

**CITY OF MONTEREY  
2019 – 2020 ANNUAL ACTION PLAN  
CITIZEN PARTICIPATION PLAN  
SUBSTANTIAL AMENDMENT  
ALLOCATION OF FUNDS RELATED TO THE CARES ACT**

**Introduction**

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into Public Law 116-136 to respond to the growing effects of COVID-19. The CARES Act made available \$5 billion in Community Development Block Grant Coronavirus (CDBG-CV) funds. Of this amount, HUD is allocating \$2 billion based on the fiscal year 2019-2020 CDBG formula and made the first round of fund allocations; the City of Monterey's allocation is \$152,845. HUD will allocate the remaining \$3 billion based on needs in the following tranches: \$1 billion to states and insular areas, and \$2 billion to states and local governments at the discretion of the HUD Secretary.

The CARES Act adds flexibility for the CDBG-CV funding and, in some cases, for the annual fiscal year 2019-2020 CDBG funding; additionally, the Secretary is authorized to grant waivers and alternative requirements of statutes and regulations in connection with the use of CDBG-CV funds and fiscal year 2019 and 2020 CDBG funds (except for requirements related to fair housing, nondiscrimination, labor standards, and environment). Waivers and alternative requirements can be granted when necessary to expedite and facilitate the use of funds to prevent, prepare for, and respond to COVID-19. Moreover, the public comment period is reduced to not less than 5 days, virtual public hearings may be used when necessary for public health reasons, the public service cap is suspended during the emergency, and state and local government may reimburse costs of eligible activities incurred for pandemic response regardless of the date.

The CDBG-CV special allocation is governed through HUD; therefore, the City of Monterey as an entitlement city, must comply with HUD prescribed statutes and regulations to add this special funding to the current Annual Action Plan. Per HUD 24 CFR 24 Part 91.505 -the jurisdiction, in this case the City of Monterey, shall amend the approved Consolidated Plan and Annual Action Plans when:

- A substantial change (e.g., 50% or more) in its allocation priorities or a substantial change in the method of distribution of funds takes place; or
- Carries out an activity, using funds from any program covered by the consolidated plan (including program income), not previously described in the action plan; or
- Substantially change the purpose, scope, location, or beneficiaries of an activity.

Additionally, the substantial change criteria utilized by the City of Monterey as established by the City's Citizen Participation Plan is determined by a change in an activity which had been originally initiated through the HUD Program and in which the change would exceed:

1. Changes in the use of CDBG funds from one eligible project to another (for example, from housing rehabilitation to public services).
2. A proposed action or change that may create a significant community impact. A significant community impact is defined as either:
  - a. Any federal grant-funded project or activity that results in a significant environmental impact as that term is defined pursuant to the National Environmental Policy Act (NEPA) (42 U.S.C. 4231 et seq); or
  - b. Any federal grant-funded project or activity that generates relocation of at least 20 resident households and/or two existing businesses which are subject to the federal Uniform Relocation Act (42 U.S.C. 4601 et seq, 42 U.S.C. 4621 et seq, and 42 U.S.C. 4651 et seq).

**Proposed Amendment to the Citizen Participation Plan**

The City is amending its Citizen Participation to establish expedited procedures to draft, propose, or amend consolidated plans. Expedited procedures must include notice and reasonable opportunity to comment of no less than 5 days. The 5-day period can run concurrently for comments on the action plan amendment and amended citizen participation plans.

The City is also amending its current Citizen Participation Plan to allow for Virtual Meetings and public comment for the proposed use of all Department of Housing and Urban Development funds. In-person public hearings are not required. The City of Monterey may meet public hearing requirements with virtual public hearings if: 1) national/local health authorities recommend social distancing and limiting public gatherings for public health reasons; and 2) virtual hearings provide reasonable notification and access for citizens in accordance with the City’s certifications, timely responses from City officials to all citizen questions and issues, and public access to all questions and responses.

**Proposed Amendment to the 2019 – 2020 Annual Action Plan**

As part of the CARES Act, additional funding is also anticipated in the current fiscal year to aid those affected by COVID-19. Funds from the CARES Act would be dedicated to a public service program to assist residents of Monterey. The CDBG-CV Proposed Programs/Activities and Allocations are listed in the tables below:

<b>MONTEREY PROPOSED FY 2019-2020 SUBSTANTIAL AMENDMENT CDBG-CV BUDGET</b>	
	<b>Proposed Funding</b>
<b>Administration</b>	
CDBG-CV Administration	\$30,569
<b>Subtotal</b>	<b>\$30,569</b>

<b>Public Services</b>		
Emergency Assistance Payments		\$122,276
<b>Subtotal</b>		<b>\$122,276</b>
<b>TOTAL</b>		<b>\$152,845</b>

A description of the new activities being added to the fiscal year are as follows:

- Public Services
  - Subsistence Payments

This short-term (no more than three months) emergency payments in rental and/or utilities assistance is in response to COVID-19 impacted individuals or families, for the purpose of preventing homelessness.

The above activities and funding amounts will be revised in the Annual Action Plan.

HUD requires that entitlement communities provide the public with a 5-day comment period to provide residents and other interested parties an opportunity to provide input on the proposed Amendment. This public comment period will run from May 11, 2020 to May 19, 2020.

**Public Comments**

The City will incorporate any comments received during the public comment period.