

CITY OF MONTEREY 2016-2017 ACTION PLAN

Community Development Block Grant (CDBG)
Entitlement Funds
State HOME Funds

Revised April 18, 2017

Unforeseen electrical work was identified for Van Buren Senior Housing project that was required for project delivery. The work involved temporary electrical overhead installation that was necessary to relocate the underground electric service line that ran through the project site. Relocation of the line was required for demolition of the site. The budget for the additional work is approximately \$60,000. With the second Substantial Amendment, the total project budget will amount to \$195,310. Funding for the second Substantial Amendment will be taken from the funding that had been proposed to be placed in the Revolving Fund Loan program identified in the first Substantial Amendment. The City received pre-authorization from HUD on March 7, 2017 to incur the additional project expenses in the approximate amount of \$60,000. A 30 day public comment period was held from March 18, 2017 through April 17, 2017. A public hearing took place on April 18, 2017 at the City Council meeting. At that meeting the City Council approved the Second Substantial Amendment. Completion of this project was critical to the City's spending goals to meet HUD's timeliness test on May 2, 2017.

Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The City of Monterey, incorporated in 1850, is one of California's oldest communities. Founded in 1770, the City served as California's first capital and hosted California's first constitutional convention in the City's historic Colton Hall, where in 1849 the State of California's Constitution was signed. The City of Monterey is located on the Monterey Bay, now a National Marine Sanctuary.

The City is a regional and national tourist destination and is approximately 125 miles south of San Francisco and 345 miles north of Los Angeles. The City also boasts several institutions of higher learning including the Defense Language Institute, which specializes in teaching foreign languages to military personnel; the Monterey Institute of International Studies, which provides graduate degrees with emphasis on the international community, their customs, languages and business trends; the Naval Postgraduate School, which provides advanced degrees for military personnel; and Monterey Peninsula College, which offers general education for an AA degree to transfer to a four-year institution. These institutions attract many culturally diverse populations from across the globe.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

To receive Community Development Block Grant (CDBG) funds, the City must submit an Action Plan to the Department of Housing and Urban Development (HUD) each year. The annual Action Plan describes the City's planned investments for the coming program year, including proposed actions and proposed CDBG projects. The Action Plan is also considered to be an application for federal funds and provides a yearly operating plan for activities. It outlines the City's proposed activities in several areas and relates these activities back to the five-year strategies to address priority needs described in the Consolidated Plan.

The City of Monterey's FY 2016–2017 Action Plan includes the following CDBG budget projections:

- \$215,548 in estimated Entitlement funds from HUD;
- \$886,900 in projected program income funds; and
- \$991,294 in built-up funds to be spent in the Timeliness Spending Plan.

The First Substantial Amendment will allocate up to \$710,400 in unallocated and unanticipated CDBG program income to six projects. Four projects are Program Year 2016 projects. Two projects are new projects.

Former RDA Housing fund projection is \$1,729,000.

HOME fund projection is \$241,156.

To continue the City's efforts to meet continuing priorities, the City of Monterey will fund a variety of housing and community services activities during the FY 2016-2017 (Program Year 2016). Funds for these programs will consist of CDBG funds, former redevelopment agency housing funds (Housing Funds) and HOME funds. During Program Year 2016 the City will also fund and manage public infrastructure and rehabilitation projects authorized in the City's Timeliness Workout Plan and Substantial Amendment to Fiscal Year 2014-2015 Action Plan for CDBG Program and Budget.

All of the identified projects support the City's approved 2015-2019 Consolidated Plan Five-Year Plan. Key projects proposed for Program Year 2016 and budgets include:

- Housing Rehabilitation Programs (\$401,603 CDBG funds & \$270,641 Housing funds).
- Community Service Grants (\$103,530 CDBG funds This is the same funding amount provided in Program Year 2015 and it includes \$47,510 allocated to homeless services providers).

- Neighborhood Revitalization Activities in Census Tract 133 and 127 low-income block groups consisting of code enforcement efforts and outreach to increase demand for housing rehabilitation plans accessible sidewalk improvements and rehabilitation program outreach (\$63,500 CDBG funds).
- Demolition, site clearance and professional services needed to facilitate construction of the 19-unit senior affordable housing project on the 600 block of Van Buren Street (\$130,310 CDBG funds).
- Completion of Monterey Hotel Affordable Apartments (\$1,200,000 Housing funds)
- Management of Estrella Low-Income housing apartments (\$151,750 HOME funds).
- Public infrastructure projects in Census Tract Block Groups 133-3 and 133-4 (\$120,000 CDBG funds).
- Timeliness Spending Plan (\$991,294 CDBG funds).
- Staffing and overhead for overall administration of the CDBG program (\$131,219 CDBG funds, \$18,934 HOME funds & \$206,359 Housing funds).

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The Housing and Property Management office of the Plans and Public Works department is responsible for administering the Consolidated Plan and annual Action Plans. Programs are based on priorities and funding allocations approved by the City Council after requisite public hearings. The Housing and Property Management office staff leads and administers various aspects of housing, community services, and efforts to sustain housing programs for the City of Monterey. The financial resources necessary to maintain the Housing and Property Management office administrative staffing at previous levels are no longer available due to the loss of redevelopment housing funds. During Program Year 2016, the Housing and Property Management office will need to reorganize to insure adequate staff resources are available for effective management of all of the housing programs.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

Citizen Participation

Prior to adoption of the First Substantial Amendment two meetings were held to receive public comment. A public meeting was held before the Planning Commission on January 24, 2017. A public hearing was held before the City Council on February 7, 2017.

Five public meetings are scheduled in 2016 to receive comments and suggestions on the community's housing and services needs. The first meeting was held on February 12, 2016 for the purpose of introducing the community services grant application process and soliciting

public comment on community development needs. The second meeting was held on March 25, 2016 to receive presentations on the grant proposals from nine community service organizations. The third meeting was held on May 24, 2016 by the Planning Commission as a public hearing for advisory review and recommendation on the draft Action Plan. The fourth meeting was held on June 21, 2016 as a public hearing to adopt the Action Plan. The fifth and final meeting of the year will be scheduled in September as a Planning Commission public hearing to consider and approve the City's final report (the CAPER) on the previous year's 2015-2016 Action Plan. Public review of the Draft Action Plan commenced on May 20, 2016 with release of the draft Action Plan.

Notice of availability of the first draft of the Substantial Amendment for public review were published on December 31, 2016.

To ensure maximum participation, copies of the draft Action Plan have been made available for public review to local organizations and individuals representing neighborhood associations, special needs groups, and low-income constituencies. All entities were sent meeting notifications to solicit oral or written comments. Initial notice of the minimum 30-day review period for the Action Plan was published on May 15, 2016 in the Monterey Herald a local daily newspaper. The review period ended on June 21, 2016 with City Council review and approval of the Action Plan. Additionally, nonprofit agencies played a key role in providing information and recommendations in the development of this Action Plan.

The second Substantial Amendment was submitted for review and approval by the City Council at a Public Hearing on April 18, 2017. Advertisement of the second Substantial Amendment and City Council Public Hearing was published in the local newspaper, the Monterey Herald on March 18, 2017. A 30-day review and/or comment period, commencing March 18, 2017 to April 17, 2017 was established to provide notification of the availability of the second Substantial Amendment documents and opportunities for public comment.



NOTICE OF PUBLIC HEARING SUBSTANTIAL AMENDMENT TO FISCAL YEAR 2016-2017 ACTION PLAN FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM AND BUDGET	NOTIFICACIÓN DE AUDIENCIA PÚBLICA ENMIENDA SUSTANCIAL A PROGRAMAS Y PRESUPUESTO DEL OTORGAMIENTO CONJUNTO PARA EL DESARROLLO COMUNITARIO (COMMUNITY DEVELOPMENT BLOCK GRANT) [CDBG POR SUS SIGLAS EN INGLÉS] DEL PLAN DE ACCIÓN ANUAL DEL AÑO FISCAL 2016/17
<p>The City of Monterey City Council Planning Commission will hold a Public Hearing at 7 p.m. on Tuesday, February 7, 2017 to consider and approve a Substantial Amendment to the City of Monterey Program Year 16 Annual Action Plan. The proposed Substantial Amendment will allocate additional CDBG funds in an approximate amount of \$368,065 to expand two current projects and fund two new activities. Additional CDBG funding is anticipated because program income receipts are exceeding projections. In order to spend the additional program income in Program Year 16, the City must amend its Action Plan by adopting a Substantial Amendment. This document, which consists of a narrative and required attachments, constitutes the complete Substantial Amendment to be submitted to U.S. Department of Housing and Urban Development ("HUD"). The views and comments of citizens, public agencies and other interested parties will be considered in developing the final documents for the City of Monterey.</p> <p>The Substantial Amendment to Fiscal Year 2016-2017 Action Plan was published and made available for review beginning December 30, 2016, in the offices of Planning Department, Housing and Property Management, City Clerk and the Monterey Public Library during normal office hours. On January 24, 2017 the Planning Commission will hold a Public Meeting to review the Substantial Amendment to Fiscal Year 2016-2017 Action Plan to receive public comment. Public comment is encouraged at the Planning Commission Public Meeting. The complete Substantial Amendment is on the City's website: http://www.monterey.org/Services/Housing</p> <p>Final public review of the Substantial Amendment to the Fiscal Year 2016-2017 Action Plan is scheduled for February 7, 2017 at 7:00 p.m. before the City Council at the Council Chambers Few Memorial Hall located at Pacific and Madison Streets, Monterey, California. The Substantial Amendment to the Fiscal Year 2016-2017 Action Plan will be submitted immediately to HUD after receiving City Council's approval.</p> <p>If you have any questions, require an interpreter, or are elderly or handicapped and require a hearing amplification device in order to attend and understand this meeting, please contact the Housing and Property Management Division Office at (831) 646-3995, or dial 7-1-1 at least 24 hours in advance of the meeting.</p> <p>Publication Date: 12/31/2016</p>	<p>La ciudad de Monterey Concejo Municipal Comisión de planificación realizará una audiencia pública en 7:00 en martes, 07 de febrero de 2017 a examinar y aprobar una enmienda sustancial a la ciudad de Monterey programa año 16 Plan de acción anual. La enmienda sustancial destinará más fondos CDBG en un monto aproximado de \$368,065 para ampliar dos proyectos y financiar dos nuevos proyectos. Fondos de CDBG adicionales se anticipa porque recibos de ingresos programa superan las proyecciones. Para gastar los ingresos adicionales del programa en el programa de año 16, la ciudad debe modificar su Plan de acción mediante la adopción de una modificación sustancial. Este documento, que consta de una narración y anexos exigidos, constituye la enmienda sustancial completa para ser enviado a los Estados Unidos Departamento de vivienda y desarrollo urbano ("HUD"). Se considerarán las opiniones y comentarios de los ciudadanos, organismos públicos y otras partes interesadas en el desarrollo de los documentos finales para la ciudad de Monterey.</p> <p>La enmienda sustancial al Plan de acción Año Fiscal 2016-2017 fue publicada y disponible para revisión a partir de 30 de diciembre de 2016, las oficinas del Departamento de planificación, vivienda y administración de propiedades, vendedor de la ciudad y la biblioteca pública de Monterey durante horas de oficina normales. En 24 de enero de 2017 la Comisión de planeación llevará a cabo una reunión pública para revisar la enmienda sustancial al Plan de acción Año Fiscal 2016-2017 para recibir comentarios del público. Comentarios públicos se promueve en la Comisión de planificación de reunión pública. La completa modificación sustancial es en el sitio web de la ciudad: http://www.monterey.org/Services/Housing</p> <p>Revisión pública final de la enmienda sustancial al Plan de acción Año Fiscal 2016-2017 está prevista para el 07 de febrero de 2017 a 19:00 antes de que el Ayuntamiento en el Concejo Municipal de Monterey Few Memorial Hall localizada entre las calles Pacific y Madison. La enmienda sustancial al Plan de acción Año Fiscal 2016-2017 se presentará inmediatamente HUD inmediatamente después de este aprobamiento del Consejo Municipal.</p> <p>Si usted tiene alguna pregunta, requiere un intérprete, es anciano, esta minusválido y requiere aparatos de amplificación de sonido especial o asistencia para fin de asistir o entender ésta junta, por favor comuníquese con la Oficina de Administración de Vivienda y Propiedad al (831) 646-3995, o 7-1-1 cuando menos 24 horas con anticipación a la reunión.</p> <p>Fecha de publicación: 12/31/2016</p>

Newspaper Notice



NOTICE OF PUBLIC HEARING

2nd SUBSTANTIAL AMENDMENT TO FISCAL YEAR 2016-2017 ACTION PLAN FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM AND BUDGET

The City of Monterey City Council will hold a Public Hearing at 7 p.m. on April 18, 2017 at the Council Chambers located at 580 Pacific Street in Monterey, California to consider and approve a Second Substantial Amendment to the City of Monterey 2016-2017 Action Plan for the Community Development Block Grant (CDBG) Program and Budget. Public comment is encouraged during the 30-day review period and at the Public Hearing. The views and comments of citizens, public agencies and other interested parties will be considered in developing the final documents.

