

CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

The City has been challenged in past years in achieving full conformance with HUD regulations regarding timely spending of CDBG funds. Active steps were taken in Program Year 2015 (PY2015) to address this problem and spend down the build-up of unspent entitlement and program income. Specific activities and spending plans were developed to spend down the build-up of funds and meet spending goals established in PY2015 Action Plan and Program Year 2014 (PY2014) Substantial Amendment. Major projects initiated in PY2015 to address timeliness spending included:

- 3 Public Infrastructure projects in low-income census tract block group areas (127-01, 133-03 and 133-04);
- Homeless assistance grant funding through rehabilitation of properties operated by Veteran's Transition Center (VTC), Interim, Inc. (Interim) and Community Human Services (CHS); and
- Purchase of housing units for resale to low-income first time homebuyers.

In PY2015 substantial progress was made on each of the major timeliness spending projects. Bid documents were prepared and published for the 3 public infrastructure projects, rehabilitation & repair grant agreements were prepared and executed for the VTC, Interim and CHS homeless assistance grant funding projects; and the City purchased 3 housing units for resale in PY2016. All of these projects will be completed and accomplishments recorded in PY2016.

Additionally, the City continued to support its traditional CDBG spending activities. These included grant funding to public service organizations providing direct services to homeless, low-income, senior and disabled individuals, housing rehabilitation grants to low-income homeowners and code compliance services in deteriorating low-income census tract block groups 127-01, 133-03 and 133-04. Grant funds to public services organizations such as Interim, Food Bank of Monterey County, Salvation Army, Meals on Wheels, Josephine Kerns Memorial Pool and Legal Services for Seniors have allowed these organizations to provide assistance to over 3,000 extremely low, very low and low-income individuals in the PY2015.

The City also completed the sale of one housing unit purchased in PY2014. The housing unit was sold to a qualified low-income, first time

homebuyer. This sale preserved a deed restricted low-income housing unit.

Finally, the City continued ongoing efforts to develop 2 new rental housing projects on City owned property. Once completed these projects will contain a total of 37 rental apartments of which 3 will be affordable to extremely low-income, 15 affordable to very low-income and 12 affordable to low-income.

Although the City was unable in PY2015 to meet all timeliness spending requirements, progress is being made to reduce City's substantial build-up of entitlement and program income funds. Because of the projects and activities established in PY2015 Action Plan and PY2014 Substantial Amendment the build-up of funds will be significantly reduced in PY2016.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee’s program year goals.

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Efficient Administration and Oversight	Affordable Housing Homeless Non-Housing Community Development	CDBG: \$ / Former RDA Housing Funds: \$ / Home Estrella: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	905	0	0.00%			

Efficient Administration and Oversight	Affordable Housing Homeless Non-Housing Community Development	CDBG: \$ / Former RDA Housing Funds: \$ / Home Estrella: \$	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit	Households Assisted	0	0		73	0	0.00%
Efficient Administration and Oversight	Affordable Housing Homeless Non-Housing Community Development	CDBG: \$ / Former RDA Housing Funds: \$ / Home Estrella: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1885	0	0.00%			
Efficient Administration and Oversight	Affordable Housing Homeless Non-Housing Community Development	CDBG: \$ / Former RDA Housing Funds: \$ / Home Estrella: \$	Public service activities for Low/Moderate Income Housing Benefit	Households Assisted	32	40	125.00%	17	0	0.00%

Efficient Administration and Oversight	Affordable Housing Homeless Non-Housing Community Development	CDBG: \$ / Former RDA Housing Funds: \$ / Home Estrella: \$	Rental units constructed	Household Housing Unit	37	0	0.00%	18	0	0.00%
Efficient Administration and Oversight	Affordable Housing Homeless Non-Housing Community Development	CDBG: \$ / Former RDA Housing Funds: \$ / Home Estrella: \$	Rental units rehabilitated	Household Housing Unit	10	2	20.00%	10	0	0.00%
Efficient Administration and Oversight	Affordable Housing Homeless Non-Housing Community Development	CDBG: \$ / Former RDA Housing Funds: \$ / Home Estrella: \$	Homeowner Housing Rehabilitated	Household Housing Unit	30	28	93.33%	30	28	93.33%

