



County of Monterey

Item No.

Board Report

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

Legistar File Number: RES 23-072

May 09, 2023

Introduced: 4/21/2023

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Resolution

- a. Accept public comments and close the public comment period for the Monterey Urban County 2023-24 Community Development Block Grant (CDBG) Annual Action Plan;
- b. Adopt and authorize the Housing Program Manager to submit the 2023-24 Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD) and execute documents required by HUD to implement the 2023-24 Annual Action Plan;
- c. Approve the CDBG Policies and Procedures;
- d. Approve the Subrecipient Agreement templates for use with the Urban County program;
- e. Authorize the Housing Program Manager to execute Subrecipient Agreements with Urban County Grantees, including making minor changes as necessary and to reflect the actual CDBG award received from HUD, subject to review and approval by County Counsel, to implement the 2023-24 Annual Action Plan; and,
- f. Adopt a Resolution authorizing the Director of Housing and Community Development or their designee to sign documentation required for environmental reviews associated with projects funded with Community Development Block Grants.

RECOMMENDATION:

- a. Accept public comments and close the public comment period for the Monterey Urban County 2023-24 Community Development Block Grant Annual (CDBG) Action Plan;
- b. Adopt and authorize the Housing Program Manager to submit the 2023-24 Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD) and execute documents required by HUD to implement the 2023-24 Annual Action Plan;
- c. Approve the CDBG Policies and Procedures;
- d. Approve the Subrecipient Agreement templates for use with the Urban County program;
- e. Authorize the Housing Program Manager to execute Subrecipient Agreements with Urban County Grantees, including making minor changes as necessary and to reflect the actual CDBG award received from HUD, subject to review and approval by County Counsel, to implement the 2023-24 Annual Action Plan; and,
- f. Adopt a Resolution authorizing the Director of Housing and Community Development or their designee to sign documentation required for environmental reviews associated with projects funded with Community Development Block Grants.

SUMMARY:

The Board of Supervisors is being asked to take public comment and close the 30-day public comment period on the Monterey Urban County 2023-24 Community Development Block Grant Annual Action Plan (Attachment 1). The public comment period began April 8, 2023. The Urban County, for purposes of this plan, includes the County of Monterey and the cities of Del Rey Oaks,

Gonzales, Greenfield, and Sand City. To receive its annual Community Development Block Grant allocation, the Urban County must adopt an Annual Action Plan that sets forth a description of eligible projects and programs to be funded. The Annual Action Plan details how the Urban County will use CDBG funds to meet the goals outlined in the 2020-2024 Consolidated Plan. The Urban County will have approximately \$1,356,644 available to support CDBG eligible activities during FY2023-24. As of the drafting of this report, no comments have been received.

DISCUSSION:

Monterey County was first designated as an entitlement community eligible to receive a formula allocation of CDBG funds in 2013. To qualify for, and maintain, this designation as an Urban County, the County partners with the cities of Del Rey Oaks, Gonzales, Greenfield, and Sand City. The Urban County is expected to receive \$1,191,644 in new CDBG Entitlement funding in FY2023-24. In addition, the Urban County is expected to receive Program Income totaling \$10,000 from loan repayments and \$155,000 in recaptured prior year funds for total available funds of \$1,356,644.

In July 2020, the Board of Supervisors adopted the 2020-2024 Consolidated Plan (available online at <https://www.co.monterey.ca.us/government/departments-a-h/housing-community-development/planning-services/community-development-project-program-financing/urban-county-community-development-block-grants>). The Consolidated Plan provides strategic direction and identifies the types of projects that the Urban County anticipates supporting with CDBG funds during the planning period. The Urban County is required to prepare an Annual Action Plan (AP) that identifies the specific activities will be funded with CDBG funds and how these activities will address the goals contained in the 2020-2024 Consolidated Plan. To ensure that the Urban County considers the widest possible number of activities, it annually issues a Notice of Funding Availability (NOFA) inviting funding proposals. The NOFA is published in the Salinas Californian (Spanish translation), the Monterey County Weekly, and the four newspapers published by the South County Newspaper Group. The NOFA is also emailed to more than 200 non-profit organizations that serve Monterey County. Central to the NOFA is the amount of available funding. Federal law governing the CDBG program limits the Urban County to using no more than 15% of the new entitlement funding for public services and no more than 20% for general administration of the program. The only activity that is mandated is fair housing, which can be funded as either a public service or general administration. The Urban County received 9 proposals for public services requesting a total of \$244,123 and 2 proposals for public facilities requesting a total of \$375,000. County staff and representatives from its partner jurisdictions evaluated the public service requests and recommended nine for partial funding. The Board's Urban County Standing Committee met on March 16, 2023, to review the applications and recommend project funding that is included in the Annual Action Plan. The Standing Committee's funding recommendations are included as Attachment 2 and 3. Eight public service activities are recommended for funding. These activities address a broad range of activities including food security for seniors, homeless outreach, and youth leadership development. The Committee recommended funding the City of Gonzales' Community Center and City of Greenfield's improvements to Walnut Avenue.