The proposed Second Substantial Amendment will allocate additional CDBG funds in an approximate amount of \$60,000 to facilitate the completion of site clearance and building demolition that is necessary to allow construction of the 19-unit Van Buren Street Senior Housing Project at 669 Van Buren Street. Funding for the Second Substantial Amendment will be taken from the funding that had been proposed to be placed in the Revolving Fund Loan program. In order to spend these funds on the Van Buren Street Housing Project the City must amend its Action Plan by adopting this Second Substantial Amendment. This document, which consists of a narrative and required attachments, constitutes the complete Substantial Amendment to be submitted to U.S. Department of Housing and Urban Development ("HUD"). The views and comments of citizens, public agencies and other interested parties will be considered in developing the final documents for the City of Monterey.

The Second Substantial Amendment to Fiscal Year 2016-17 Action Plan was published and made available for 30-day review beginning March 17, 2017, in the offices of Planning Department, Housing and Property Management, City Clerk and the Monterey Public Library during normal office hours. Public comment is encouraged. The complete Substantial Amendment is on the City's website:

<http://monterey.org/Portals/0/Reports/Housing/Draft-Second-Substantial-Amd-to-FY-16-CDBG-Action-Plan.pdf>

The Substantial Amendment to the Fiscal Year 2016-17 Action Plan will be submitted immediately to HUD after receiving City Council's approval.

If you have any questions, require an interpreter, or are elderly or handicapped and require a hearing amplification device in order to attend and understand this meeting, please contact the Housing and Property Management Division Office at (831) 646-3995, or dial 7-1-1 at least 24 hours in advance of the meeting.

Publication Date: March 18, 2017

NOTIFICACIÓN DE AUDIENCIA PÚBLICA

SEGUNDO ENMIENDA SUBSTANCIAL AL PLAN DEL AÑO FISCAL 2016-2017 ACCIÓN PARA EL DESARROLLO COMUNITARIO BLOCK GRANT (CDBG) PROGRAMA Y PRESUPUESTO

La ciudad de Monterey Ayuntamiento celebrará una audiencia pública en 19:00 en 18 de abril de 2017 en los compartimientos del Consejo ubicado en 580 Pacific Street en Monterey, California a examinar y aprobar una segunda enmienda substancial a la ciudad de Monterey 2016-2017 Plan de acción para el programa de subvención de desarrollo comunitario (CDBG) y presupuesto. Comentarios públicos se recomienda durante la 30 días y en la audiencia pública. Se considerarán las opiniones y comentarios de los ciudadanos, organismos públicos y otras partes interesadas en el desarrollo de los documentos finales.

La segunda enmienda sustancial propuesta destinará más fondos CDBG en un monto aproximado de \$60,000 para facilitar la realización de la liquidación de sitio y construcción demolición que es necesario para permitir la construcción de la unidad de 19 Van Buren Street senior proyecto de vivienda en la 699 Van Buren. Financiación de la segunda enmienda sustancial se tomara de los fondos que se había propuesto en el programa de fondo rotatorio de préstamos. Para gastar estos fondos en el proyecto de vivienda en calle Van Buren la ciudad debe modificar su Plan de acción por adoptar esta segunda enmienda sustancial. Este documento, que consta de una narración y anexos exigidos, constituye la enmienda sustancial completa para ser enviado a los Estados Unidos Departamento de vivienda y desarrollo urbano ("HUD"). Se considerarán las opiniones y comentarios de los ciudadanos, organismos públicos y otras partes interesadas en el desarrollo de los documentos finales para la ciudad de Monterey.

La segunda enmienda sustancial al Plan de acción Año Fiscal 2016-17 fue publicada e hizo disponible para la revisión de 30 días a partir de 17 de marzo de 2017, las oficinas del Departamento de planificación, vivienda y administración de propiedades, vendedor de la ciudad y la biblioteca pública de Monterey durante horas de oficina normales. Comentarios del público se anima. La completa modificación sustancial está en el sitio web de la ciudad: <http://monterey.org/Portals/0/Reports/Housing/Draft-Second-Substantial-Amd-to-FY-16-CDBG-Action-Plan.pdf>

La enmienda sustancial al Plan de acción Año Fiscal 2016-17 se presentará inmediatamente a HUD después de recibir la aprobación del Concejo Municipal.

Si tiene alguna pregunta, necesita un intérprete, o son ancianos o discapacitados y requieren un dispositivo de amplificación auditiva en orden a asistir y comprender esta reunión, por favor póngase en contacto con la vivienda y la oficina de división de gestión de propiedad en (831) 646-3995 o marque 7-1-1 en por lo menos 24 horas antes de la reunión.

y otras partes interesadas en el desarrollo de los documentos finales.

Fecha de publicación: 18 de marzo de 2017

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

No public comments were received for the second Substantial Amendment.

Public comments on the first Substantial Amendment were received at the Planning Commission meeting and the City Council public hearing. City residents and representative of public services organizations provided comment and support for the Substantial Amendment. One resident commented that funding should not be used to further improve Montecito Park because that funding should be allocated to fund a homeless facility or affordable housing as higher priorities.

Public comments were received at the Planning Commission Public Hearing and at the City Council Public Hearing. At both hearings representatives from community service organizations spoke in support of the Action Plan and the importance of the proposed public services funding to their programs. Commission Garden commented that while there are significant restrictions on how the City can allocate CDBG funds, there are millions of dollars without the same restrictions. He suggested that staff look into other potential ways for the City to allocate income from sources other than CDBG to meet today's most urgent needs. Planning Commission comments are summarized in the Planning Commission Minutes which are included as an Attachment.

Council Member comments expressed at the June 21, 2016 Public Hearing highlighted the high cost of housing in the community and the importance of placing low and work force housing as a top priority for the community. Final Council minutes for the Substantial Amendment are not available at the time of this report submission.

**MINUTES
PLANNING COMMISSION**

Tuesday, January 24, 2017
4:00 PM - 5:30 PM
7:00 PM - 11 PM
580 PACIFIC STREET, COUNCIL CHAMBERS
MONTEREY, CALIFORNIA

Commissioners Present: Reed, Fletcher, Davis, Widmar, Dawson, Millich, Latasa
Commissioners Absent: None
Staff Members Present: Recording Secretary Leinen, Chief of Planning Engineering & Environmental Comp Cole, Principal Planner Caraker

PUBLIC APPEARANCE

2. Receive Report on Substantial Amendment to Fiscal Year 2016-2017 Action Plan for Community Development Block Grant Program and Budget and Provide Comments (Exempt from CEQA Article 19, Section 15301, Class 1, 15306, Class 6 and 15326, Class 26 and Exempt from NEPA Guidelines 24 CFR Part 58)
ACTION: Received report on Substantial Amendment to fiscal year 2016-2017 Action Plan for Community Development Block Grant (CDBG) Program and Budget and provided comments.

Staff Presentation/Commissioner Questions

Rick Marvin presented the Agenda Report and answered Commissioners' questions. Kimberly Cole was also present and answered Commissioners' questions.

In response to Commissioner Dawson's question regarding mention of a Planning Commission meeting on January 10, 2017 in the Substantial Amendment document, Mr. Marvin said that the date will be corrected to reflect the date of January 24, 2017.

Vice Chair Millich thanked Mr. Marvin for his thorough report. He noted that the report included an incorrect date, a typo and a misspelling and requested that they be corrected. Vice Chair Millich also requested clarification on the acronyms used in the report and suggested that an alphabetical be index be created due to the large number of acronyms used. In response Vice Chair Millich's comments, Mr. Marvin said that he is unable to change the Action Plan because it is a Department of Housing and Urban Development (HUD) template, but that he can add an index to the Substantial Amendment.

Public Comments

Judy Karas, thanked the Planning Commission for their thoroughness in reviewing the report. Ms. Karas spoke about the proposed improvements to Motecito Park and said that these improvements should be funded through the Transient Occupancy Tax (TOT) because it is a neighborhood improvement and that the

Community Development Block Grant (CDBG) money should be used for top priority projects that HUD deals with.

Jay Fagan, project coordinator for the Veterans Transition Center, thanked the City of Monterey and Mr. Marvin for their assistance. Mr. Fagan said construction of the Center is ahead of schedule and a grand opening is scheduled for April 1, 2017. He also said the Center will continue its long-standing relationship with the police department, fire department, and community partners to identify all homeless persons in Monterey identifying as veterans.

Kelly Keen, Gathering for Women volunteer, spoke about the importance of getting homeless women, especially between 77 and 87 years of age, indoors and off the streets. Ms. Keen asked if TOT funds could be used for Montecito Park improvements and said that Monterey could certainly use a facility for the homeless.

Mr. Marvin responded to public comments and said one of the challenges the City faces is spending the funding that comes in within one year and identifying projects that are far enough along to provide funding so it will be spent within the year time frame. He also said that CDBG rules limit the amount of funding that can be spent on community services and that the City is currently working to identify future housing projects. Regarding Montecito Park, Mr. Marvin said CDBG funds will be used to supplement Neighborhood Improvement Program (NIP) funding.

Commissioner Comments

In response to Chair Fletcher's question, Mr. Marvin said the main limitation on providing funding to existing services is working within the cap placed on funding by HUD. He also said the City will be in a better position to provide more public services next year due to increased program income raising the cap.

Commissioner Widmar asked whether revolving loan funds could be used to fund a project, such as a homeless shelter, that does not have to be designed, built, and funded within a one year time frame. In response, Mr. Marvin said revolving loan funds cannot be used for future year's projects.

Commissioner Latasa thanked Mr. Marvin for the thorough report.

Ms. Caraker said the City has begun outreach to the service community for next year's Action Plan. She said a Notice of Funding Availability is being circulated and that a public meeting will be held for any public agency interested in a grant Friday, January 27, 2017 from 10:00 a.m. to 12:00 p.m. in the City Council Chambers.

MINUTES
CITY COUNCIL REGULAR MEETING
CITY OF MONTEREY
Tuesday, February 7, 2017
4:00 - 5:30 PM 7:00 - 11:00 PM
COUNCIL CHAMBER, FEW MEMORIAL HALL OF RECORDS
MONTEREY, CALIFORNIA

Councilmembers

Present: Councilmembers Albert, Barrett, Haffa, Smith, Roberson

Absent: None

City Staff

Present: City Manager, City Attorney, Director of Information Resources/City Clerk, Assistant City Manager, Deputy City Manager Plans and Public Works, Police Chief, Community Services Director, Fire Chief, Human Resources Director, Library Director, Chief of Planning Engineering & Environmental Compliance, Housing & Property Manager, Finance Director, Harbormaster, HPM Administrative Analyst, Sustainability Coordinator

PUBLIC HEARING

12. Approve Substantial Amendment to Fiscal Year 2016-2017 Action Plan for Community Development Block Grant (CDBG) Program and Budget, Authorize Appropriation of Funds, and Authorize Submission to the U.S. Department of Housing and Urban Development (HUD) (Not a Project under CEQA per Article 20, Section 15378 and Under General Rule Article 5, Section 15061) (Plans & Public Works - 201-09)

Action: Held Public Hearing; adopted Resolution No. 17-015 C.S.

Property and Housing Manager Marvin presented the staff report and answered Councilmembers' questions.

Councilmember Haffa asked if some of the CDBG money could be reprogrammed to establish rental assistance for extremely low income individuals. Mr. Marvin explained the limitations and timing restrictions on CDBG funds that complicate this type of program. He said that CDBG has a role to play in assisting the homeless, but other types of funding will be needed.

Councilmember Barrett said that he is interested in seeing this plan move forward at this time, but perhaps there are ways to tweak the program in the future.

Councilmember Smith said he would like to know how to measure the effectiveness and results when money is given to providers in order to determine where the money is best spent.

Mayor Roberson opened the public hearing. Jay Fagan, Veterans Transition Center, expressed his gratitude for the City's support, and he reviewed the current project for veterans' housing. Tom Griffin, Veterans Transition Center, said that they currently have a large number of veterans and families on their wait list. He said that they have a 93% success rate with their clients. He said that they made a deal with Seaside to rehab six homes on Fort Ord and now there are six veterans with homes there. He proposed that Monterey partner with them to obtain more of those houses on Fort Ord to rehabilitate them and house veterans. With no further requests to speak, the Mayor closed the public hearing.