Efficient Administration and Oversight	Affordable Housing Homeless Non-Housing Community Development	CDBG: \$ / Former RDA Housing Funds: \$ / Home Estrella: \$	Direct Financial Assistance to Homebuyers	Households Assisted	0	0		2	0	0.00%
Efficient Administration and Oversight	Affordable Housing Homeless Non-Housing Community Development	CDBG: \$ / Former RDA Housing Funds: \$ / Home Estrella: \$	Homeless Person Overnight Shelter	Persons Assisted	38	62	163.16%			
Efficient Administration and Oversight	Affordable Housing Homeless Non-Housing Community Development	CDBG: \$ / Former RDA Housing Funds: \$ / Home Estrella: \$	Overnight/Emergency Shelter/Transitional Housing Beds added	Beds	0	0		38	62	163.16%

Efficient Administration and Oversight	Affordable Housing Homeless Non-Housing Community Development	CDBG: \$ / Former RDA Housing Funds: \$ / Home Estrella: \$	Homelessness Prevention	Persons Assisted	32	40	125.00%	32	40	125.00%
Efficient Administration and Oversight	Affordable Housing Homeless Non-Housing Community Development	CDBG: \$ / Former RDA Housing Funds: \$ / Home Estrella: \$	Housing for Homeless added	Household Housing Unit	20	0	0.00%			
Efficient Administration and Oversight	Affordable Housing Homeless Non-Housing Community Development	CDBG: \$ / Former RDA Housing Funds: \$ / Home Estrella: \$	Housing Code Enforcement/Foreclosed Property Care	Household Housing Unit	50	72	144.00%	50	72	144.00%

Housing opportunities	Affordable Housing	CDBG: \$ / Former RDA Housing Funds: \$ / HOME Grant: \$89406	Rental units constructed	Household Housing Unit	37	0	0.00%	18	0	0.00%
Housing opportunities	Affordable Housing	CDBG: \$ / Former RDA Housing Funds: \$ / HOME Grant: \$89406	Homeowner Housing Rehabilitated	Household Housing Unit	23	28	121.74%	21	28	133.33%
Housing opportunities	Affordable Housing	CDBG: \$ / Former RDA Housing Funds: \$ / HOME Grant: \$89406	Housing for Homeless added	Household Housing Unit	20	0	0.00%	18	0	0.00%
Public Infrastructure	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	905	0	0.00%	905	0	0.00%

Public Infrastructure	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit	Households Assisted	0	0		0	0	
Suitable living environment	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$ / HOME Grant: \$ / Home Estrella: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1885	1456	77.24%	1885	1070	56.76%
Suitable living environment	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$ / HOME Grant: \$ / Home Estrella: \$	Public service activities for Low/Moderate Income Housing Benefit	Households Assisted	30	0	0.00%	17	40	235.29%

Suitable living environment	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$ / HOME Grant: \$ / Home Estrella: \$	Rental units rehabilitated	Household Housing Unit	10	0	0.00%			
Suitable living environment	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$ / HOME Grant: \$ / Home Estrella: \$	Homeowner Housing Rehabilitated	Household Housing Unit	21	28	133.33%	20	28	140.00%
Suitable living environment	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$ / HOME Grant: \$ / Home Estrella: \$	Homeless Person Overnight Shelter	Persons Assisted	38	62	163.16%	38	62	163.16%

Suitable living environment	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$ / HOME Grant: \$ / Home Estrella: \$	Homelessness Prevention	Persons Assisted	32	40	125.00%	32	40	125.00%
Suitable living environment	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$ / HOME Grant: \$ / Home Estrella: \$	Housing Code Enforcement/Foreclosed Property Care	Household Housing Unit	50	72	144.00%	50	72	144.00%

