



County of Monterey

Item No.2

Board Report

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

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- a. Receive a presentation on the Community Development Block Grant (CDBG) and HOME Investment Partnerships Act (HOME) funding to address slum and blight removal and services for the unhoused; and,
- b. Provide direction to staff.

RECOMMENDATION:

It is recommended that the Urban County Committee:

- a. Receive a presentation on the Community Development Block Grant (CDBG) and HOME Investment Partnerships Act (HOME) funding to address slum and blight removal and services for the unhoused; and,
- b. Provide direction to staff.

SUMMARY/DISCUSSION:

The Board of Supervisors Urban County Committee has requested staff provide additional information on:

- Community Development Block Grant (CDBG) criteria for utilizing the blight removal national objective. (Attachment A)
- Which County owned properties might qualify for CDBG funding to address blight. (Attachment B)
- Details on the definition of homelessness and eligibility for county-wide homeless services that qualify for CDBG funding. (Attachment C)

This memorandum and its attachments respond these questions.

Cross Jurisdictional Use of CDBG and HOME Funds

Before we respond directly to the Committee's request, it is important to understand a foundational element of the CDBG and HOME Investment Partnership Act that controls the geographic area where the funds awarded to the County maybe invested. Both the CDBG and HOME programs allow cross jurisdictional activities - meaning program funds can be used outside a grantee's boundaries if the activity clearly benefits residents within the grantee's jurisdiction and complies with all other program rules. Most commonly these include establishing regional affordable housing development consortia to fund multifamily rental and single-family housing projects, homeless facilities and services, and infrastructure or public facility projects serving multiple jurisdictions.

The expectation is that these funds will be invested in the jurisdiction receiving the funds and primarily benefit residents of that jurisdiction. The U.S. Department of Housing and Urban Development has

broadly interpreted this to mean that entitlement and state-program eligible cities within an Urban County are outside the Urban County boundaries. This requirement can make it very challenging to implement projects in areas not under the direct jurisdiction of the grant recipient, including County owned properties located within entitlement cities.

The first step in establishing a cross jurisdictional use of block grant funds is for the various jurisdictions to enter into formal agreements. There are two primary types of agreement, consortiums where multiple jurisdictions come together to form a single grant recipient (the Urban County), and cooperation agreements. Cooperation agreements require more work and documentation to justify cross jurisdictional use of block grants because each jurisdiction retains its status as a separate grantee responsible to HUD.

Attachment A provides activities using cross-jurisdictional funding and the eligibility conditions typically required to justify the use.

Best Practices

If the Board wants to move forward with implementing projects with cross jurisdictional benefit, staff recommends taking the following steps.

- Establish written consortia, cooperation, or subrecipient agreements prior to committing funds.
- Define the service area and expected proportion of benefit.
- Coordinate Consolidated Plan and Annual Action Plan submissions to reflect shared activities.
- Maintain a joint monitoring schedule for activities spanning multiple jurisdictions.
- Establish clear written agreements defining roles, responsibilities, and benefit documentation methods.

OTHER AGENCY INVOLVEMENT/COMMITTEE ACTIONS:

None.

HOUSING IMPACTS:

☐ Reduces constraints on Housing Development
☐ Increases constraints on Housing Development
☒ Neutral
☐ Not applicable [N/A]

There are no direct impacts on the supply or affordability of housing. Programs may address habitability or affordability for a small number of individual homeowners but not have widespread benefits.

FINANCING:

There is no impact on the General Fund. CDBG and HOME are awarded to the County annually by the HUD. CDBG funds are included in Fund 013, Budget Unit 8546. HOME funds are included in Fund 013, Budget Unit 8545.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:

The use of CDBG and HOME funds may support a variety of goals depending on the actual projects funded year-to-year. HOME funds will generally always improve the quality of life by improving or

adding to the affordable housing supply. CDBG funds, especially those used for public services, typically address the Board's commitment to improving the well-being and quality of life for lower-income residents.

- ☒ Well-Being and Quality of Life
- ☒ Sustainable Infrastructure for the Present and Future
- ☒ Safe and Resilient Communities
- ☐ Diverse and Thriving Economy
- ☐ Dynamic Organization and Employer of Choice

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

- Attachment A - Cross-Jurisdictional Use Examples
- Attachment B - CDBG Blight Definition HUD Guidance Performance Requirements
- Attachment C - County Owned Property with Deferred Maintenance
- Attachment D - CDBG & HOME Funding for Homeless Activities