The Board of Supervisors is being asked to approve the Annual Action Plan with contingency language authorizing staff to adjust awards to subrecipients based on the actual amount of funding

made available by HUD and any unused funds from prior years as follows: if less funding than anticipated is received, all awards will be reduced by the same percentage as any reduction in funding; if more funding than anticipated is received, public service awards will remain the same. General administration may be adjusted to 20% of the HUD grant amount, up to \$100,000 may be allocated to construct sidewalks in Las Lomas, and up to \$75,000 may be allocated to South County streetlights. The city allocations reflect funding their projects at the level anticipated in the 2020-2024 Consolidated Plan; however, three years of HUD grant reductions reduced the amounts.

The Board of Supervisors is being asked to approve the Urban County Community Development Block Grant Policies and Procedures (Attachment 4). This document memorializes how the Urban County will administer the Urban County Program. The document is a compilation of practices and policies used by the Urban County over the last ten years and codifies those Policies and Procedures for staff and the public.

The Urban County uses two forms of non-standard Subrecipient Agreements (Attachments 5 and 6) to implement the program with approved subrecipients. Subrecipient Agreements are used because the Urban County is not purchasing goods or services from the subrecipients but rather funding their ability to do so. The Subrecipient Agreements incorporate most standard County requirements, including the standard insurance requirements and requirements imposed by HUD to administer the CDBG program. Because the Urban County may contract with agencies that provide legal services, it was necessary to develop a second version of the Subrecipient Agreement to ensure client confidentiality (Attachment 6).

Because CDBG funds are federal, the County must comply with the National Environmental Policy Act (NEPA) before formally committing funds to a specific project. Generally, actions funded by the Urban County fall into one of three categories: 1) exempt by definition pursuant to 24 CFR § 58.34, 2) categorically excluded and not subject to 24 CFR § 58.5, or 3) categorically excluded and subject to review with 24 CFR § 58.5 but no compliance / consultation with regulatory authorities was required. The Urban County is required to use the HUD Environmental Review Online System (HEROS) to prepare Environmental Review Records (ERR) for all projects. The recommended resolution (Attachment 7) will authorize the Director of Housing and Community Development or their designee to sign all ERRs and accept the federal courts jurisdiction in the event the ERR is challenged instead of the Chair of the Board of Supervisors or County Administrative Officer.

No public comments had been received regarding the Annual Action Plan as of the time this staff report was prepared.

OTHER AGENCY INVOLVEMENT:

The cities of Del Rey Oaks, Gonzales, Greenfield, and Sand City have partnered with the County to, collectively, be designated as an Urban County. County staff made recommendations for county projects to the Standing Committee. Staff from the three cities and the County made recommendations to the Standing Committee about funding for public services and public facilities. On March 16, 2023, the Standing Committee reviewed the applications and made recommendations for funding that are included in the Draft Annual Action Plan. County Counsel has reviewed the Annual Action Plan and Subrecipient Agreement templates as to form.

FINANCING:

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.

The Housing and Community Development Department has prepared a budget request of \$1,236,268 for FY 2023-24 based on an estimate of the HUD FY2023-24 funding amount, anticipated Program Income in Fund 013, Unit Code 8546 (Community Development Grants), Appropriation Code HCD005, and recaptured prior year funds. The FY2023-24 budget may be modified based on the HUD notification that Urban County is expected to receive \$1,191,644, which may increase the planned FY2023-24 budget by \$120,376. There is no impact to the General Fund because of the Board's approval of the Annual Action Plan.


BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Authorizing the Urban County to post the FY 2023-24 Annual Action Plan is the first step toward making an anticipated \$1,356,644 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.

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

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

Approved by: Darby Marshall, Housing Program Manager

Approved by: Craig Spencer, Acting Director of Housing and Community Development 

The following attachments are available with the Clerk of the Board:

Attachment 1 - Draft 2023-2024 Urban County Annual Action Plan

Attachment 2 - Application Details

Attachment 3 - 2023-24 Urban County Application Summary & Funding Recommendations

Attachment 4 - Draft Urban County CDBG Policies & Procedures

Attachment 5 - Subrecipient Agreement

Attachment 6 - Subrecipient Agreement with Legal Privilege

Attachment 7 - Draft Resolution Delegation of Authority



Monterey County Board of Supervisors

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Board Order

A motion was made by Supervisor Chris Lopez, seconded by Supervisor Wendy Root Askew to:

Adopt Resolution No.: 23-165

- a. Accept public comments and close the public comment period for the Monterey Urban County 2023-24 Community Development Block Grant Annual (CDBG) Action Plan;
- b. Adopt and authorize the Housing Program Manager to submit the 2023-24 Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD) and execute documents required by HUD to implement the 2023-24 Annual Action Plan;
- c. Approve the CDBG Policies and Procedures;
- d. Approve the Subrecipient Agreement templates for use with the Urban County program;
- e. Authorize the Housing Program Manager to execute Subrecipient Agreements with Urban County Grantees, including making minor changes as necessary and to reflect the actual CDBG award received from HUD, subject to review and approval by County Counsel, to implement the 2023-24 Annual Action Plan; and,
- f. Adopt a Resolution authorizing the Director of Housing and Community Development or their designee to sign documentation required for environmental reviews associated with projects funded with Community Development Block Grants.