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

In PY2015 the City was able to successfully maintain many of the its traditional CDBG activities. These activities include:

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- Funding to public service organizations providing direct services to homeless, low-income, seniors and disabled members of the community;
- Funding to low-income homeowners to assist home repair, rehabilitation and accessibility improvements;
- Funding code compliance activities in deteriorating low-income census tract block groups; and
- Opportunity purchase resale of housing units for the purpose of preserving low-income ownership housing opportunities in the community.

Several of the Strategic Plan goals set forth in the City's 2015-2019 5-Year Consolidated Plan are addressed by these activities. For examples, direct services to homeless and low-income persons and rehabilitation assistance to homeowners specifically address goals to improve housing opportunities for low and moderate-income levels and provide for a suitable living environment for all residents and income levels. Focused code compliance in low-income area (See attached Summary Report) is provided to ameliorate deteriorating properties and prevent further decline in these area. All of these activities are identified as high priorities in the Strategic Plan.

The City also continued to use CDBG funding to provide professional legal assistance towards completing a disposition and development agreement (DDA) that will guide development of 19 unit Van Buren Senior Housing project on City owned land. The DDA was completed in PY2015. Provided the remaining project financing is secured in Fiscal Year 2016-17 the project will begin construction in PY2016 and be completed in PY2017.

The Van Buren Senior Housing project is one of 2 new rental projects the City is actively pursuing. The other project is the Monterey Hotel Apartments that will provide 18 rental units affordable to very low, low and median-income households. City staff continued work toward completing the disposition and development agreement with a local developer to complete the the Monterey Hotel Apartments project. This project is solely intended to be funded with local former redevelopment agency housing funds. No CDBG funding will be used in the project but it is a significant new affordable housing project for the City. Both the Van Buren Senior Housing and Monterey Hotel Apartments projects, are identified as high priorities in the Strategic Plan because they will when completed address the goal to improve housing opportunities for low

and moderate-income levels.

Finally, the City completed several critical steps to address the timeliness spending challenge that were identified in PY2014. In PY2015 grant agreements were executed and spending was initiated towards completing 3 significant homeless facility rehabilitation projects. When completed in PY2016, these projects will improve counseling and outreach to homeless and runaway youth and provide up to 21 new shelter beds for homeless veterans and homeless individuals with mental illness. The City also published bid documents for 3 significant public infrastructure projects that will provide improved accessible sidewalks and street reconstruction in low-income census tract block group areas. These block groups are Census Tracts 127-01, 133-03 and 133-04. These infrastructure projects will be completed in PY2016.

A total of \$918,279 was expended in PY2015 for all of the City's CDBG housing and low-income community development activities. Of this total \$136,018 was spent to initiate the timeliness spending projects and put them on the path to completion in PY2016.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

	CDBG
White	1,105
Black or African American	72
Asian	114
American Indian or American Native	9
Native Hawaiian or Other Pacific Islander	4
Total	1,304
Hispanic	159
Not Hispanic	1,145

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

The City of Monterey has a substantial percentage of white population and comparatively smaller non-white populations.

The percentage shares of the largest population types as reported in the American Communities Survey (ACS) 2010 data are:

- 78.3% White
- 7.9% Asian
- 5.4% Some Other Race
- 5.1% Two or More Races
- 2.5% Black or African American
- 13.7% Hispanic or Latino

Consequently, it is not surprising based on the racial and ethnic population of the City that a disproportionately high number of white families were assisted with CDBG funds in PY2015. Nevertheless, the City continues outreach and community development efforts in Census Tract 133, which contains higher concentrations of Asian and Hispanic populations and low-income households. These efforts are exemplified by the City's inclusion of a significant public infrastructure street reconstruction project within the boundaries of Census Tract Block Group 133-03 and public service organizations outreach efforts in the the Census Tract. Block Groups 133-03 and 133-04.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG		2,795,000	1,012,030
Other	Former RDA Housing Funds	1,000,000	332,123
Other	Home Estrella	209,000	332,123
Other	HOME Grant	0	332,123

