

**MONTEREY URBAN COUNTY AD HOC COMMITTEE**  
**AGENDA**

**Monday, August 25, 2014**

**Monterey County Administration Building, Esselen Room, 3rd Floor**  
**168 West Alisal Street, Salinas, CA**

**3:00 p.m.**

**1) Call to order, roll call.**

**2) Public Comment**

The Monterey Urban County Ad Hoc Committee will receive public comment on items not listed on the agenda within the purview of the Committee. It is not necessary to complete a speaker request form. The Chair may limit the length of individual presentations.

**3) Approval of Minutes of March 6, 2014**

*Page 2*

**4) New Business:**

a. Review changes in State of California Housing and Community Development Department's Community Development Block Grant (CDBG) Program in regard to Program Income as they affect the Urban County HUD CDBG program.

*Page 5*

b. Review staff recommendations and make recommendations to the Board of Supervisors for consideration at the September 30, 2014 meeting in regard to:

*Page 6*

- i. Receipt by the Urban County HUD CDBG program of Program Income (PI) from the County's CDBG loan program as well as potential annual loan repayments;
- ii. Receipt by the Urban County HUD CDBG program of PI from Del Rey Oaks's CDBG loan program;
- iii. Unspent 2013-14 Urban County allocations;
- iv. Allocation of funding for Monterey County projects;
- v. Allocation of funding for Del Rey Oaks projects; and
- vi. A request from Gonzales to reallocate a portion of their 2014-15 funding to the 2013-14 Childcare Roof project.

c. Discuss and make recommendations in regard to possible changes in the HUD Citizen Participation Plan regarding advertising.

*p 10*

**5) Adjournment.**

**If you have any disability that would require assistance to access the meeting room, please call (831) 755-5390.**

## MONTEREY URBAN COUNTY AD HOC COMMITTEE MINUTES

Monterey County Administration Building  
Monterey Room  
168 W. Alisal Street, Salinas, CA  
Thursday, March 6, 2014, 3:00 PM

**Members Present:** Supervisors Lou Calcagno and Simon Salinas

**Other Jurisdictions Represented:** Karen Minami, City of Del Rey Oaks; Tom Truszkowski, City of Gonzales

**Staff Present:** Jane Royer Barr and Gretchen Markley

**Others Present:** Sabino Lopez and Margaret Robbins, Housing Advisory Committee members; Tom Truszkowski, Gonzales Community Development Director; Henry Gowin, Principal Aide to Supervisor Calcagno; and eleven past and/or prospective subrecipients.

1) **Call to order, roll call:**

Supervisor Salinas called the meeting to order at 3:04 PM. Supervisor Salinas asked that the record show that all members were present.

2) **Public Comment:**

None

3) **Minutes:**

Supervisor Calcagno moved that the minutes of June, 24, 2014 meeting be approved. The motion was approved without objection.

4) **New Business:**

HUD allocation of \$856,820 for Urban County 2014-2015 requested—may or may not receive all funds. Going to the Board of Supervisors for approval on May 6<sup>th</sup> and should know how much we're actually receiving by then.

**a. Review proposals for projects and programs**

1) County Projects recommended for funding:

- i. Via del Sol and Oak Ridge/Aromas Water System balance of water annexation costs: \$1,684
- ii. San Lucas Branch Library soil remediation: \$150,938
- iii. Porter-Vallejo Mansion ADA Improvements, Pajaro: \$160,432
- iv. Geil Street Apartments renovations, Castroville: \$100,000

2) Projects not recommended for funding:

- i. Chualar Curb-cuts/sidewalks: \$192,376
- ii. Grid Alternatives residential solar installation: \$30,000
- iii. CSUMB Self-employment thru Micro-Enterprising Training: \$135,961

Supervisor Calcagno moved to approve the recommended allocations for County projects. Supervisor Salinas seconded and the motion which was approved unanimously (2-0).

3) Programs recommended for funding:

- i. Boys & Girls Club after-school program in Gonzales: \$15,000
- ii. Food Bank for Monterey County distribution program in Castroville and Prunedale: \$15,000
- iii. Shelter Outreach Plus Mobile Outreach Service Team provision of medical and mental health assessments for the homeless: \$15,000
- iv. Central Coast YMCA Pajaro Neighborhood Park programs for low-income youth/families, youth-at-risk: \$15,000
- v. Rancho Cielo Independent Living Village case management for homeless, at-risk youth: \$15,000
- vi. Girls Inc. of the Central Coast after-school programming for at-risk youth: \$10,000

4) Programs not recommended for funding:

- i. Blind and Visually Impaired Center of Monterey County provision of in-home services to disabled and seniors: \$20,000
- ii. Salinas Police Activities League sports and mentoring for at-risk youth: \$15,000

Supervisor Calcagno moved to approve the recommended allocations for County programs. Mr. Truszkowski seconded the motion and it was approved unanimously (4-0).