PC and CC Minutes p3

On a motion by Councilmember Haffa, seconded by Councilmember Smith, and carried by the following vote, the City Council adopted Resolution No. 17-015 C.S., approving a substantial amendment to the Fiscal Year 2016-2017 Action Plan for Community Development Block Grant (CDBG) Program and Budget, authorizing appropriation of funds, and authorizing submission to the U.S. Department of Housing and Urban Development (HUD):

AYES:	5	COUNCILMEMBERS:	Albert, Barrett, Haffa, Smith, Roberson
NOES:	0	COUNCILMEMBERS:	None
ABSENT:	0	COUNCILMEMBERS:	None
ABSTAIN:	0	COUNCILMEMBERS:	None
RECUSED:	0	COUNCILMEMBERS:	None

MINUTES
CITY COUNCIL REGULAR MEETING
CITY OF MONTEREY
Tuesday, April 18, 2017
4:00 p.m. - 5:30 p.m. 7:00 p.m. - 11:00 p.m.
FEW MEMORIAL HALL OF RECORDS,
MONTEREY, CALIFORNIA

Councilmembers

Present: Councilmembers Albert, Barrett, Haffa, Smith, Roberson

Absent: None

City Staff

Present: City Manager, City Attorney, Director of Information Resources/City Clerk, Assistant City Manager, Police Chief, Community Services Director, Human Resources Director, Library Director, Acting Community Development Director, Housing & Property Manager, Finance Director, Acting Public Works Director, Principal Planner, HPM Administrative Analyst

CALL TO ORDER

Mayor Roberson called the meeting to order at 4:03 p.m.

PUBLIC HEARING

24. Approve the Second Substantial Amendment to Fiscal Year 2016-2017 Action Plan for Community Development Block Grant (CDBG) Program and Budget, and Authorize Submission to the U.S. Department of Housing and Urban Development (HUD) (NEPA Not a Project; Exempt Article 19 Section 15301 Class 1, 15306 Class 6) (Plans & Public Works - 201-09)
Action: Adopted Resolution No. 17-062 C.S.

Administrative Analyst Miller presented the staff report and answered Councilmembers' questions.

Mayor Roberson opened the Public Hearing, had no requests to speak, and closed the hearing.

On a motion by Mayor Roberson, seconded by Councilmember Barrett, and carried by the following vote, the City Council adopted Resolution No. 17-062 C.S., approving the second substantial amendment to Fiscal Year 2016-2017 Action Plan for the Community Development Block Grant (CDBG) Program and Budget, and authorizing submission to the U.S. Department of Housing and Urban Development (HUD):

AYES:	5	COUNCILMEMBERS:	Albert, Barrett, Haffa, Smith, Roberson
NOES:	0	COUNCILMEMBERS:	None
ABSENT:	0	COUNCILMEMBERS:	None
ABSTAIN:	0	COUNCILMEMBERS:	None
RECUSED:	0	COUNCILMEMBERS:	None

4/18 City Council Public Hearing Minutes

6. Summary of comments or views not accepted and the reasons for not accepting them

The comments regarding the priority of funding for Montecito Park were addressed as follows: No specific homeless facility or affordable housing project was put forth by the community and that there are no new homeless facilities or affordable housing that is at a stage where funding could be expended in conformance with HUD timeliness spending guidelines.

All of the comments received at the Public Hearings have been considered and incorporated into the Action Plan and Substantial Amendment. The City's Consolidated Plan establishes increasing the housing supply as a top priority and indicates that the City will continue to explore strategies to develop additional housing, including rental housing for extremely low, very low and low-income households. The City's recently adopted Housing Element Update also encourages development of work force housing, as well as, low-income housing.

7. Summary

The second Substantial Amendment continues to reinforce the projects and priorities established in the City's adopted Five-Year 2015–2019 Consolidated Plan and Program Year 2016 Action Plan.

The first Substantial Amendment reinforces the projects and priorities established in the City's adopted Five-Year 2015–2019 Consolidated Plan and Program Year 2016 Action Plan.

The Action Plan is a one-year plan and budget that will implement the Five-Year 2015–2019 Consolidated Plan for spending federal grant money on programs to benefit low- and moderate-income households residing in the City. The Consolidated Plan defines the City's community development goals and priorities to address low- and moderate-income housing and unmet needs of the community's disadvantaged households. Policies and programs identified in the Action Plan will be funded in FY 2016/17 and are consistent with the goal and priorities in the Consolidated Plan.

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role		Name	Department/Agency
CDBG Administrator		MONTEREY	Housing and Property Management Office

Table 1 – Responsible Agencies

Narrative (optional)

Consolidated Plan Public Contact Information

The City's Housing and Property Management Division is the designated lead agency for implementing the City's Consolidated Plan and the CDBG program. General inquiries regarding the Consolidated Plan or the CDBG program may be directed to Rick Marvin at 831-646-3995. Written correspondence regarding the Annual Action Plan should be directed to Rick Marvin, Housing and Property Manager, Housing and Property Management Office, City of Monterey, City Hall, Monterey, CA 93940 or marvin@monterey.org .

AP-10 Consultation – 91.100, 91.200(b), 91.215(l)

1. Introduction

Since 2013 the City has participated in the Coalition of Homeless Services Providers Leadership Council oversight of the Lead Me Home Plan. The Leadership Council enjoys broad involvement of all members of the community including representatives from Monterey County Behavioral Services, Monterey County Social and Employment Services and Natividad Hospital. The objectives and priorities contained in the Lead Me Home Plan have been considered and incorporated into the Consolidated Plan. The Program Year 2016 Action Plan implements priorities identified in the Consolidated Plan. There are no changes proposed in the Substantial amendment that would impact the City's participation in the Lead Me Home Plan.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l))

The Housing and Property Manager consulted a number of Continuum of Care providers and the Coalition of Homeless Services Providers to identify community needs related to homelessness and potential programs to address those needs. Consultations were held with homeless services providers: Interim, Inc; Salvation Army; Coalition of Homeless Services Providers; Community Human Services; and Shelter Outreach Plus. The Housing and Property Manager also explored alternatives for securing extremely low –and very low-income housing resources with staff of the Housing Authority of County of Monterey to confirm the priorities in the Consolidated Plan remain appropriate.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

In the past two years the Housing and Property Manager participated in the Continuum of Care's community service organizations to identify priority needs of the homeless community. The Housing and Property Manager has developed a better understanding of the challenges that the City of Monterey faces in its efforts to directly impact homeless services and improve outcomes. The Consolidated Plan homeless analysis and this Program Year 2016 Action Plan take strong actions to address unmet needs of the homeless and disadvantaged in the community.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

In the past two years the Housing and Property Manager participated in the Continuum of Care's evaluation of ESG grant program applications. The Housing and Property Manager has participated on the ranking committee. Participation in the ESG grant application evaluation has required the Housing and Property Manager to become familiar with the Continuum of Care policies and procedures, as well as, the regions funding constraints. As a result, the Housing and Property Manager has developed a better understanding of the challenges that the City of Monterey faces in its efforts to directly impact homeless services and improve outcomes. Homeless services providers who have in past years received City of Monterey CDBG community grant funding report their outcomes in Homeless Management Information System (HMIS). The Consolidated Plan homeless analysis and this Program Year 2016 Action Plan take strong actions to address unmet needs of the homeless and disadvantaged in the community.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	ALLIANCE ON AGING
	Agency/Group/Organization Type	Services-Elderly Persons
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consulted on unmet community needs.
2	Agency/Group/Organization	Interim Inc`
	Agency/Group/Organization Type	Housing Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consulted on unmet community needs.
3	Agency/Group/Organization	Coalition of Homeless Services Providers
	Agency/Group/Organization Type	Housing Services-homeless
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consulted on unmet community needs.

4	Agency/Group/Organization	Legal Services for Seniors
	Agency/Group/Organization Type	Services-Elderly Persons Service-Fair Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consulted on unmet community needs.
5	Agency/Group/Organization	SALVATION ARMY OF THE MONTEREY PENINSULA
	Agency/Group/Organization Type	Services-homeless
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consulted on unmet community needs.
6	Agency/Group/Organization	Community Human Services
	Agency/Group/Organization Type	Services - Housing Services-Children Services-homeless
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homelessness Needs - Unaccompanied youth
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consulted on unmet community needs.

7	Agency/Group/Organization	Veterans Transition Center
	Agency/Group/Organization Type	Services - Housing Services-homeless
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Needs - Veterans
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consulted on unmet community needs.
8	Agency/Group/Organization	Housing Authority County of Monterey
	Agency/Group/Organization Type	Services - Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consulted on unmet community needs.

Identify any Agency Types not consulted and provide rationale for not consulting

City staff in preparation of the Program Year 2016 Action Plan did not consult with Community Hospital of the Monterey Peninsula (CHOMP). In development of the Consolidated Plan City staff consulted with Interim, Inc and Salvation Army and received significant input regarding a community need to provide respite temporary shelter for those homeless individuals released from CHOMP. Consultation was also conducted with community services organizations in the community that have greater direct contact with these types of organizations, such as Interim, Inc. and Community Human Services. The City's outreach and needs assessment discussions with the community services organizations provided perspective that had been incorporated into the Consolidated Plan. The Program Year 2016 Action Plan is taking active steps to implement priorities identified in the Consolidated Plan.

In preparation for Program Year 2017 Action Plan the City will conduct outreach and consultation with state and local health and child welfare agencies in effort to identify potential future large scale capital projects that might benefit from CDBG funding assistance.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Coalition of Homeless Services Providers	Provision of outreach services to homeless individuals is an objective and specific activity funded in the 2016 Program Year Action Plan. Additionally, City staff is attending meetings sponsored by CHSP for the purpose of developing policies to develop recommendations and implementation strategies to develop additional housing resources in the region.

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

The Program Year 2016 Action Plan and Substantial Amendment incorporates input provided by local public services providers and participants in the Coalition of Homeless Services Providers. In preparing for the Program Year 2017 Action Plan City staff is further initiating internal discussion with the planning office to develop outreach and strategy to identify potential future larger scale projects that can produce extremely low, very low and low-income units to address the community's unmet needs. Staff anticipates meeting with adjacent jurisdictions, public services providers, and health and child welfare agencies for ideas and potential projects. During the term of the 2016 Action Plan City staff will continue to participate in the Leadership Council 10-Year plan to End Homelessness Housing Pipeline committee. It is anticipated that this type of collaboration will assist the City in identify new capital projects for future Action Plan years.

AP-12 Participation – 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

This Substantial Amendment was first advertized in the Monterey Herald, a local newspaper on December 31, 2016. A public meeting with the City of Monterey Planning Commission was held on January 24, 2017 and a public Hearing was held by the City Council on February 7, 2017.

Public comments were received at both the Planning Commission meeting and the City Council Public Hearing. At the Planning Commission meeting a citizen identified concerns with proposed additional funding for Montecito Park improvements in lieu of funding for homeless facilities and/or services. At the City Council Public Hearing the Council requested consideration of affordable housing and homeless facilities programs in future Action Plans. Staff concurs and advised that the Program Year 2017 Action Plan can be expected to include these types of projects.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
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Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Hearing	<p>Minorities</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p> <p>community services providers</p>	<p>Two Public meetings were held for the Action Plan. Attendance by community services providers and residents. Intent to invite comment on unmet community needs and describe City's CDBG community services grant program and application procedure. One public meeting was held by the Planning Commission to receive comment on the Substantial Amendment. Community services providers and residents attended the Substantial Amendment meeting.</p>	<p>Lack of housing for low and below income individuals and households, need for food supplement assistance and support for seniors and those with disabilities. Continued comment on the need for additional resources to assist homeless persons in the community. A specific comment was received on the Substantial Amendment that expressed concern over providing more funds to the Montecito Park improvement project. Funds were encouraged to be used for homeless facilities.</p>	<p>All of these comments were received and they reinforced comments and unmet needs identified in the Consolidated Plan process. Comments on the Action Plan reinforced the need to continue priorities identified in the Consolidated Plan. No homeless facility proposals have been identified or are there any homeless facilities in the community that are ready for funding.</p>	

Revised April 18, 2017

OMB Control No: 2506-0117 (exp. 07/31/2015)

Annual Action Plan Program Year 2016

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Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Public Hearing	Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing neighborhood and business associations	Two Public Hearings were held for the Action Plan. One before Planning Commission to receive draft Action Plan and public comment. Second before City Council to review and consider for approval the Action Plan. Community services providers attended and expressed support for the proposed funding priorities. A separate public hearing was held for the Substantial Amendment. Community services providers and residents attended the public hearing.	At the Action Plan hearing Planning Commission members discussed need to develop strategy to utilize Program Income to provide additional housing resources. Council member commented on need for housing in the community and the identified high housing costs. Community service providers commented on the importance of the City's CDBG funding for support for their activities. At the Substantial Amendment hearing the Council asked for clarification on Year 2016 constraints that prevented Substantial Amendment funds from being used for affordable	All of these comments were received and they reinforced comments and unmet needs identified in the Consolidated Plan process. Action Plan comments reinforced the need to continue priorities identified in the Consolidated Plan. Staff responded to the question from Council that no homeless facility proposals had been identified or are there any homeless facilities in the community that are ready for funding at this time. 25	
Revised April 18, 2017 OMB Control No:	2506-0117 (exp. 07/31/2015)					

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Newspaper Ad	<p>Non-English Speaking - Specify other language: spanish</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p>	Newspaper notices informing public of the City's scheduled public meetings and hearings on the Action Plan and Substantial Amendment.	Community services providers commented in support of the plan informed both the Planning Commission and City Council of the important role CDBG funding plays in their ability to provide services to disadvantaged residents in the community. No comments on the Substantial Amendment were received outside of the public meeting and public hearing.	all comments were considered and they were all aligned with the goal and objectives contained in the Consolidated Plan and the Program Year 2016 Action Plan. No comments outside of the public meeting and public hearing were received.	