Table 3 – Resources Made Available

Narrative

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 PY2014 Action Plan was submitted to HUD to outline a detailed plan for spending down \$962,634 in built-up of program income over the next ten months. Additionally, 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 were identified in the PY2014 and PY2015 Action Plans. While the spending objectives presented in these plans have not yet been completed, the City is making significant progress to address this spending deficit. As of the end of PY2015 it is anticipated that all of the public infrastructure street reconstruction projects and the homeless facility rehabilitation grants will be completed in PY2016 and substantial compliance with timeliness spending goals will be reached prior the end of PY2016.

In PY2015 the City received the full annual entitlement grant funding. Entitlement funds in the amount of \$192,712 were projected to be supplemented with a projected \$641,900 in program income for a total amount of \$834,612 in projected income in PY2015. Additionally, \$962,634 in built-up program income was intended to be spent in PY2015 in accordance with the PY2014 Timeliness Spending Workout Plan. The total amount of projected CDBG spending in PY2015 was projected to be \$1,797,246. However, the expended amount of CDBG funds amounted to \$918,279 due to delays in initiating the public infrastructure projects and the homeless facilities rehabilitation grants. Additionally, program income received in PY2015 exceeded the projected amount by \$137,628. This additional program income increases the timeliness spending challenge.

In respect to the timeliness spending the City was only able to spend \$ 136,018 of the planned \$962,634 in PY2015. These funds were spent to preparing agreements for the rehabilitation grants, construction bid documents for the public infrastructure projects, and initial rehabilitation grant draws. The remaining funds for each of these projects will be expended in PY2016.

The City's CDBG program income funds are leveraged with the CDBG entitlement and 3 other funding sources:

1. Successor housing agency (SHA) (\$1,901,163);
2. HOME Estrella Apartment grant (\$152,800); and
3. HOME down payment assistance grant (\$89,406).

Together these funds provide the total budget for the City's community development housing programs.

The total estimated funds for all PY2015 community development housing programs was \$3,930,615.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
Delmonte -Laguna Grande	4	1	Completed plans and bid documents and initiated construction of public infrastructure projects.
Delmonte -Laguna Grande	18	1	Completed plans and bid documents and initiated construction of public infrastructure projects.
Van Buren Street Lower Old Town	1	1	Completed plans and bid documents and initiated construction of public infrastructure projects.
Van Buren Street Lower Old Town	16	1	Completed plans and bid documents and initiated construction of public infrastructure projects.

Table 4 – Identify the geographic distribution and location of investments

Narrative

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. They represent the only geographic targeted areas for CDBG funding. All other CDBG and housing fund activities are distributed throughout the City. The predominant targeted activity in PY2015 is public infrastructure street and accessibility project funding. Beginning in PY2014 the City identified and budgeted CDBG funds to complete 3 street and sidewalk reconstruction projects in the low-mod areas. The projects are:

- Reconstruction of Dela Vina Avenue in Census Tract Block Group 133-03;

- Curb and gutter reconstruction in the 300 block of Van Buren Street in Census Tract Block Group 121-01; and
- Accessible corner ramps at Scott and Van Buren Streets in Census Tract Block Group 127-01.