PASSED AND ADOPTED on this 9th day of May 2023, by roll call vote:

AYES: Supervisors Alejo, Church, Lopez, Askew, and Adams

NOES: None

ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting May 9, 2023.

Dated: May 9, 2023
File ID: RES 23-072
Agenda Item No.: 16

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Emmanuel H. Santos

Emmanuel H. Santos, Deputy

*Before the Board of Supervisors
County of Monterey, State of California*

Resolution No.: 23-165

Adopting a Resolution of the Board of)
Supervisors of the County of Monterey to)
authorize the Director of Housing and)
Community Development or their)
designee to sign documentation required) for
environmental reviews associated)
with projects funded by Community)
Development Block Grant funds.)

WHEREAS, the United States Department of Housing and Urban Development and the United States Environmental Protection Agency impose upon the County of Monterey an obligation to comply with certain signatory and reporting requirements for environmental reviews associated with projects funded by Community Development Block Grant Funds; and

WHEREAS, to fulfill its obligations under 24 CFR Part 58, the County as a “Responsible Entity” must designate a “Certifying Officer” to certify compliance with the National Environmental Policy Act and other relevant federal laws; and

WHEREAS, to administer federal Community Development Block Grant Funds, the County must certify to HUD that the Chair of the Board of Supervisors, or his/her designee in his/her official capacity, consents to accept the jurisdiction of the federal courts if an action is brought to enforce responsibilities in relation to environmental reviews, decision making, and action and that these responsibilities have been satisfied; and

WHEREAS, the legal effect of the certification is that upon its approval, the County of Monterey may use the Community Development Block Grant funds, and HUD will have satisfied its responsibilities under the National Environmental Policy Act of 1969 and other environmental responsibilities listed in 24 CFR Parts 50 and 58; and

NOW, THEREFORE, BE IT RESOLVED that for any potential CDBG-funded project where the project is: 1) exempt by definition pursuant to 24 CFR § 58.34, 2) categorically excluded and not subject to 24 CFR Part 58, or 3) categorically excluded and subject to review with 24 CFR § 58.5 but no compliance/consultation with regulatory authorities is required, the County designates the Director of Housing and Community Development or their designee as the Certifying Officer. As the Certifying Officer, the Director of Housing and Community Development or their designee may do all acts necessary to approve the submission of the environmental review documents to the federal government and certify compliance in accordance with this resolution; and

BE IT FURTHER RESOLVED that for any potential CDBG-funded project where either: 1) the project is categorically excluded and subject to review with 24 CFR § 58.5 and compliance / consultation is required or 2) the project requires an environmental assessment and/or environmental impact statement, the County designates the Director of Housing and Community Development or their designee as the Certifying Officer. As the Certifying Officer, the Director of Housing and Community

or their designee may do all acts necessary to approve the submission of the environmental review documents to the federal government and certify compliance in accordance with this resolution; and

BE IT FURTHER RESOLVED that for any project where an environmental review was submitted to the federal government prior to July 1, 2021, and where any potentially CDBG- funded project was: 1) exempt by definition pursuant to 24 CFR § 58.34, 2) categorically excluded and not subject to 24 CFR § 58.5, or 3) categorically excluded and subject to review with 24 CFR § 58.5 but no compliance/consultation with regulatory authorities was required, the County ratifies all actions, signatory approvals, and certifications by employees of the County that were necessary to complete those environmental reviews submitted to the federal government. The County designates any such employee as a Certifying Officer for the County of Monterey for the projects acted upon and certified by the employee prior to July 1, 2021.

PASSED AND ADOPTED on this 9th day of May 2023, by roll call vote:

AYES: Supervisors Alejo, Church, Lopez, Askew, and Adams

NOES: None

ABSENT: None

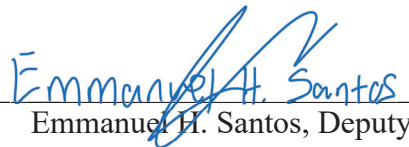
I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting on May 9, 2023.

Dated: May 10, 2023

File ID: RES 23-072

Agenda Item No. 16

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California


Emmanuel H. Santos, Deputy