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.220(c) (1, 2)

Introduction

The City has been challenged in past years in achieving full conformance with HUD regulations regarding timely spending of CDBG funds. Active steps are being taken to address this problem. On June 1, 2015 a Substantial Amendment to the Program Year 14 Action Plan was submitted to HUD to outline a detailed plan for spending down unspent built-up of entitlement and program income. The Timeliness Spending Plan is incorporated into the 2016 Program Year Action Plan. This is spending that is in addition to Action Year spending. Active steps have already been taken to implement the Timeliness Spending Plan. All of the activities have been approved and funding agreements and/or contracts are executed or currently in process for execution.

Several factors have contributed to the delays in spending Program Income and entitlement. These include generation of approximately \$300,000 annually in program income from hotel ground rent, limited number of Low Mod Income (LMI) Census Tract Block Group areas, and land and water limitations that have prevented timely assistance to develop new LMI housing units or homeless facilities in the Community. The Consolidated Plan acknowledges the impact of these constraints and two new programs are proposed to specifically ensure timely spending requirements are met in future years. These new programs are: 1) as funds permit, allocating CDBG funds for public facility infrastructure projects in LMI areas; and 2) funding assistance for rehabilitation of LMI deed restricted rental housing and/or social rehabilitation facilities in the City.

The Consolidated Plan anticipates the timeliness spending issues will be successfully resolved with HUD and the City will receive annual entitlement grant funding during the Plan's five-year planning period. The 2016 Program Year Action Plan anticipates full

entitlement. This spending plan address spending of entitlement and the Program Year's program income within the year. The Housing and Property Management Office is also prepared to adjust and reprogram spending mid-year through a Substantial Amendment should that step be required,

Priority Table

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	215,548	1,381,900	1,135,648	2,733,096	600,000	Anticipates HUD approval of Timeliness Spending Plan. Program Year 2016 includes Timeliness Spending funds as Prior Year Resources. Timeliness Spending is in process and directed towards projects and activities approved in Program Year 2014, 2015 and in the Substantial Amendment to Program Year 2014 Action Plan.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - state	Admin and Planning Housing	241,156	0	0	241,156	300,000	HOME Funds are utilized for two activities only. These are maintenance, capital repairs and oversight of the City-owned 8-unit Estrella Apartment building. This property was purchased and refurbished with HOME funds. All proceeds from this project are programed back into the building. The second activity is down payment assistance (DPA). DPA funding is limited to those loan repayments. As opportunities arise HOME DPA will be used to assist first time low-income households purchase housing.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - local	Acquisition Admin and Planning Housing Other	1,729,000	0	0	1,729,000	11,049,000	Former RDA Housing Funds are generated by loan and interest payments from past RDA housing activities, such as housing developments and down payment assistance loans, and proceeds from sales of deed restricted units that were purchased with RDA Housing Funds. The large amount of funding programmed in this Year's Action Plan is attributed to a \$1,200,000 enforceable obligation to complete the Monterey Hotel Apartment's affordable housing project. This project is anticipated to be completed during this Action Plan Year.

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description

of how matching requirements will be satisfied

Program Year 2016 Action Plan incorporated the funding and objectives of the Timeliness Spending Plan. Program Year 2016 Action Plan also anticipated the City will complete all of the Timeliness spending projects, which will resolve the build-up of unspent entitlement and program income. Six (6) months into the Program Year program income substantially exceeded projections due to several unexpected rehabilitation loan payoffs. Additionally, the 2016 Action Plan did not accurately account for past years program and unspent entitlement. Consequently, Program Year 2016 Action Plan funding projection is now increased by the amount of \$763,640, which is the amount of funds that are programmed in this Program Year 2016 Substantial Amendment.

The City's current housing activities do not require matching fund requirements.

CDBG entitlement funds for Program Year 2016 are estimated to be \$215,548 and they will be supplemented with an estimated \$866,900 in CDBG program income and Timeliness Spending funds in the amount of \$991,294. These CDBG funds will be leveraged with three other funding sources, Housing Agency funds, HOME Estrella Apartment grant funds and HOME down payment assistance grant funds to provide the total City budget for community development housing programs. Housing Agency funds are estimated as \$1,729,900 (includes \$1,200,000 to complete the Monterey Hotel Apartments), HOME Estrella funds are estimated as \$151,750 HOME down payment assistance funds are estimated as \$89,406.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The City is actively working on two projects on City owned land or property that will provide extremely low (EL), very low (VL), low (L) and median-income housing. These projects are the Van Buren Senior housing project on land purchased with CDBG funds and the Monterey Hotel Apartments on property purchased with former Redevelopment Housing funds.

Discussion

Expected Resources

The City has been challenged in past years in achieving full conformance with HUD regulations regarding timely spending of CDBG

funds. Active steps are being taken to address this problem. On June 1, 2015 a Substantial Amendment to the Program Year 14 Action Plan was submitted to HUD to outline a detailed plan for spending built-up program income over the next ten months. The City has prepared a response to HUD for an informal consultation addressing timeliness spending of \$614,614 in entitlement balance. The specific spending plans for addressing the build-up in program income and entitlement balance are described below and they are addressed as a component of the Consolidated Plan and this Action Plan.

Several factors have contributed to the delays in spending Program Income and entitlement funds. These include generation of approximately \$300,000 annually in program income from hotel ground rent, limited number of LMI Census Tract Block Group areas, and land and water limitations that have prevented timely assistance to develop new LMI housing units or homeless facilities in the Community. The City's Consolidated Plan acknowledged the impact of these constraints and a Timeliness Spending Plan has been adopted to address the build-up of unspent CDBG funds.

Program Year 2016 Action Plan incorporates the funding and objectives of the Timeliness Spending Plan. Program Year 2016 Action Plan also anticipated the City will complete all of the Timeliness spending projects, which will resolve the build-up of unspent entitlement and program income. Finally, the Program Year 2016 Action Plan anticipates the City will receive all of the annual entitlement grant funding.

CDBG entitlement funds for Program Year 2016 are estimated to be \$215,548 and they will be supplemented with an estimated \$1,381,900 in projected CDBG program income and \$144,354 in unspent entitlement. These amounts will be combined with Timeliness Spending funds in the amount of \$991,294.

All CDBG funds will be leveraged with three other funding sources, Housing Agency funds, HOME Estrella Apartment grant funds and HOME down payment assistance grant funds to provide the total City budget for community development housing programs. Housing Agency funds are estimated as \$1,729,900 (includes \$1,200,000 to complete the Monterey Hotel Apartments), HOME Estrella funds are estimated as \$151,750 HOME down payment assistance funds are estimated as \$89,406.

Funding for the additional \$60,000 for the Van Buren Senior Housing project as part of the second Substantial Amendment will be taken from the funding that had been proposed to be placed in the Revolving Fund Loan program identified in the first Substantial Amendment.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Housing opportunities	2015	2019	Affordable Housing	Van Buren Street Lower Old Town	Production New VL and L-I Rental Units Rehabilitate LMI Ownership Housing Units	CDBG: \$1,131,913 Former RDA Housing Funds: \$1,570,641 HOME Grant: \$241,156	Rental units constructed: 12 Household Housing Unit Homeowner Housing Rehabilitated: 24 Household Housing Unit Direct Financial Assistance to Homebuyers: 3 Households Assisted Overnight/Emergency Shelter/Transitional Housing Beds added: 21 Beds Buildings Demolished: 3 Buildings

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
2	Suitable living environment	2015	2019	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	Van Buren Street Lower Old Town	Rehabilitate LMI Rental Units Production New VL and L-I Rental Units Production New EL-I Transitional Housing Units Preserve LMI Deed Restricted Ownership Units Senior Services Handicapped Services Lead Paint Hazard Screening Fair Housing Services	CDBG: \$391,030	Public service activities other than Low/Moderate Income Housing Benefit: 4031 Persons Assisted
3	Public Infrastructure	2015	2019	Non-Housing Community Development	Delmonte - Laguna Grande Van Buren Street Lower Old Town	Street Improvements Sidewalks - Accessibility	CDBG: \$378,794	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 905 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Efficient Administration and Oversight	2015	2019	Affordable Housing Homeless Non-Housing Community Development	Delmonte - Laguna Grande Van Buren Street Lower Old Town	Fair Housing Services Planning Monitoring	CDBG: \$131,219 Former RDA Housing Funds: \$206,359 HOME Grant: \$18,934	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 353 Households Assisted Public service activities other than Low/Moderate Income Housing Benefit: 3491 Persons Assisted Public service activities for Low/Moderate Income Housing Benefit: 46 Households Assisted Rental units constructed: 36 Household Housing Unit Homeowner Housing Added: 19 Household Housing Unit Homeowner Housing Rehabilitated: 19 Household Housing Unit Direct Financial Assistance to Homebuyers: 2 Households Assisted Homeless Person Overnight Shelter: 38 Persons Assisted Overnight/Emergency Shelter/Transitional Housing Beds added: 8 Beds Homelessness Prevention: 502 Persons Assisted Housing Code Enforcement/Foreclosed Property Care: 50 Household Housing Unit
Annual Action Plan Program Year 2016								
Revised April 18, 2017								
OMB Control No: 2506-0117 (exp. 07/31/2015)								

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Housing opportunities
	Goal Description	
2	Goal Name	Suitable living environment
	Goal Description	These activities will address Rehabilitate LMI Rental Units, Rehabilitate LMI Ownership Housing Units, Preserve LMI Deed Restricted Ownership Units, Homeless Facilities, Senior Services, Handicapped Services, Lead Paint Hazard Screening Monitoring.
3	Goal Name	Public Infrastructure
	Goal Description	This will address street reconstruction and sidewalk accessibility in City's Low Income Census Tract Block Groups
4	Goal Name	Efficient Administration and Oversight
	Goal Description	Administration of all of the City's housing programs for the purpose of preserving low and moderate income housing ownership units, expanding low and moderate income housing opportunities and providing grant services to low income individuals and households.

Table 7 – Goal Descriptions

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b):

Twelve (12) Extremely Low, Very Low and Low-Income units and 21 beds of transitional housing for homeless individuals and families are estimated to be assisted in Program Year 2016. This assistance will be provided as follows:

1. CDBG funds in the amount of \$130,310 will be expended in Program Year 2016 on site clearance work and professional services necessary to prepare six properties purchased with CDBG funds in Program Years 2000 and 2002 for development of 18 low and moderate-income senior rental units. This project is the Van Buren Senior Housing project. It will be completed in a future program year. The units are not estimated to be completed in Program Year 2016.
2. CDBG funds in the amount of \$450,000 will be expended to rehabilitate four (4) transitional units of existing Veteran's Transition Center (VTC) housing. These units will accommodated up to 8 beds for homeless veterans. CDBG funds in the amount of \$200,000 will be expended to convert an Interim, Inc. homeless services facility to a 13-bed short term crisis care facility. Together these projects will provide up to 21 beds of transitional housing for homeless veterans and their families and homeless individuals with mental illness. These projects will be completed prior to the end of Program Year 2016.
3. The City will spend \$1,300,000 in local former redevelopment housing funds to complete 18 very low, low and median rental units as a part of the Monterey Hotel mixed-use project. These 18 rental units will be completed in Program Year 2016. Three (3) of these units will be designated very low-income and 9 will be designated low-income. Additionally, \$270,641 in Housing funds will be spent for opportunity purchase and rehabilitation of low-income ownership housing units.
4. \$241,156 in HOME funds are budgeted to maintain 8 extremely low, very low and low-income apartments and provide potential down payment assistance to 3 low-income households.