In PY2015 the City expended \$42,268 in CDBG funds to complete construction plans and bid documents for these projects. At the beginning of PY2016 the public infrastructure construction contract was executed and construction has begun. All 3 public infrastructure projects will be completed in PY2016 and Low-Mod Area accomplishments will be recorded.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

The City's CDBG program income funds are traditionally leveraged CDBG entitlement funds and 3 other funding sources:

1. Successor housing agency (SHA);
2. HOME Estrella Apartment grant; and
3. HOME down payment assistance grant.

Together these funds provide the total annual budget for the City's community development housing programs. Since the majority of the leveraged funds are required to focus on development and preservation of low-income housing, the City predominantly targets spending on low-income housing activities, which are typically distributed throughout the City. The City's CDBG funding as set forth in the 2015-2019 Consolidated is primarily targeted towards infrastructure projects in low-mod areas, public service grants, housing rehabilitation, code compliance in deteriorating low-mod areas and administration.

In PY2015 the City continued progress towards developing 37 new rental units on two City owned properties. A Disposition and Development Agreement (DDA) was completed with a developer to build 19 low-income senior housing units on 6 City owned parcels in the 600 block of Van Buren Street and negotiations for another DDA is nearing completion that will authorize construction of 18 low-income apartments on City owned property at 406-410 Alvarado Street. When complete these projects will provide needed affordable rental housing. The Alvarado project is expected to be completed in PY2016. The Van Buren Project is expected to be completed in PY2017.

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	0	5
Number of Non-Homeless households to be provided affordable housing units	82	1
Number of Special-Needs households to be provided affordable housing units	0	0
Total	82	6

Table 5- Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	32	40
Number of households supported through The Production of New Units	18	0
Number of households supported through Rehab of Existing Units	30	28
Number of households supported through Acquisition of Existing Units	2	3
Total	82	71

Table 6 - Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

In PY2015 the City continued to support the Salvation Army's rental assistance program, rehabilitation of existing ownership units and acquisition of units for resale. These are the predominant programs pursued with CDBG funds for assisting low-income individuals and households to remain in their homes. The outcomes for rental assistance, rehabilitation of units and acquisition of existing units closely tracks PY2015 goals. As summarized below it is only in the production of new units that accomplishments were not achieved.

Rental Assistance - The City continued to support the Salvation Army's rental assistance program with grant funding. Although, the grant funding is limited because it is a public services grant the Salvation Army was able to provide rental assistance to low-income families.

Rehabilitation of Existing Units - The City continued to use CDBG funds provide rehabilitation grants to low-income households for home repairs. Grant funding for home repair and rehabilitation is a traditional and effective program for the community. In PY2015 the City was able to assist low-income households. The majority of the homeowner's receiving rehabilitation grants have been seniors.

Acquisition of Existing Units - The City completed the sale of 1 low-income unit that had been purchased and rehabilitated in PY2014 and completed the purchase 3 other units in PY2015. These 3 units will be rehabilitated and marketed for resale to low-income firsttime homebuyers in PY2016.

Production of New Units - The most significant difference between PY2015 goals and outcomes relates to the production of new units. Prior to the beginning of PY2015 the City anticipated completion of a Disposition and Development Agreement (DDA) with Silverie Properites LLC to be developer of the Monterey Hotel Apartments. However, challenges were encounter that prevented execution of the DDA and the finish construction has been delayed. The project, which will produce 18 new rental units is not anticipated to be completed in PY2016. It also needs to be noted that the City made great progress towards development of the 19-unit Van Buren Senior Housing project and these units are now anticipated to be completed within 2 years in PY2017.

Discuss how these outcomes will impact future annual action plans.

In PY2016 and beyond the City will continue to support the Salvation Army's rental assistance program, housing rehabilitation activities and opportunity acquisition of existing units for resale. The successfull acquisition of 3 units at the end of PY2015 will require the City to prepare these units for resale in PY2016. Additionally, the City will continue in PY2016 to work towards construction of the Van Buren Senior Housing and Monterey Hotel Apartment projects.