5) Fair Housing programs recommended for funding:

- i. Project Sentinel program to provide outreach, counseling and education: \$10,000
- ii. Legal Services for Seniors program to provide outreach, counseling and education: \$10,000

6) Fair Housing programs not recommended for funding:

- i. Housing Resource Center (HRC): \$12,000

Kellie Morgantini with Legal Services for Seniors (LSS) thanked the County for their past support. It was noted that Project Sentinel's services are similar to those provided by LSS but not limited to seniors. It was noted that Project Sentinel and LSS both have on-site attorneys while HRC refers clients to attorneys. Supervisor Salinas stated that he would like to see Legal Services broaden their services to include residents other than seniors. Supervisor Calcagno stated he would like to re-visit Project Sentinel next year in regard to funding if they open up a local office to help more county residents.

Supervisor Calcagno moved to approve the recommended allocations for County fair housing programs. Mr. Truszkowski seconded the motion and it was approved unanimously (4-0).

b. **Discuss and make recommendation in regard to possible changes in the HUD allocation.**

Recommendations to be forwarded to the Board of Supervisors for their consideration at the May 6, 2014 meeting were discussed as follows:

- 1) If the funding allocation is greater than \$856,820:
  - i. Funding for the cities of Gonzales and Del Rey Oaks will be increased on a pro rata basis and Grid Alternatives will be funded from the County's pro rata share of the increased funding if there is at least \$10,000 available for the project, up to no more than \$30,000. Any balance would be allocated to San Lucas Library for Geil Street based upon need.
  - ii. If the funding is less than \$10,000, the Porter-Vallejo Mansion would receive the funding as needed.

Supervisor Salinas supported the funding for Grid Alternatives. Supervisor Calcagno voiced concern in regard to fog in North County and potential roof rot. In regard to Chualar curb-cuts/sidewalks, Oga Carranza from county Public Works indicated that the project could be resubmitted for funding next year.

Supervisor Salinas moved that excess funds be allocated on a pro rata basis to Del Rey Oaks, Gonzales and the County with the County's funding to be allocated to GRID Alternatives if there is at least \$10,000 available. If funding was less than \$10,000, then the funds would be allocated to the Porter Vallejo Mansion project. Supervisor Calcagno seconded the motion and it was approved unanimously (2-0).

- 2) If the funding allocation is less than \$856,820:
  - i. If funding is less than requested, funding for the Porter-Vallejo Mansion project would be reduced.

Supervisor Calcagno moved to spread the impact of reduced funding across the board on a pro rata basis. Supervisor Salinas seconded the motion and it was approved unanimously (2-0).

Supervisor Calcagno made a final motion to approve an additional \$2,000 to be allocated to Legal Services for Seniors if there is excess funding. This would first reduce the funding to GRID Alternatives and then to other projects. Supervisor Salinas seconded the motion and it was approved unanimously (4-0).

5) **Adjournment:**

The meeting was adjourned at 4:02 PM.

**MONTEREY COUNTY  
URBAN COUNTY AD HOC COMMITTEE**

<b>MEETING:</b>	September 30, 2014	<b>AGENDA NO.:</b>	4a
<b>SUBJECT:</b>	Review changes in the State of California Housing and Community Development Department's Community Development Block Grant (CDBG) Program in regard to Program Income.		
<b>DEPARTMENT:</b>	Economic Development Department		

**RECOMMENDATION:**

It is recommended that the Urban County Ad Hoc Committee review changes in the State of California Housing and Community Development Department's Community Development Block Grant (CDBG) Program in regard to Program Income.

**DISCUSSION:**

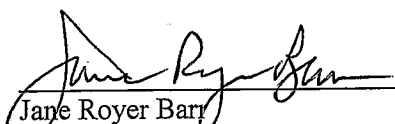
Program Income (PI) is earned when the County receives payments of principal and/or interest on loans funded with State CDBG funds. Beginning July 1, 2014, HCD implemented new policy changes for management and use of State CDBP PI. The Board of Supervisors will conduct a Public Hearing on September 23, 2014, to consider these changes as they pertain to the County's PI.