AP-35 Projects – 91.220(d)

Introduction

The U.S. Department of Housing and Urban Development (HUD) requires all government entities receiving federal Community Development Block Grant (CDBG) funds to prepare an Annual Action Plan. The Action Plan outlines funding priorities (Appendix 1) and discusses how activities will meet the community priority needs identified in the Consolidated Plan. The activities described in this Action Plan are proposed to be undertaken during the period between July 1, 2016, and June 30, 2017. Key projects undertaken during the 2016–2017 funding year will address the following priority needs:

- Production of new very low (VLI) and low-income (LI) rental housing units (Priority Need 2).
- Rehabilitate existing unused extremely low-income transitional housing units to provide up to 8 new beds (Priority Need 3).
- Rehabilitate and convert an existing building to provide 13 new short term crisis beds for homeless persons with mental illness released from medical facilities.
- Rehabilitate low and moderate-income (LMI) ownership housing units (Priority Need 4).
- Preserve LMI deed restricted ownership units (Priority Need 5).
- Street improvements (Priority Need 17).
- Sidewalks – Accessibility (Priority Need 18).
- Parks improvements in LMI areas.
- Senior services (Priority Need 22).
- Handicapped services (Priority Need 23).
- Transportation services (Priority Need 26).
- Lead paint hazard screening (Priority Need 30).
- Fair housing services (Priority Need 32).
- Public services in support of food supplement programs (Priority Need 33).
- Planning and administration of City's CDBG, housing and community development programs (Priority Need 41).

#	Project Name
26	Infrastructure Project-LMI Census Tract Block Group
27	Planning/Administration
28	Food Bank
29	Legal Services for Seniors-CS
30	Community Human Services
31	INTERIM Inc.

#	Project Name
32	Meals on Wheels
33	Salvation Army
34	Alliance on Aging -CS
35	Josephine Kerns Memorial Pool-CS
36	Project Sentinel
37	Housing Purchase, Rehabilitation and Repair
38	Mr. Fixit Grants
39	Home Safety Grants
40	Home Accessibility Grants-Disabled Accessibilty
41	Project Delivery-Housing
42	Code Enforcement
43	Outreach Rehabilitation grants-Low Income Neighborhoods
44	Van Buren Housing-Demo & Site Clearance
45	Van Buren Housing-Professional Services
46	Timelines Workout Plan - Public Infrastructure Projects
47	Timelines -Spending Plan- Homeless Housing and Services Rehabilitation
48	Impediments to Fair Housing Study
49	Down Payment Assistance Loans
50	Estrella Apartments
51	Monterey Hotel Apartments Complete Construction
52	Consulting Services PY2017 Action Plan
53	Revolving Loan Fund

Table 8 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The needs assessment portion of the Consolidated Plan identified the lack of affordable housing as a key unmet need. The Consolidated Plan acknowledges that limited water and land constraints will make it very difficult to provide sufficient new housing supply to address the lack of affordable housing. However, the Consolidated Plan identifies strategies that will emphasize development of new housing with City assistance and focus this housing to supply needed EL-I, VL-I and L-I rental housing units. Program Year Action Plan 2016 allocates funding to continue ongoing efforts to complete the Van Buren Street and Monterey Hotel Apartment projects. Together these projects will produce 36 new LMI rental units. Completion of these projects is a top priority and a driver of the funding allocation.

Additionally, in support of new housing, the City will continue to work collaboratively with regional jurisdictions and the Coalition of Housing Services Providers (CHSP) to improve coordination and strengthen institutional structures in the City and region.

Furthermore, Program Year 2016 Action Plan proposes to:

- Use CDBG funds in support of community service organizations that provide direct services to homeless and special needs populations;
- Use CDBG funds to repair, rehabilitate and resell City owned LMI ownership units to qualified first time homebuyers;
- Use CDBG funds to abate LBP hazards when it is encountered in connection with CDBG funded housing rehabilitation projects;
- Allocate funds for LMI housing rehabilitation loans and grants. All projects assisted through with CDBG funds will be required to abate Lead Based Paint hazard when it is encountered.

Projects

AP-38 Projects Summary Project Summary Information

Table 9 – Project Summary

1	Project Name	Infrastructure Project-LMI Census Tract Block Group
	Target Area	Delmonte -Laguna Grande
	Goals Supported	Public Infrastructure
	Needs Addressed	Parks and/or Recreation Facilities Sidewalks - Accessibility
	Funding	CDBG: \$220,000
	Description	Revised to add \$100,000 in additional funding to the original \$120,000 funding. Total funding will be \$220,000. Money to be spent on infrastructure project in LMI Census Tract Block Group. Project is categorized as HUD Matrix Code O3F and O3L. Project addresses National Objective LMA. The Substantial Amendment provides \$100,000 in additional funding to expand the scope of work for this park improvement project.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Revised. Park and accesible sidewalk improvements in LMI Census Tract Block Groups. \$100,000 in additional funding is provided to this park project. Total CDBG funding \$220,000.

2	Project Name	Planning/Administration
	Target Area	Delmonte -Laguna Grande Van Buren Street Lower Old Town
	Goals Supported	Efficient Administration and Oversight
	Needs Addressed	Rehabilitate LMI Rental Units Production New VL and L-I Rental Units Rehabilitate LMI Ownership Housing Units Preserve LMI Deed Restricted Ownership Units Homeless Facilities Parks and/or Recreation Facilities Sidewalks - Accessibility Senior Services Handicapped Services Lead Paint Hazard Screening Fair Housing Services Planning Monitoring
	Funding	CDBG: \$263,619 Former RDA Housing Funds: \$206,359 HOME Grant: \$18,934
	Description	Revised to add additional funding. Provide general staff administration of CDBG programs and activities, including Integrated Disbursement and Information System (IDIS) administration, program set-up, reporting, planning and subrecipient training and monitoring. Planning for future projects is not included as a component of this project. Planning and studies for general application are identified as separate projects in the Action Plan. Project 1 is categorized under HUD Matrix Code 21A. A National Objective designation does not apply.
	Target Date	

	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	<p>Revised. Provide general staff administration of CDBG programs and activities, including Integrated Disbursement and Information System (IDIS) administration, program set-up, reporting, planning and subrecipient training and monitoring. The amount of funding included in Administrative and Planning Project 1 does not include \$25,000 in funding for Impediments to Fair Housing study or \$3,000 in funding for neighborhood outreach. Funds for the impediments study and neighborhood outreach are identified in separate projects. Neighborhood outreach is Project #17 and Impediments to Fair Housing Study is Project #24.</p> <p>All Planning and Administrative funding, Project #17 funding and Project #24 funding will count against the Administrative and Planning 20% Cap. The total amount of funding proposed is up to \$263,619 and it will not exceed 20% of the entitlement and program income Cap if all projected program income is received.</p>
3	Project Name	Food Bank
	Target Area	Delmonte -Laguna Grande
	Goals Supported	Suitable living environment
	Needs Addressed	Other Public Service Needs
	Funding	CDBG: \$14,170
	Description	Continue the provision and expansion of emergency food assistance program that targets low income seniors, disabled, underemployed and homeless in low income neighborhoods of North Monterey. This Project is categorized under HUD Matrix Code 05W. It addresses National Objective LMC.
	Target Date	

	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Monthly food distribution to seniors, frail elderly, single parents, low and very low income, homeless and those at risk of homelessness, chronically ill and those with special needs.
4	Project Name	Legal Services for Seniors-CS
	Target Area	Delmonte -Laguna Grande Van Buren Street Lower Old Town
	Goals Supported	Suitable living environment
	Needs Addressed	Senior Services
	Funding	CDBG: \$8,670
	Description	Provide outreach, education, legal advocacy, information & referral, public benefit advocacy, elder abuse prevention, consumer fraud prevention,for elderly citizens. This Project is designated as HUD Matrix Code 05A. It addresses National Objective LMC.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Provide outreach, education, legal advocacy, information & referral, public benefit advocacy, elder abuse prevention, consumer fraud prevent for elderly Citizens
5	Project Name	Community Human Services

	Target Area	Delmonte -Laguna Grande Van Buren Street Lower Old Town
	Goals Supported	Suitable living environment
	Needs Addressed	Youth Services
	Funding	CDBG: \$13,170
	Description	Youth Services-provide services to homeless run-away youth and to intervene in the homeless cycle. Project is categorized as HUD Matrix Code 05D. It addresses National Objective LMC.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Provide outreach, education, legal advocacy, information & referral, public benefit advocacy, elder abuse prevention, consumer fraud prevention for elderly citizens.
6	Project Name	INTERIM Inc.
	Target Area	Delmonte -Laguna Grande
	Goals Supported	Suitable living environment
	Needs Addressed	Other Public Service Needs
	Funding	CDBG: \$17,170
	Description	Provide emergency and temporary housing outreach and case management services for mentally ill single adults the the MCHome program. Project is categorized as HUD Matrix Code 03T. It addresses National Objective LMC.
	Target Date	

	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Homeless services for persons suffering with mental illness. Provide emergency and temporary outreach and case management services for mentally ill single adults through the McHome program. Examples of services include: street outreach, counseling, emergency bed vouchers, assistance to enter into transitional housing.
7	Project Name	Meals on Wheels
	Target Area	Delmonte -Laguna Grande Van Buren Street Lower Old Town
	Goals Supported	Suitable living environment
	Needs Addressed	Other Public Service Needs
	Funding	CDBG: \$7,670
	Description	Meal Delivery to homebound seniors and disabled individuals. Project is categorized as HUD Matrix Code 05A. It addresses National Objective LMC.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Daily nutritious meal delivery to the homebound.
8	Project Name	Salvation Army

	Target Area	Delmonte -Laguna Grande Van Buren Street Lower Old Town
	Goals Supported	Suitable living environment
	Needs Addressed	Other Public Service Needs
	Funding	CDBG: \$17,170
	Description	Emergency Rental Assistance, homeless prevention services to persons at risk of homelessness from permanent residence and bus passes. Project is categorized as HUD Matrix Code 05Q. It addresses National Objective LMC.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Emergency Rental Assistance, and homeless prevention services to persons at risk of homelessness from permanent residence and bus passes.
9	Project Name	Alliance on Aging -CS
	Target Area	Delmonte -Laguna Grande Van Buren Street Lower Old Town
	Goals Supported	Suitable living environment
	Needs Addressed	Senior Services
	Funding	CDBG: \$11,170
	Description	Elderly Services-provide tax assistance and access to Ombudsman Program. Project is categorized as HUD Matrix Code 05A. It addresses National Objective LMC.
	Target Date	

	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Emergency Rental Assistance, and homeless prevention services to persons at risk of homelessness from permanent residence and bus passes.
10	Project Name	Josephine Kerns Memorial Pool-CS
	Target Area	Delmonte -Laguna Grande
	Goals Supported	Suitable living environment
	Needs Addressed	Handicapped Services
	Funding	CDBG: \$7,170
	Description	Continuance of the provision and expansion of warm water exercise programs for low income persons with physical and/or developmental disabilities. Project is categorized as HUD Matrix Code 05B. It addresses National Objective LMC.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Continuance of the provision and expansion of warm water exercise programs for low income persons with physical and/or developmental disabilities.
11	Project Name	Project Sentinel
	Target Area	Delmonte -Laguna Grande

	Goals Supported	Suitable living environment
	Needs Addressed	Fair Housing Services
	Funding	CDBG: \$7,170
	Description	Provide information for Fair Housing and Landlord/Tenant Guidelines Program, mediation on landlord issues, and assistance to low and moderate income renters. Project is categorized as HUD Matrix 05J. It addresses National Objective LMC.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Comprehensive Fair Housing services to residents and those seek to reside in Monterey.
12	Project Name	Housing Purchase, Rehabilitation and Repair
	Target Area	Delmonte -Laguna Grande
	Goals Supported	Housing opportunities Suitable living environment
	Needs Addressed	Rehabilitate LMI Ownership Housing Units Preserve LMI Deed Restricted Ownership Units
	Funding	CDBG: \$180,000 Former RDA Housing Funds: \$270,641
	Description	Opportunity purchase and rehabilitation of affordable housing units and loans for major rehabilitation projects. Project is categorized as HUD Matrix Code 14G. It addresses National Objective LMH
	Target Date	

	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Rehabilitate for previously purchased deed restricted homes for resale to low-income household. Possible acquisition to preserve affordable housing and loan to low-income household for major repair and rehabilitation of ownership housing unit.
13	Project Name	Mr. Fixit Grants
	Target Area	Delmonte -Laguna Grande
	Goals Supported	Housing opportunities Suitable living environment
	Needs Addressed	Rehabilitate LMI Ownership Housing Units Lead Paint Hazard Screening
	Funding	CDBG: \$35,000
	Description	Provide small grants to Very Low and Low-Income seniors and disabled heads of households for make repairs for housing quality standards to assist them in their homes.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Provide small grants to Very Low and Low-Income seniors and disabled heads of households for make repairs for housing quality standards to assist them in their homes.
14	Project Name	Home Safety Grants

