. Approve HOME Investment Partnership Program funding recommendations to be included in the Draft Amended Community Development Block Grant and HOME Investment Partnership Act 2025-2029 Consolidated Plan and Annual Action Plan for Fiscal Year 2025-26;
- d. Approve an overall plan for the Amended Community Development Block Grant and HOME Investment Partnership Act 2025-2029 Consolidated Plan; and
- e. Direct staff to prepare Amended Community Development Block Grant and HOME Investment Partnership Act 2025-2029 Consolidated Plan and Annual Action Plan for Fiscal Year 2025-26 for consideration by the Board of Supervisors on November 4, 2025, as required by U.S. Department of Housing and Urban Development regulations.

SUMMARY:

The County of Monterey first qualified to receive Community Development Block Grant (CDBG) funding directly from the U.S. Department of Housing and Urban Development (HUD) in 2013 as an

entitlement jurisdiction. The Board of Supervisors adopted the funding recommendations for the (CDBG) funds on May 13, 2025, and Housing and Community Development (HCD) received a letter from HUD the following day, notifying us we are eligible for HOME Investment Partnership Act (HOME) entitlement funding. As part of the process to qualify for designation as an Entitlement Community, the County is required to prepare a Consolidated Plan at least once every five years. The Consolidated Plan adopted on May 13, 2025, must be updated to receive the \$500,000 HOME Investment Partnership funding. The recommended actions will satisfy HUD's requirement that the County prepare and adopt a new Consolidated Plan that will guide how the County uses its CDBG and HOME funds to meet eligible community development needs through 2029.

HOME funds may be used to address affordable housing needs in the unincorporated areas of the County. It can provide for new construction, acquisition, rehabilitation, and/or rental assistance. As an entitlement community, the County must prioritize activities, which primarily benefit low- and moderate-income persons.

DISCUSSION:

Since Monterey County was first designated an Urban County in 2013, it has received more than \$14 million in CDBG funds. The Urban County has the cities Gonzales, Greenfield, Marina, and Sand City. The notification from HUD on May 14, 2025, the County unincorporated is eligible for HOME entitlement in the amount of \$403,480. The HOME funding is for the County unincorporated areas only. To become a participating jurisdiction in HOME, a local government must have a formula allocation of at least \$500,000. Our eligibility amount is \$403,480, which leaves a funding gap of \$96,520. The County currently controls approximately \$2.3 million of State HOME Program Income (PI) that can be used to address this gap. Unlike the CDBG program, which allows jurisdictions to transfer PI out of the state program upon achieving entitlement status, the HOME PI remains under the County's control but requires state approval before the funds can be used. The state Department of Housing and Community Development has authorized the County to utilize the program income to meet the threshold requirement to become a participating jurisdiction. This is a one-time requirement and does not need to be satisfied again once the jurisdiction qualifies as a participating jurisdiction.

HOME guidelines emphasize the importance of utilizing the funding to fill in "financing gaps" that often result when projects face more rigid requirements established either by loan regulations, or due to the degree of completion for other financing. HOME has a match requirement. HUD regulations require all participating jurisdictions to contribute or match 25 cents for each dollar of HOME funds spent on affordable housing. The County will utilize Castroville-Pajaro Housing Successor funds to fill this requirement, which is \$112,500.

Home allows participating jurisdictions to use HOME funds for a variety of eligible activities, including:

- ☐ Building, buying, and rehabilitating affordable housing for rent or homeownership
- ☐ Providing direct rental assistance to low-income individuals
- ☐ Assisting homebuyers with down payments, closing costs, and rehabilitation of purchased homes
- ☐ Developing and maintaining affordable rental housing

- ☐ Financing necessary home repairs and improvements
- ☐ Tenant-based rental assistance to ensure affordable housing for low-income families

Based on the amount of funding available and the priority needs, it is recommended that the Urban County Committee consider the recommendations from staff for housing rehabilitation with funding of \$150,000 and tenant based rental assistance with funding of \$300,000 for the fiscal year (FY)2025-26 Annual Action Plan (AAP) as it relates to HOME funds are shown on pages 132-152 of the Amended Consolidated Plan. HOME allows an allocation of 10% for administration costs to address costs associated with program delivery, which is \$50,000.

OTHER AGENCY INVOLVEMENT:

On October 20, 2025, the Health, Housing, Homelessness, and Human Services Committee reviewed the funding recommendations.

FINANCING:

The revenue and appropriation increase for Fund 013 (Community Development) shall use incoming HOME grant funds of \$403,480. 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.

There is no impact to the General Fund because of the Board's approval of the AAP.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Authorizing the Urban County to post the Amended FY2025-26 Consolidated Plan is the first step toward making \$1,361,629 CDBG funds available to help local jurisdictions make improvements to public facilities, provide food security for seniors, help children and youth develop the social skills they need to be successful in life, and help homeless persons find shelter. It is also the first step toward making \$500,000 HOME funds to help make affordable housing improvements.

Check the related Board of Supervisors Strategic Plan Goals:

- ☒ Well-Being and Quality of Life
- ☒ Sustainable Infrastructure for the Present and Future
- ☒ Safe and Resilient Communities
- ☒ Diverse and Thriving Economy
- ☒ Administrative

Link to the Strategic Plan:

<https://www.countyofmonterey.gov/home/showdocument?id=139569>

Prepared by: Dawn M Yonemitsu, Management Analyst II, x5387

Reviewed by: Darby Marshall, Redevelopment & Housing Analyst II, x5391

Approved by: Craig Spencer, Director of Housing & Community Development, x5233

Attachment:

Attachment A - Draft Community Development Block Grant and HOME Investment Partnership Act
2025-2029 Consolidated Plan and Annual Action Plan for Fiscal Year 2025-26