Per HCD, the County may only use PI to: capitalize Revolving Loan Funds (RLF) if the County can certify that the PI is received from the same activity as the proposed revolving loan fund; fund PI waiver activities; commit PI to a new grant application; augment an awarded activity/project; undertake general administration; or return PI to HCD. Because the County has been designated as an Urban County by the U.S. Department of Housing and Urban Development (HUD), it also has the option of certifying to HCD that CDBG PI will be incorporated into the Urban County program and reported to HUD.

The County currently has approximately \$381,000 of CDBG PI that has been derived from small business lending. Staff is recommending that the Board approve that these funds as well as future PI derived from business assistance lending be set aside in an RLF under HCD's supervision for continued small business lending.

The County also has approximately \$190,000 of CDBG PI not related to the small business program. Approximately 60% of that amount was previously reserved for improvement of a recreational facility in Chualar. If the County does not transfer these funds to the Urban County Program or establish a housing RLF, they must be spent in-lieu of grant funds from a 2012 CDBG award and/or returned to HCD. The funds would not then be available for the Chualar project. A housing RLF is not recommended because PI generated by past loans does not generate sufficient annual income to establish a housing RLF under HCD regulations. By transferring the PI to the Urban County, the County may continue to use the PI to undertake the Chualar project and support current and future housing activities and projects. Staff is recommending that the Ad Hoc Committee recommend that the Board transfer these funds as well as future PI derived from outstanding loans to the Urban County.

Prepared By:

  
Jane Royer Bar  
Housing Program Manager

**MONTEREY COUNTY  
URBAN COUNTY AD HOC COMMITTEE**

<b>MEETING:</b>	August 25, 2014	<b>AGENDA NO.:</b>	4b
<b>SUBJECT</b> :	Review staff recommendations and make recommendations to the Board of Supervisors for consideration at the September 30, 2014 meeting in regard to Urban County allocations for county projects and services based upon the HUD award of \$865,067, Program Income transferred from the State Community Development Block Grant program, and anticipated Program Income in 2014-15.		
<b>DEPARTMENT:</b>	Economic Development Department		

**RECOMMENDATION**

It is recommended that the Ad Hoc Committee review staff recommendations and make recommendations to the Board of Supervisors for consideration at the September 30, 2014 meeting in regard to Urban County allocations for county projects and services based upon the HUD award of \$865,067, Program Income transferred from the State Community Development Block Grant program, and anticipated Program Income in 2014-15.

**BACKGROUND**

On December 4, 2013, a Notice of Funding Availability (NOFA) was issued for Community Development Block Grant (CDBG) funds for FY 2014-15. On December 16, 2013, an application workshop for interested parties was held at the County Government Center. On January 28, 2014, the Board of Supervisors created an Ad Hoc Committee to review and recommend funding for County projects and services and appointed Supervisors Calcagno and Salinas to the Committee. On March 6, 2014, the Ad Hoc Committee met and made funding recommendations for the 2014-15 HUD allocation. On May 6, 2014, the Board of Supervisors approved the Urban County Annual Action Plan including funding allocations for projects and programs. On June 30, 2014, HUD approved the Action Plan and awarded funding for 2014-15.

**DISCUSSION**

The Monterey Urban County was awarded an allocation from HUD of \$865,067 for the jurisdictions of Del Rey Oaks, Gonzales, and the unincorporated areas of the County of Monterey for FY 2014-15. Subsequently, the State of California Housing and Community Development Department's Community Development Block Grant (CDBG) Program issued CDBG Management Memorandum #14-05 which made substantial policy changes to their program effective July 1, 2014. These policy changes affect the Urban County in regard to Program Income from the State CDBG program. Based upon these changes, staff is recommending two recommendations for the Ad Hoc Committee to consider.

First, it is recommended that the Ad Hoc Committee support the staff recommendation to the Board for consideration at their September 23, 2014 meeting to transfer existing PI of approximately \$190,082 as well as all future PI generated by repayments of principal and interest on loans previously made to the Urban County.

Second, it is recommended that the Ad Hoc Committee support the staff recommendation to accept receipt of the Del Rey Oaks PI on hand of approximately \$43,175 as well as future PI generated by repayments of principal and interest on loans previously made by the City to the Urban County. Del Rey Oaks' current portfolio is too small to retain it as a revolving loan fund under the State's CBDG program. It should be noted that Gonzales will not be transferring PI to the Urban County as they have sufficient PI and loans to maintain a Revolving Loan Fund per State policy. Upon action in regard to the addition of State PI to the Urban County, it will be necessary to allocate the PI received to projects.