	Target Area	Delmonte -Laguna Grande
	Goals Supported	Housing opportunities Suitable living environment
	Needs Addressed	Rehabilitate LMI Ownership Housing Units Lead Paint Hazard Screening
	Funding	CDBG: \$35,000
	Description	Provide small grants to Very Low and Low-Income seniors and disabled heads of households for home safety repairs to meet Health and Safety Quality Standards.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Provide small grants to low income seniors and disabled heads of households for home safety repairs to meet health and safety quality standards.
15	Project Name	Home Accessibility Grants-Disabled Accessibilty
	Target Area	Delmonte -Laguna Grande
	Goals Supported	Housing opportunities Suitable living environment
	Needs Addressed	Rehabilitate LMI Ownership Housing Units Handicapped Services Lead Paint Hazard Screening
	Funding	CDBG: \$32,800

	Description	Provide small grants to Very Low and Low-income seniors and disabled heads of households for home safety repairs to meet health and safety quality standards and accessible improvements for disabled household members.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Provide small grants to Very Low and Low-income seniors and disabled heads of households for home safety repairs to meet health and safety quality standards and accessible improvements for disabled household members.
16	Project Name	Project Delivery-Housing
	Target Area	Delmonte -Laguna Grande
	Goals Supported	Housing opportunities Suitable living environment Efficient Administration and Oversight
	Needs Addressed	Rehabilitate LMI Ownership Housing Units Handicapped Services Lead Paint Hazard Screening Monitoring
	Funding	CDBG: \$118,803
	Description	Administer and provide technical assistance to complete housing purchase, rehabilitation and sales, ownership housing rehabilitation and Low-Income deed restricted rental housing rehabilitation activities in compliance with the regulations of local policies.
	Target Date	

	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Administer and provide technical assistance to complete housing purchase, rehabilitation and sales, ownership housing rehabilitation and Low-Income deed restricted rental housing rehabilitation activities in compliance with the regulations of local policies.
17	Project Name	Code Enforcement
	Target Area	Delmonte -Laguna Grande Van Buren Street Lower Old Town
	Goals Supported	Suitable living environment
	Needs Addressed	Other Public Service Needs
	Funding	CDBG: \$63,500
	Description	Low-Income Census Block Group areas, 127-01, 133-03 and 133-04
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Code enforcement in low income block groups displaying areas of deterioration and blight.
18	Project Name	Outreach Rehabilitation grants-Low Income Neighborhoods
	Target Area	Delmonte -Laguna Grande
	Goals Supported	Suitable living environment

	Needs Addressed	Other Public Service Needs
	Funding	CDBG: \$3,000
	Description	Provide targeted outreach to the Low-Income Census block Group areas 121-01, 133-03 and 133-04, to increase rehabilitation grants applications from these residential areas. project is categorized as HUD Matrix Code 21C. It does not address a National Objective.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	<p>Provide targeted outreach to the Low-Income Census Block Group areas 127-01, 133-03 and 133-04, to increase rehabilitation grants applications from these residential areas.</p> <p>This activity will be counted under Planning and Administrative Cap because the activity of outreach is general in nature and it will not initially be tied to a specific rehabilitation project. The intent is to provide information to homeowners in the targeted Low-Income Census Block Groups about the City's rehabilitation grant and loan program and thus, generate greater demand for the funds.</p>
19	Project Name	Van Buren Housing-Demo & Site Clearance
	Target Area	Van Buren Street Lower Old Town
	Goals Supported	Housing opportunities
	Needs Addressed	Production New VL and L-I Rental Units
	Funding	CDBG: \$165,310

	Description	Van Buren Housing Project demolition and site clearance to prepare site for new 19 unit senior rental housing development containing 18 Extremely Low, Very Low and Low-Income units. Project is categorized as HUD Matrix Code 2. It addresses National Objective LMH. Revised: The second Substantial Amendment will add additional funds for unforeseen electrical work required for site clearance and demolition activities.
	Target Date	6/16/2017
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	669 Van Buren Street
	Planned Activities	Van Buren Housing Project demolition and site clearance to prepare City owned site for new 19 unit senior rental housing development containing 18 Extremely Low, Very Low and Low-Income units. City and Developer have executed a Disposition and Development Agreement.
20	Project Name	Van Buren Housing-Professional Services
	Target Area	Van Buren Street Lower Old Town
	Goals Supported	Housing opportunities
	Needs Addressed	Production New VL and L-I Rental Units
	Funding	CDBG: \$30,000
	Description	Revised to add \$5,000 in additional funding to the Van Buren Housing-Professional Services to assist in the disposition and development of the property for a 19 unit senior rental housing development containing 18 Extremely Low, Very Low and Low-Income units. Total CDBG funding is \$30,000. Project is categorized as HUD Matrix Code 2. It addresses National Objective LMH.
	Target Date	

	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Revised. Van Buren Housing-Professional services as needed, such as legal review of agreement and insurance assistance. Necessary to completing planning and preconstruction activities to facilitate construction of a 19 unit Very Low and Low-Income senior rental housing development on land acquired with CDBG funds. Environmental hazard insurance assistance is compliant with project approved Disposition and Development Agreement executed June 14, 2016. A \$5,000 additional funding amount is provided to this activity to cover legal and professional services costs associated with preparing final lease agreements and a lease amendment required by the project's construction lender.
21	Project Name	Timelines Workout Plan - Public Infrastructure Projects
	Target Area	Delmonte -Laguna Grande Van Buren Street Lower Old Town
	Goals Supported	Suitable living environment Public Infrastructure
	Needs Addressed	Street Improvements Sidewalks - Accessibility
	Funding	CDBG: \$278,794
	Description	Public Infrastructure in Low Mod Areas consisting of street and sidewalk reconstruction and accessible corner ramps. Project is categorized as HUD Matrix Code 03K. It addresses National Objective LMA.
	Target Date	

	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Reconstruct street and construct accessible corner ramps.
22	Project Name	Timelines -Spending Plan- Homeless Housing and Services Rehabilitation
	Target Area	Delmonte -Laguna Grande
	Goals Supported	Housing opportunities Suitable living environment
	Needs Addressed	Homeless Facilities Youth Services Lead Paint Hazard Screening
	Funding	CDBG: \$712,500
	Description	Timeliness Spending Plan - Project grants \$712,500 to: 1)Veterans Transition Center (VTC) a non-profit service provider to fund its rehabilitation and repair of 4 housing units that are located in the City of Marina (\$450,000); 2)Interim, Inc. to fund rehabilitation and conversion of an existing building to accommodate a 13 bed short-term crisis center (\$200,000); and 3)Community Human Services (CHS)to fund rehabilitation of an existing building used to provide counseling and outreach services to homeless youth (\$62,500). Once completed and ready for occupancy the rehabilitated units will provide housing for 4 to 8 households of veteran homeless, services to homeless with mental illness and homeless youth. Project is categorized as HUD Matrix Code 03C. It addresses National Objective LMC. facilities to provide housing and services to homeless individuals and households.
	Target Date	

	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Provide 4 to 8 homeless veteran families and/or individual homeless veterans with transitional housing opportunity (approximately 8 beds). Provide 13 beds for extremely low income individuals with mental illness with short term crisis care beds. Provide improvements to counseling and outreach facility that serves up to 480 at risk youth.
23	Project Name	Impediments to Fair Housing Study
	Target Area	Delmonte -Laguna Grande Van Buren Street Lower Old Town
	Goals Supported	Suitable living environment
	Needs Addressed	Fair Housing Services Planning
	Funding	CDBG: \$25,000
	Description	Update City's March 2010 Analysis of Impediments to Fair Housing Choice study. Project is categorized as HUD Matrix Code 21D. This project does not address a National Objective.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Funding study to update City's March 2010 Analysis of Impediments to Fair Housing Choice study.

24	Project Name	Down Payment Assistance Loans
	Target Area	Delmonte -Laguna Grande
	Goals Supported	Housing opportunities
	Needs Addressed	Preserve LMI Deed Restricted Ownership Units
	Funding	Former RDA Housing Funds: \$89,406
	Description	Down Payment assistance loans to first time home purchases. Use of HOME fund grant to provide assistance for purchase of ownership housing by low-income households. Project is categorized as HUD Matrix Code 13. It addresses National Objective LMH.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
25	Project Name	Estrella Apartments
	Target Area	Delmonte -Laguna Grande
	Goals Supported	Housing opportunities Suitable living environment
	Needs Addressed	Rehabilitate LMI Rental Units
	Funding	Former RDA Housing Funds: \$123,866

	Description	Maintain 8 Very-Low and Low-Income units at Estrella HOME apartments. This project is funded solely by HOME funds. No CDBG funding will be used to maintain these units. The source of all project funding is Estrella reserves and program income generated by rental proceeds. Project is categorized under HUD Matrix Code 14D. It addresses National Objective LMH.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Maintain 8 Very-Low and Low-Income units at Estrella HOME apartments.
26	Project Name	Monterey Hotel Apartments Complete Construction
	Target Area	Van Buren Street Lower Old Town
	Goals Supported	Housing opportunities
	Needs Addressed	Production New VL and L-I Rental Units
	Funding	Former RDA Housing Funds: \$1,200,000
	Description	Complete agreements and provide funding to complete 18 Very Low, Low and Median-Income rental apartments. Funding for this project is solely provided by local former redevelopment agency housing money. No federal CDBG funds will be used for this project. Project will be categorized under a HUD Matrix Code 12. It will address National Objective LMH.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	

	Location Description	
	Planned Activities	Complete agreements and provide former redevelopment agency housing funds to complete 18 partially completed City owned rental apartment units in the Monterey Hotel mixed-use project.
27	Project Name	Consulting Services PY2017 Action Plan
	Target Area	
	Goals Supported	Housing opportunities Suitable living environment Public Infrastructure Efficient Administration and Oversight
	Needs Addressed	Planning
	Funding	CDBG: \$25,000
	Description	New. Consulting services to assist City Staff prepare and submit Program Year 2017 Annual Action Plan.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
28	Project Name	Revolving Loan Fund
	Target Area	
	Goals Supported	Housing opportunities

	Needs Addressed	Rehabilitate LMI Ownership Housing Units Preserve LMI Deed Restricted Ownership Units
	Funding	CDBG: \$300,000
	Description	New. Revolving Loan Fund to be used for opportunity purchase rehabilitation and resale of ownership housing units. Initial funding will range between \$100,000.00 and \$300,000.00 based on actual program income received by year end. RLF will provide an ongoing basis funds for opportunity purchase and preservation of low income ownership housing units.- Completion Date 6/30/2017
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	A new revolving loan fund (RLF) project will be created. RLF funds will be used for opportunity purchase, rehabilitation and resale of ownership housing units. Initial funding for this revolving loan fund will range between \$100,000.00 and \$300,000.00. The revolving loan fund will be capitalized by using proceeds from a portion Hotel Pacific rent and a portion of rehabilitation loan pay-offs. The establishment of the revolving loan fund with these funding sources will provide, on an ongoing basis, funds for future opportunity purchase of affordable housing units and resale to qualified low-income first time homebuyers. The expenditure of RFL funds can be used to fund activities over multiple years.

AP-50 Geographic Distribution – 91.220(f)**Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed**

The City of Monterey entitlement funds are generally expended on a City wide basis. There are 3 Low and Moderate-Income residential Census Tract Block Groups in the City that qualify for Low-Income Area (LMA) benefit. A portion of the City's CDBG funding is concentrated in this area. In Program Year 2016 34.8% of all CDBG funding is programed to be spent in these LMA. The majority of the funding is related to completion of the City's Timeliness Spending Plan that was approved as a Substantial Amendment to the Program Year 2014 Action Plan, though a significant portion of these funds will be spent on a public facility park improvement project.

Geographic Distribution

Target Area	Percentage of Funds
Delmonte -Laguna Grande	18
Van Buren Street Lower Old Town	16

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Prioritized to provide funding necessary to complete previously identified and approved infrastructure projects in low and moderate-income Census Tract Block Groups. Provide funding for code enforcement in Low and moderate-income Census Tract Block Group areas experiencing blight. Preparing Van Buren housing site for future construction of 19 unit senior apartment once selected developer secures all required funding. Funding is also programed to facilitate the remodel and conversion of an existing building at 343 Dela Vina Avenue to a 13 bed short term crisis care facility. The property at 343 Dela Vina Avenue is located in the Del Monte-Laguna Grande target area. The public facility park improvement project is also located in the Del Monte-laguna Grande target area.

