

**FIRST SUBSTANTIAL AMENDMENT  
to the  
MONTEREY URBAN COUNTY FY 2023-2024 ANNUAL ACTION PLAN**

*FIRST SUBSTANTIAL AMENDMENT TO THE FY 2023-2024 ANNUAL ACTION PLAN:*

This first Substantial Amendment to the FY 2023-2024 Action Plan proposes to allocate \$122,911.78 in returned FY 2017-2018 Entitlement funds to an existing FY 2023-2024 Project.

*CDBG PROGRAM BACKGROUND*

The County of Monterey (County) is an Entitlement Jurisdiction to Community Development Block Grant (CDBG) Entitlement funds from the U.S. Department of Housing and Urban Development (HUD). Annually, the County receives approximately \$1.2 million in Entitlement funds to provide programs and services to the low- and moderate-income residents of the County.

Monterey County was first designated as an entitlement community eligible to receive a formula allocation of CDBG funds in 2013. To qualify for and receive CDBG funds, the County partners with the cities of Del Rey Oaks, Gonzales, Greenfield, and Sand City. The County must submit an Annual Action Plan each year which details how that year's entitlement allocation will be spent.

HUD recently completed a monitoring of the County's CDBG Program and found that the County had improperly reimbursed the City of Gonzales in the amount of \$122,911.78 for ineligible work to reroof the City Council Chamber building. HUD required the \$122,911.78 in CDBG funds to be returned to the County. The funds were returned to the County's line of credit on November 6, 2023, and are now available to be reallocated to another project. The County proposes to add these funds to the existing City of Gonzales Community Center Project through the HUD-required Substantial Amendment process.

*COMMUNITY CENTER PROJECT FUNDING BACKGROUND*

As part of the 2022-2023 Annual Action Plan, the City of Gonzales was allocated \$714,950 for the Community Center Project, to be provided in two installments - \$357,475 from the FY 2022-2023 allocation, and the remaining \$357,475 as part of the FY 2023-2024 allocation. However, the FY 2023-2024 allocation was less than anticipated and the FY 2023-2024 funding for the City of Gonzales was reduced to \$347,382. This reduced the total funding for the Community Center Project to \$704,857. Adding the recaptured \$122,911.78 to the City of Gonzales Community Center Project will bring the total project funding up to \$827,768.78.

The proposed project includes development of an approximately 23,300 square foot community center facility featuring an approximately 6,000 square foot County library (which replaces the existing County library at 851 5th Street), an approximately 4,000 square foot teen center, and an approximately 13,300 square foot community center building organized around a central courtyard and amphitheater for indoor/outdoor connections. The project also includes a free-standing 12,100 square foot gymnasium building with an indoor multi-court, restrooms, lobby, storage, and support space.

**Gonzales Community Center Project**

Current Funding: \$704,857.00

Proposed Additional Funding: \$122,911.78 (FY 2017-2018 Entitlement funds)

**Total Proposed Cumulative Allocation: \$827,768.78**