In PY2016 and beyond the City will work to more quickly respond to acquisition opportunities and reduce the amount of time it takes to rehabilitate and resell acquired units. Additionally, the City recognizes the need for housing units for extremely low, very low and low-income households. For this reason, the City will continue to explore with regional public service providers, local non-profit housing developers and neighboring jurisdictions opportunities to develop new housing units in the region.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Persons Served	CDBG Actual	HOME Actual
Extremely Low-income	0	5
Low-income	43	0

Moderate-income	0	0
Total	43	5

Table 7 – Number of Persons Served

Narrative Information

All of the individuals and households that have been assisted with CDBG funds are low-income or below (less than 80% of area median income). Additionally, the City was able to accommodate 5 extremely low-income persons in 2 vacant rental units in the City owned Case de Estrella apartment complex that had been purchased and rehabilitated with HOME funds. CDBG public services funding to Salvation Army rental assistance provided assistance to 42 persons. The City completed the sale of one low-income ownership unit.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

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

Homelessness in the Monterey County is growing and a similar trend has been documented within the City of Monterey. Although the 2015 Point in Time Homeless Survey (2015 PIT Survey) revealed a reduction of surveyed homeless located within the City boundaries, numerous public comments expressed to the City Council over the past two years has identified homelessness as a significant unmet need in the community. Additionally, specific comments have expressed concern that senior and/or near senior homeless women are in need of shelter.

A primary homeless assistance strategy in PY2015 was 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 were assisted in this manner include Community Human Services (CHS), Interim, Inc. (Interim), and the Salvation Army. By funding these organizations the City continues to support public services that are able to provide direct services and outreach to those experiencing homelessness. This grant funding to public service organizations provided for 62 shelter bed nights.

Additionally, in PY2015 the City executed grant agreements and initiated spending towards completing 3 significant homeless facility rehabilitation projects. These projects will be completed in FY2016 and they will improve counseling and outreach to homeless and runaway youth and provide up to 21 new shelter beds for homeless veterans and homeless individuals with mental illness.

Finally, in PY2015 the City continued progress towards development of 37 new rental units in the City. These units will be constructed with support from a combination of CDBG funds and former redevelopment agency housing funds. Once completed in PY2016 and PY2017 30 of the housing units will be affordable to low-income or below individuals and households earning less than 80% of area median income. Three of these housing units will be affordable to extremely low-income and 15 will be affordable to very low-income.

Addressing the emergency shelter and transitional housing needs of homeless persons

In PY2015 the City continued to provide CDBG public service funds to community service organizations providing direct services to the homeless. Specifically public services funding was provided to Interim, CHS and Salvation Army for programs that provide emergency overnight shelter, counseling and outreach. The City also completed an update of its Housing Element, which includes programs that will explore amending the zoning ordinance to allow safe parking programs to operate within the City and allow emergency overnight shelter in specific zoning districts. These changes being explored in the Housing Element Update build upon the establishment of a pilot safe parking program in PY2015.

In PY2015 the City also executed grant agreements and initiated spending towards completing 3 significant homeless facility rehabilitation projects. These projects will be completed in FY2016 and they will improve counseling and outreach to homeless and runaway youth and provide up to 21 new shelter beds for homeless veterans and homeless individuals with mental illness.

While a need for additional shelter beds in the community has been identified, no specific shelter project has yet been proposed. Therefore, in PY2015 no funding for a new shelter project was programmed. However, the City will continue in PY2016 and PY2017 to explore opportunities to develop a shelter in the region. The City is fully prepared to cooperate and coordinate with other jurisdictions and public service organizations to appropriately locate and fund a shelter in the region.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after 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); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

In PY2015 the City continued providing CDBG public service funds to community service organizations that provide direct outreach, counseling and services to homeless individuals. Funding for CHS, Interim, and the Salvation Army are the 3 public service organizations that were funded to provide direct services to homeless persons. Additionally, the City moved forward to implement 3 grants that were approved in the PY2014 Substantial Amendment amount of \$712,500 to the Veteran's Transition Center (VTC), CHS and Interim to assist them in rehabilitating facilities for homeless persons and families. The VTC project will rehabilitate 4 transitional housing units and provide up to 8 beds for homeless veterans and families. The Interim project will convert an Interim owned facility to a 13 bed short term care crisis facility to accommodate homeless individuals with mental illness who are discharged from local hospitals. The CHS grant will assist in upgrading and rehabilitating a homeless and runaway youth counseling and outreach center .