Discussion

There are three residential character Census Block Group areas in the City that qualify for Low-Mod Area benefit. These Census Block Group areas are 127-01, 133-03 and 133-04. In this action plan CDBG Timeliness Spending Plan funding is targeted to 127-01 and 133-03 for public facility street and sidewalk accessibility improvements. \$278,794 is allocated to fund these projects, which had been previously approved in Action Plan Program Year 2014 (Scott Street accessible corner ramps, Action Plan Program Year 2015 (Van Buren Street curb and gutter improvement) and Substantial Amendment for Action Plan Program Year 2014 (Dela Vina Street reconstruction). Additionally, specific code compliance efforts funded with CDBG funds will only take place in these same designated low and moderate-income Census Tract Block Group areas.

With the exception of the 343 Dela Vina Avenue project, the public infrastructure park improvements, the Van Buren Street senior housing site and the Monterey Hotel apartment project all other activities are geographically distributed Citywide and targeted to assist LMI individuals and households. The Van Buren Street site and the Monterey Hotel project are located in or adjacent to the downtown. Investment of public and private funds in these areas will provide a comprehensive approach to revitalization.

The decision to distribute funding Citywide is based on the limited number of low-income Census Tract Block Groups that will qualify for HUD's Low Mod Income Area benefit. There are only three Census Block Groups which are classified as low income based on percent of households with income at or below 80% of Area Median Income. For this reason there is limited ability for the City to target CDBG funds to specific areas and receive Low Mod Area (LMA) benefit. Additionally, the City's most significant unmet needs are for affordable housing and housing rehabilitation and these needs are generally Citywide in geographic distribution. Additionally, the City Council has provided direction that affordable housing and homeless services should be placed above the priority of public infrastructure improvements. The funding that is proposed for geographic targeting reflects the limited number of LMI areas and the City's policy preferences to focus funds towards addressing affordable housing and homeless programs.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

Census and survey data show a high percentage of low-income and below households in the community experience housing costs at 30% or greater of household income. Additionally, the rising number of homeless individuals and families in the City demonstrate a need for housing units that are affordable to extremely low-income households. The City intends through the five years of the Consolidated Plan to explore funding strategies that can be utilized to produce new supply of EL-I and VL-I rental units. For this reason the City's Consolidated Plan prioritizes construction of new EL-I, VL-I, L-I and M-I units. This Action Plan prioritizes completion of one EL-I, VL-I and L-I housing project and one VL-I, L-I and M-I housing project: Van Buren Senior Housing Apartments; and Monterey Hotel Apartments. Additionally, the City executed a funding agreement with Veterans Transition Center to fund rehabilitation of 4 transitional housing units for homeless veterans. Initiating work on the Van Buren project and completion of the Monterey Hotel Apartment and VTC projects are major priorities in this Year 2016 Action Plan.

One Year Goals for the Number of Households to be Supported	
Homeless	4
Non-Homeless	73
Special-Needs	0
Total	77

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	32
The Production of New Units	18
Rehab of Existing Units	26
Acquisition of Existing Units	1
Total	77

Table 12 - One Year Goals for Affordable Housing by Support Type

Discussion

Revised. The Substantial Amendment adds a new revolving loan fund (RLF) project. RLF will be used for opportunity purchase, rehabilitation and resale of ownership housing units to assist preservation of low-income ownership units.

Specific housing activities funded with Federal CDBG funds in Program Year 2016 focus on rehabilitation projects, rental assistance and opportunity purchase of units LMI 1st time homebuyers. Rehabilitation projects are funded by grants and loans to assist low income homeowners to repair their homes. A total of \$102,800 is allocated for rehabilitation projects. \$90,000 is allocated for opportunity purchase. \$17,170 is allocated for rental assistance.

Van Buren Senior Housing Update: The planning effort to build senior housing affordable to very low- and low-income elderly individuals on these sites (the 600 Block of Van Buren Street) is continuing. Plans have been approved to construct 19 senior apartment units on the property with 18 of these units targeted to be affordable for extremely low, very low and low-income individuals. The 19th unit will be a manager unit and not to low-income. At this time staff and the developer, Mid Peninsula The Farm, Inc. have completed the disposition and development agreement and lease form to guide development of the project. If financing options are currently being pursued by the developer, if successful construction is scheduled to begin in March 2017.

CDBG funding in Program Year 2016 will assist in site clearance, demolition and professional services for legal and insurance.

Monterey Hotel Apartments Update: The City is in the process of completing negotiations for a DDA and long term lease with Silverie Properties to complete the 18 affordable units and operate the apartments. The source of funding for this project are former redevelopment agency housing funds. No Federal CDBG funds will be used on this project. \$1,200,000 is obligated by the City as Housing Agency to fund completion of the apartments.

Homeless Assistance Strategy: The primary homeless assistance strategy presented in Program Year 2016 provides financial assistance through grants for a range of supportive services and housing programs to meet the needs of the homeless and at risk of becoming homeless. Community organizations to be assisted in this manner are: Community Human Services; INTERIM, Inc.; the Salvation Army; and Legal Services for Seniors. As a basic tenant the City will continue to work with the County and service organizations that are able to provide direct services and outreach to those experiencing homelessness to meet this goal.

To provide housing for individuals and households experiencing homelessness the City will expend \$450,000 in CDBG funds in Program Year 2016 to assist rehabilitation of 4 units owned by Veterans Transition Center (VTC) in Marina, California. Once completed these units will provide housing for homeless veterans and veteran families.

AP-60 Public Housing – 91.220(h)

Introduction

The Housing Authority County of Monterey (HACM) administers the Public Housing and Housing Choice Voucher (HCV) programs on behalf of jurisdictions within Monterey County.

Currently, there are 168 HACM public housing units located in the City of Monterey. HACM has also in process to convert all of its public housing units to Project Based Rental Assistance. The conversion of HACM properties to Project Based Rental Assistance might provide the City an opportunity to collaborate with HACM to provide funding assistance for rehabilitation and repair of HACM units.

Actions planned during the next year to address the needs to public housing

The CityThe Housing Authority County of Monterey (HACM) administers the Public Housing and Housing Choice Voucher (HCV) programs on behalf of jurisdictions within Monterey County.

Currently, there are 168 HACM public housing units located in the City of Monterey.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

The City will continue to refer qualified residents to HACM for HCV applications and housing opportunities.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

HACM is not designated as troubled.

Discussion

The HACM administers the Public Housing and Housing Choice Voucher (HCV) programs on behalf of jurisdictions within Monterey County. Currently, there are 168 HACM public housing units located in the City of Monterey. HACM is not designated as troubled. City staff will continue to coordinate with HACM to place qualified residents into HACM operated properties located in the City.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

Homelessness in the Monterey County has grown and a similar trend has been documented within the City of Monterey. Within the City, the 2015 Homeless Census Point in Time (PIT) survey recorded a total of 337 homeless. This number represented a decrease of 205 persons over the number of homeless recorded in the 2013 survey. However, the community in the past 2 years, through numerous public comments before the City Council and other public forums, has expressed great concern over the number of homeless in the community and the unmet needs of this population.

The PIT data and public comments expressed to the City Council identifies a significant need for homeless services.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The primary homeless assistance strategy in Program Year 2016 is to provide financial assistance through grants for a range of supportive services and housing programs to meet the needs of those at risk of becoming homeless as well as the currently homeless. Community organizations that will be assisted in this manner include Community Human Services, INTERIM, Inc., the Salvation Army, and Legal Services for Seniors. As a basic tenant the City will continue to work with the County and service organizations that are able to provide direct services and outreach to those experiencing homelessness to meet this goal. These funding priorities are estimated to provide assistance to 572 homeless individual and families through a variety of services and outreach activities.

Addressing the emergency shelter and transitional housing needs of homeless persons

The funding of public service grants to community service organizations that provide direct services to homeless persons is anticipated to provide for 38 emergency shelter bed nights for homeless individuals and 32 households assisted with emergency rental assistance. Outreach and food supplemental services will be provided to 3,640 persons of low income. Sixty-four of these individuals are homeless receiving emergency bus passes and 480 of these individuals are projected to be homeless and/or run away youth. It is important to note that the proposed funding for 38 emergency shelter bed nights will only represent adequate funding to allow the service provider to provide 38 nights of service during Action Plan Year 2016. These grants are intended to fund street outreach, transportation vouchers and emergency motel vouchers, which are used on a night by night basis for housing homeless when other emergency bed locations are unavailable. These programs are not intended as a funding source for operating a specific emergency shelter location or for assisting in the establishment of an emergency shelter. If an

emergency shelter location is identified in the future, the City will re-evaluate funding opportunities for rehabilitation, conversion and/or repair that might be needed to facilitate the establishment of such a shelter.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

In Program Year 2016 the City will provide community service grant funding to nine organizations. Three of these organizations provide direct services to the homeless:

- Community Human Services (CHS) (outreach to homeless and at risk of homeless youth);
- INTERIM Incorporated (outreach and emergency shelter motel vouchers); and
- Salvation Army (emergency rental assistance, transportation vouchers and emergency shelter motel vouchers) provide direct services to those experiencing homelessness or at risk of homelessness.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

The City's Timeliness Spending Plan includes \$200,000 funding grant to assist Interim, Inc. convert a facility to a 13 bed crisis care facility to assist those individuals discharged from health care facilities.

Discussion

In Program Year 2016 the City will provide community service grant funding to nine organizations.

Three of these organizations provide direct services to the homeless:

- Community Human Services (CHS) (outreach to homeless and at risk of homeless youth);
- INTERIM Incorporated (outreach and emergency shelter motel vouchers); and
- Salvation Army (emergency rental assistance, transportation vouchers and emergency shelter motel vouchers) provide direct services to those experiencing homelessness or

at risk of homelessness.

The six other organizations provide direct supportive services Low-Income or below persons with special needs. These organizations and services are:

- Alliance on Aging – Tax preparation counseling for Low-Income seniors and “Ombudsman” program that will advocate on behalf of frail and elderly residents who reside in Monterey’s nursing homes. The Ombudsman program observes and assesses level of care and investigates complaints regarding care. The program provides information and guidance to families who are placing family members in long term care facilities.
- Food Bank of Monterey County – Providing emergency food assistance to Low-Income individuals and families in the community. Food assistance is provided to the elderly, disabled and Very Low and Low-Income families and individuals.
- Josephine Kerns Memorial Pool – Providing therapeutic warm-water exercise programs for Monterey residents. The funding assists Kerns Pool to provide these services to Very Low and Low-Income families with disabled family members.
- Legal Services for Seniors – Providing no-cost legal services to City of Monterey residents aged 60 or greater. Providing legal assistance in housing matters, homelessness prevention, civil law and court representation as needed.
- Meals on Wheels – Providing in home meal delivery to frail, elderly and disabled residents in the City of Monterey. Delivers 2.5 meals daily, 5 days a week to homebound adults. The program allow these residents to remain, independent an in their own homes for as long as possible.
- Project Sentinel – Providing comprehensive Fair Housing services to City of Monterey residents. Intent of the services is to protect individual right to housing, free from discrimination for all members of the community.

One year goals for the number of households to be provided housing through the use of HOPWA for:
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family
Tenant-based rental assistance
Units provided in housing facilities (transitional or permanent) that are being developed, leased, or operated
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds
Total

AP-75 Barriers to affordable housing – 91.220(j)

Introduction

As described in detail in the Housing Market Analysis of the Consolidated Plan, housing costs and affordability are the primary and most significant housing problems in the City of Monterey. These problems extend to both ownership housing opportunities and to rental opportunities to those households that earn below 80% of Monterey AMI. Rental units that are priced a market rent and available in the City of Monterey are generally affordable to moderate-income households up to 120% of AMI. However, even at this income level the supply of housing is very limited. The inventory of VL-I and L-I housing in the City is not sufficient to meet the needs of the community's lowest income residents. Constraints on development of new supply due to lack of water and land severely limit development of new units.

Census and survey data show a high percentage of low-income and below households in the community experience housing costs at 30% or greater of household income. Additionally, the rising number of homeless individuals and families in the City demonstrate a need for housing units that are affordable to extremely low-income income households. The City intends through the five years of the Consolidated Plan to explore funding strategies that can be utilized to produce new supply of EL-I and VL-I rental units. In Program Year 2016 the City is prioritizing completion of 18 new units in the Monterey Hotel Apartments and preparing the Van Buren property for construction beginning in 2017.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

In respect to actions planned to remove or ameliorate the negative effects of public policies such as land use controls, zoning ordinances, building codes, fees and charges that serve as barriers to affordable housing, the City has initiated a number of actions.