Consideration must also be given to unspent allocations from FY 2013-14. Two subrecipients did not expend all funds allocated to them. Shelter Outreach Plus had unused funds of \$6,653.37 at year's end. HRC had unused funds of \$21,539.05 from their Housing Assistance Program and \$3,892.95 from their Fair Housing Program. This totals \$32,085.37 which must be reallocated for use in 2014-15 in order to retain the funds. Based upon

prior Ad Hoc actions, it is recommended that \$21,000 be allocated to GRID Alternatives. If approved, there would remain a balance of \$11,085.37. It is recommended that these funds be allocated to MidPen's Geil Street housing rehabilitation project in Castroville. This project originally requested \$300,000 for the project but was only funded \$100,000 of Urban County funds.

County funds available from the transfer of State PI to the Urban County are \$190,082 as of June 30, 2014. In addition, it is estimated that PI in the amount of \$45,000 will be received in FY 2014-15. Adjusting for administrative funds in the amount of \$9,000, funds in the amount of \$181,082 are available for allocation. Staff is recommending further funding for the Geil Street project in order for the developer to make as many improvements to the project as possible. In addition, staff strongly supports the previously approved State CDBG program to make improve recreational facilities in Chualar. In light of these two projects, it is recommended that a further allocation of \$50,418 be recommended for the Geil Street project and a new allocation of \$175,664 be recommended for the Chualar project.

Del Rey Oaks funds available from the transfer of State PI to the Urban County are \$43,175 as of June 30, 2014. Based upon a request from Del Rely Oaks, staff supports a recommendation to increase funding to the City Hall ADA Improvements project in this amount.

Finally, Gonzales has requested a reallocation of 2014-15 funds previously approved in the amount of \$142,242. Bids for the childcare reroofing project came in over budget which left insufficient funds to proceed with the contract. Gonzales has requested that their 2014-15 allocation of \$142,242 for ADA improvements to curbs and gutters be reduced by \$16,000 and that the reduction be applied to the childcare roof. Staff supports this request and recommends it to the Ad Hoc Committee for recommendation to the Board.

Revised funding recommendations for projects from the two cities are attached and shown in Table A and B of Exhibit A, Urban County Allocations. Revised funding recommendations for the county projects are shown in Table C of Exhibit A. There are no revisions recommended to the Service Programs allocations shown in Table D of Exhibit A. Finally, Exhibit E, the allocation for Administration, has been increased to account for PI expected to be earned in FY2014-15. No administrative costs are allowed to be paid on the PI funds earned before 6/30/14 which are being transferred to the Urban County.

Any recommendations in regard to Program Income and FY2014-15 allocations which are made by the Ad Hoc Committee will be forwarded to the Board of Supervisors for deliberation at the September 30, 2014 meeting. This will require a Public Hearing and will be noticed with the provision of a 30-day review period. If approved by the Board, they will result in a Substantial Amendment to the Action Plan.

Prepared By:

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Jane Royer Barr  
Housing Program Manager

**EXHIBIT A**  
**Urban County Funding Allocations**

**Table A**  
**Del Rey Oaks Projects**

<u>Project Title</u>	<u>Subrecipient Name</u>	<u>Funding Request</u>	<u>Initial Funding Recommendation</u>	<u>Revised Funding per HUD Final Allocation</u>	<u>Proposed Revised Allocation</u>
City Hall ADA Improvements	Del Rey Oaks	\$26,516	\$26,516	\$26,771	\$69,946

**Table B**  
**Gonzales Projects**

<u>Project Title</u>	<u>Subrecipient Name</u>	<u>Funding Request</u>	<u>Initial Funding Recommendation</u>	<u>Revised Funding per HUD Final Allocation</u>	<u>Proposed Revised Allocation</u>
Curb Ramp Accessibility Improvements	Gonzales	\$140,886	\$140,886	\$142,242	\$126,242
Childcare Roof	Gonzales	\$0	\$0	\$0	\$16,000
<b>TOTAL</b>		<b>\$140,886</b>	<b>\$140,886</b>	<b>\$142,242</b>	<b>\$142,242</b>