These include:

- Completion of an update of the General Plan Housing Element and setting forth goals, policies and programs the City will pursue to retain and build new housing units in the City.
- Acknowledgement that Monterey is built-out with very little vacant land, so most new housing is anticipated to be higher-density and on previously developed sites. To facilitate this type of development the City recently approved new Specific Plans for the downtown and North Fremont Street commercial areas and these plans encourage mixed-use development. Work on a Specific Plan for the Lighthouse Avenue commercial area is currently in process.
- The City has been able to demonstrate that its fair share of regional housing supply can

be achieved through mixed-use development provided there is sufficient water supply for new development.

- The City closely monitors and supports when appropriate efforts of the California American Water Company and Monterey Peninsula Water Management Districts to secure additional water supply for the Monterey Peninsula.
- A policy in the updated Housing Element indicates the City will carefully consider the appropriateness of converting an under-utilized motel property to extremely low and very low-income housing.

Discussion

The needs assessment portion of the Consolidated Plan identified the lack of affordable housing as a key unmet need. The Consolidated Plan acknowledges that limited water and land constraints will make it very difficult to provide sufficient new housing supply to address the lack of affordable housing. However, the Consolidated Plan identifies strategies that will emphasize development of new housing with City assistance and focus this housing to supply needed EL-I, VL-I and L-I rental housing units. Program Year Action Plan 2016 allocates funding to continue ongoing efforts to complete the Van Buren Street and Monterey Hotel Apartment projects. Together these projects will produce 36 new LMI rental units. Completion of these projects is a top priority and a driver of the funding allocation.

Additionally, in support of new housing, the City will continue to work collaboratively with regional jurisdictions and the Coalition of Housing Services Providers (CHSP) to improve coordination and strengthen institutional structures in the City and region.

Furthermore, Program Year 2016 Action Plan proposes to:

- Use CDBG funds in support of community service organizations that provide direct services to homeless and special needs populations;
- Use CDBG funds to repair, rehabilitate and resell City owned LMI ownership units to qualified first time homebuyers;
- Use CDBG funds to abate LBP hazards when it is encountered in connection with CDBG funded housing rehabilitation projects;
- Allocate funds for LMI housing rehabilitation loans and grants. All projects assisted through with CDBG funds will be required to abate Lead Based Paint hazard when it is encountered.

AP-85 Other Actions – 91.220(k)

Introduction

This section describes the activities that are planned by the City to implement strategies maintain and increase the supply of affordable housing, reduce lead-based paint (LBP) hazards, reduce the number of poverty level families, develop institutional structure and improve coordination among regional agencies and community service organizations so that these identified community development needs might be effectively addressed during the 5-year term of the Consolidated Plan.

Actions planned to address obstacles to meeting underserved needs

The needs assessment portion of the Consolidated Plan identified the lack of affordable housing as a key unmet need. The Consolidated Plan acknowledges that limited water and land constraints will make it very difficult to provide sufficient new housing supply to address the lack of affordable housing. However, the Consolidated Plan identifies strategies that will emphasize development of new housing with City assistance and focus this housing to supply needed EL-I, VL-I and L-I rental housing units. Program Year Action Plan 2016 allocates funding to continue ongoing efforts to complete the Van Buren Street and Monterey Hotel Apartment projects. Together these projects will produce 36 new LMI rental units. Completion of these projects is a top priority and a driver of the funding allocation.

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- Use CDBG funds to abate LBP hazards when it is encountered in connection with CDBG funded housing rehabilitation projects;
- Allocate funds for LMI housing rehabilitation loans and grants. All projects assisted through with CDBG funds will be required to abate Lead Based Paint hazard when it is encountered.
- Allocate funds for public infrastructure projects in LMI census tract block groups.

Actions planned to foster and maintain affordable housing

- As described in detail in the Housing Market Analysis of the Consolidated Plan, housing costs and affordability are the primary and most significant housing problems in the City of Monterey. These problems extend to both ownership housing opportunities and to rental opportunities to those households that earn below 80% of Monterey AMI. Rental units that are priced a market rent and available in the City of Monterey are generally affordable to moderate-income households up to 120% of AMI. However, even at this income level the supply of housing is very limited. The inventory of VL-I and L-I housing in the City is not sufficient to meet the needs of the community's lowest income residents. Constraints on development of new supply due to lack of water and land severely limit development of new units.

Census and survey data show a high percentage of low-income and below households in the community experience housing costs at 30% or greater of household income. Additionally, the rising number of homeless individuals and families in the City demonstrate a need for housing units that are affordable to extremely low-income income households. The City intends through the five years of the Consolidated Plan to explore funding strategies that can be utilized to produce new supply of EL-I and VL-I rental units.

Activities undertaken during the 2016–2017 funding year will address the following priority needs:

- Production of new very low (VLI) and low-income (LI) rental housing units (Priority Need 2).
- Production of new extremely low-income transitional housing units (Priority Need 3).
- Rehabilitate low and moderate-income (LMI) ownership housing units (Priority Need 4).
- Preserve LMI deed restricted ownership units (Priority Need 5).

Specific actions to address these priority needs are:

- Complete agreements and initiate construction of the 19-unit Van Buren Street senior rental project on City owned land located on the East side of the 600 Block of Van Buren Street.
- Complete agreements and initiate construction to complete the 18-unit Monterey Hotel affordable rental project at 410 Alvarado Street.Coordinate.
- Support agencies for rental assistance to alleviate rental cost burden to those financially impacted.

Actions planned to reduce lead-based paint hazards

Eighty-one percent (81%) of the City's housing stock was built before 1980 (11,043 of 13,586) homes. In housing constructed prior to January 1, 1978, there is the possibility that lead paint

was used. The City is conscious of the potential threat to human health this could present. Additionally, the City conducts lead paint abatement as a component of any rehabilitation grant or loan project that disturbs lead based paint. Rehabilitation projects that will cut, sand and/or remove potential lead based paint will be tested. If lead based paint is encountered it will be abated.

Information and Education

Households that participate in housing activities under this Plan, including home purchase, rental assistance, or rehabilitation, will be given educational material regarding the hazards of LBP, signs of lead poisoning, and strategies to reduce exposure. Materials will include the use of HUD/EPA publications such as “Protect Your Family from Lead in Your Home.” Information will be provided in English and Spanish. Publications and referral information will be placed on the City’s website for education of the public.

Actions planned to reduce the number of poverty-level families

The City’s anti-poverty strategy is based on support of historic preservation and attracting a range of businesses to support workforce development to provide jobs for low-income residents. In addition, the City provides support for projects and services to several agencies offering a variety of supportive services to low-income residents.

The provision of social services for the elderly, families, and youth will expand opportunities for growth and encouragement. Supportive and legal services for seniors will ensure that they are not victims of fraud or abuse and will assist them to live independently in their homes.

Preservation of the City’s affordable homeownership program through selective purchase and resale and efforts to complete the Monterey Hotel apartments and the Van Buren Street Senior rental project for very low, low and moderate income households will be the focus of the City’s housing program in FY 2016–2017. The provision of opportunities for homeownership and/or affordable housing for lower-income families creates family wealth and responsible citizenship and builds a better community overall. To maintain this program, the City will need to rebuild the housing trust by targeting a portion of program income funds for placement in the housing trust. Funds in the housing trust will be used for opportunity purchases of deed restricted units as owners notify the City of their intent to sell. The funds will be used selectively, consistent with affordable housing agreements, to exercise the City’s purchase option. In this manner existing affordable units can be preserved for future resale.

Approximately 7.8 percent of Monterey residents live at the Federal Poverty level. With the downturn of the economy this may have increased. The households which are at the poverty level and that may be on welfare have been typically located in public housing, assisted housing, or special needs group housing. This demographic may have changed due to the economic recession.

The City provides support for childcare programs to assist families to remain employed. The City supports, through favorable lease terms a large (capacity of 140 children) state-of-the-art childcare center at the Presidio of Monterey. The City leases the facility from the U.S. Army and subleases the facility to a provider.

The City of Monterey provides significant funding for services that target the most economically vulnerable of the community. Funding is targeted to prevent homelessness, increase self-sufficient family functioning, and provide community connectiveness. The City has a strong economic development focus that is represented in the development of a Waterfront Master Plan and Specific Plans for the Downtown and North Fremont Street mixed-use neighborhoods.

The City continually works to promote employment opportunities for all aspects of the community. The City General Plan contains a Social Element designed to direct services to those most in need. Additionally, there are a number of educational programs available to residents to allow them to grow economically. Monterey Peninsula College provides extensive opportunities for extended education for youth and mature adults. The Monterey Adult School of the Monterey Peninsula Unified School District offers basic education and career track courses. The City is fortunate to be a jobs-rich community, which is advantageous for those seeking employment after completing training.

Actions planned to develop institutional structure

The City will continue to use CDBG funds to administer and monitor the Consolidated Plan and Annual Action Plans. The city will continue to support community service organization that are providing direct services to the City's lowest income individuals and households, which helps the organizations remain in the community.

The City has established a committee consisting of staff and the Chair of the Planning Commission to annually review grant applications submitted by community services providers. The City also participates in the 10-Year Plan and provides review and comment on proposals and grant proposals submitted to the Coalition of Homeless Services Providers. The City also closely coordinates CDBG planning efforts and Housing Element update planning efforts. Finally, City staff is participating in an adhoc Housing Element advisory committee that is chaired by a Council Member. This adhoc committee includes representatives of community services providers, homeless services providers and affordable housing developers.

Actions planned to enhance coordination between public and private housing and social service agencies

The City contracts with nonprofit agencies for on-going support services and housing programs. Affordable housing development projects are administered by the Housing Authority of the County of Monterey (HACM), Community Housing Improvements Systems and Planning Association, INTERIM, Inc., and for-profit developers.

In addition to these entities, the City considers proposals from other for-profit developers and housing non-profit agencies for affordable ownership, transitional and permanent housing projects. In previous years the City provided grant and loan funds to facilitate project completion, and rehabilitation of non-profit housing facilities owned by Community Human Services, INTERIM, Inc., and Monterey County Housing Inc., Affordable Acquisitions (MCHI, AA).

The City considers opportunities to support potential projects and requests for funding on a case by case basis. The City of Monterey intends to continue cooperative relationships with other public agencies and non-profit organizations including HACM, Community Housing Improvement Systems and Planning Association (CHISPA), Alliance on Aging, Housing Resource Center (HRC) and INTERIM Incorporated to develop additional affordable housing opportunities and provide community services for low and moderate-income households and other special needs populations identified as priorities in the Consolidated Plan.

The City of Monterey will continue to coordinate with these agencies to ensure that available resources are fully utilized and leveraged to the maximum extent possible. Applicants for funds administered by the City will also be encouraged to combine Federal, State and private resources with grants or loan funds from the City. The proposed Neighborhood Revitalization Program will also be linked with internal City and external programs providing housing development and rehabilitation services, economic development and commercial revitalization, and crime prevention.

Discussion

The Program Year 2016 Action Plan anticipates full entitlement funding and it includes the funding and projects approved in the City's Timeliness Spending Plan. Program Year 2016 Action Plan prioritizes completion of new affordable housing units, completion of the Timeliness Spending activities, housing rehabilitation and continued support for community service organizations providing direct services to disadvantaged and homeless residents. Ensuring conformance with HUD regulations is an ongoing activity.

Program Specific Requirements
AP-90 Program Specific Requirements – 91.220(l)(1,2,4)

Introduction

Community Development Block Grant Program (CDBG)
Reference 24 CFR 91.220(l)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	123,667
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	123,667

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	85.00%

Discussion

The City has been challenged in past years in achieving full conformance with HUD regulations regarding timely spending of CDBG funds. Active steps are being taken to address this problem. The Timeliness Spending Plan implements spending approved in the Substantial Amendment to the Program Year 14 Action Plan, submitted to HUD on June 1, 2015, and completes public infrastructure spending of two other projects approved in 2014 (Scott Street accessible corner ramps) and 2015 (300 Block of Van Buren Street Street, curb and gutter reconstruction). Program Year 2016 identifies \$991,294 in CDBG funding to complete the Timeliness Spending Plan. A second Informal Consultation with HUD was conducted on June 17, 2016. The Informal Consultation focused on the progress the City is making to spend down the build-up of unspent entitlement and program income. The City has requested an extension of time to June 30, 2017 to complete the Timeliness Spending Plan and show annual spending to be in conformance with HUD timeliness spending regulations. A decision on the City's request has not yet been made. The City is prepared to reprogram activities and spending based on the HUD Informal Consultation decision. The Action Plan presented anticipates HUD providing additional time and full entitlement.

In summary the Program Year 2016 Action Plan prioritizes completion of the Timeliness Spending Plan and Monterey Hotel Apartments, site clearance for the Van Buren Senior Housing apartments, repair and resale of City owned deed restricted housing units, opportunity purchase of deed restricted housing units and support for community service organization that provide direct services to disadvantaged residents.

The programming of new unanticipated funds in this Substantial Amendment will assist the City in meeting HUD's timeliness spending requirements.