**Table C**  
**County Projects**

<u>Project Title</u>	<u>Subrecipient Name</u>	<u>Funding Request</u>	<u>Initial Funding Recommendation</u>	<u>Revised Funding per HUD Final Allocation</u>	<u>Proposed Revised Allocation</u>
Oakridge & Via Del Sol Water System	Aromas Water District	\$1,684	\$1,684	\$1,684	\$1,684.00
San Lucas Branch Library	County Public Works	\$350,938	\$150,938	\$150,938	\$150,938.00
Porter Mansion ADA Improvements	County Public Works	\$172,500	\$160,432	\$164,409	\$164,409.00
Geil Street Apartments	MidPen	\$300,000	\$100,000	\$100,000	\$161,503.37
Residential Solar Installation	Grid Alternatives	\$30,000	\$0	\$0	\$21,000.00
Chualar Park	County Economic Development	\$0	\$0	\$0	\$175,664.00
<b>TOTAL</b>		<b>\$825,122</b>	<b>\$413,054</b>	<b>\$417,031</b>	<b>\$675,198.37</b>



**Table D  
Service Programs**

<u>Project Title</u>	<u>Subrecipient Name</u>	<u>Funding Request</u>	<u>Initial Funding Recommendation</u>	<u>Revised Funding per HUD Final Allocation</u>	<u>Proposed Revised Allocation</u>
After School Program - Gonzales	Boys and Girls Club of Monterey County	\$15,000	\$15,000	\$15,000	\$15,000
Food Distribution - Castroville and Prunedale Senior Centers	Food Bank for Monterey County	\$15,000	\$15,000	\$15,000	\$15,000
Mobile Outreach Service Team (MOST)	Shelter Outreach Plus	\$20,000	\$15,000	\$15,000	\$15,000
Pajaro Park Programs	Central Coast YMCA	\$20,000	\$15,000	\$15,000	\$15,000
Rancho Cielo Independent Living Village	Rancho Cielo	\$25,000	\$15,000	\$15,000	\$15,000
After School Program - Castroville	Girls Inc. of the Central Coast	\$10,000	\$10,000	\$10,000	\$10,000
Fair Housing Service	Project Sentinel	\$23,640	\$10,000	\$10,000	\$10,000
Fair Housing Service	Legal Services for Seniors	\$15,000	\$10,000	\$11,010	\$11,010
<b>TOTAL</b>		<b>\$143,640</b>	<b>\$105,000</b>	<b>\$106,010</b>	<b>\$106,010</b>

**Table E  
Revised Administration Allocation**

<u>Jurisdiction</u>	<u>General Administration Allocation</u>	<u>Project/General Administration</u>	<u>Services Administration</u>	<u>Total</u>
Del Rey Oaks		\$2,975		\$2,975
Gonzales		\$15,805		\$15,805
Monterey County	\$100,229	\$51,337	\$11,667	\$163,233
<b>TOTAL</b>	<b>\$100,229</b>	<b>\$70,117</b>	<b>\$11,667</b>	<b>\$182,013</b>

**MONTEREY COUNTY  
URBAN COUNTY AD HOC COMMITTEE**

<b>MEETING:</b>	August 25, 2014	<b>AGENDA NO.:</b>	4c
<b>SUBJECT:</b>	Discuss and make recommendations in regard to possible changes in the HUD Citizen Participation Plan regarding noticing		
<b>DEPARTMENT</b>	Economic Development Department		

**RECOMMENDTION**

It is recommended that the Ad Hoc Committee discuss and make recommendations in regard to possible changes in the HUD Citizen Participation Plan regarding noticing.

**BACKGROUND**

In June of 2013, HUD approved the Urban County Consolidated Plan. Incorporated into the Consolidated Plan is a Citizen Participation Plan which outlines how outreach to the community is to be undertaken.

**DISCUSSION**

As written and approved, the Citizen Participation Plan provides for noticing of public hearings for the Urban County in the Salinas Californian, the Monterey Herald, El Sol (Spanish language paper) and the Gonzales Tribune. Over the last two years as work began on becoming an Urban County and continued after its establishment, staff has more fully understood the cost of advertising in four papers. Additionally, we have become aware that circulation for the Weekly newspaper exceeds that of all the other papers combined. In order to more wisely use HUD funds, it is proposed that the Citizen Participation Plan be amended to cite the Weekly and the Gonzales Tribune as the papers of choice for noticing. Noticing in Spanish will be included in at least one of the papers or, as a default, in El Sol.

Prepared By:

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Jane Royer Barr  
Housing Program Manager