Additionally, the City in PY2015 provided public services grant funding to 6 other organizations that provide direct supportive services Low-Income or below persons with special needs. This support for non-housing services can often assist low-income households retain housing. 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.

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

The City continues to support the Monterey and San Benito Counties 10-Year Plan to End Homelessness (Lead Me Home Plan). This Plan is a comprehensive plan to eliminate chronic homelessness in two counties. It brings together public services, community and faith based organizations, safety net services and the private sector with the objective of identify and implementing programs that can effectively met the unmet needs of the region’s homeless population and move that population into permanent housing. Currently, Plan participants are developing an inventory of future housing projects

in the region and exploring policies and programs that might lead to development of new housing units that are targeted to be affordable to extremely low, very low and low-income households.

Although the City continues its efforts to complete two low and moderate-income rental housing projects and funds have been spent towards this goal, the projects are not complete and accomplishments have not yet been recorded. The 18 unit Monterey Hotel Apartment project is anticipated to be completed in FY2016 and 19 unit Van Buren Senior Housing project is anticipated to be completed in PY2017. Construction of new housing units is the City's top priority strategy to address the lack of affordable housing that so often leads to loss of home and homelessness.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

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. Thirteen of these units have been converted through the federal approved Rental Assistance Demonstration Program (RAD) to allow use of long term Section 8 Housing Choice Vouchers. The RAD conversion will allow HACM to preserve these properties as low-income housing. The City of Monterey is prepared to provide CDBG grant funding for minor repairs and rehabilitation to HACM housing units to ensure the units remain in good repair and affordable to low-income households. Although no funding for repairs of HACM housing units were granted in PY2015, the City will continue to work with HACM and hopes to identify a project for funding in PY2017.

Additionally, in PY2015 HACM implemented the following activities to address the needs of public housing:

- Opened the HCV wait list to new applicants;
- Applied for a new HCV allotment;

- Continued to conduct outreach workshops and distribute education materials to Monterey Peninsula apartment owners and property management companies for the purpose of gaining greater participation in the HCV program; and
- Continued to provide reasonable accommodation and modifications for its disabled residents and housing applicants.

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

HACM promotes-sufficiency and asset development of resident families and individuals by encouraging participants in the HCV program to sign up for the Family Self-Sufficiency program and the POWER project. HACM also assists families that are able to become homeowners by utilizing various options including Section 8 vouchers and working with the communities to provide down payment assistance to clients. These programs continued in PY2015.

Actions taken to provide assistance to troubled PHAs

HACM is not identified as a troubled public housing authority.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken 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. 91.220 (j); 91.320 (i)

As described in detail in the 2015-2019 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 very low-income and low-income 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 5 years of the Consolidated Plan to explore funding strategies that can be utilized to produce new supply of extremely low-income, very low-income and low-income rental units.

While the City is currently working to complete 37 new rental units in the Van Buren Street and Monterey Hotel Apartment projects of which 30 units will be affordable to extremely low, very low and low-income persons, there remains a need to add even more extremely low, very low and low-income rental units to the inventory. Addressing this need is a high priority.

Additionally, in the Sprin of 2016 the City completed an update of the General Plan Housing Element and that plan will set forth goals policies and programs the City will pursue to retain and build new housing units in the City. Monterey is mostly built-out with very little vacant land, so most new housing is anticipated to be higher-density and on previously developed sites. The City recognizes this situation and it anticipates that most new significant residential units will be constructed as a component of mixed-use development in commercial areas. 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.

Although the City has been able to demonstrate that its fair share of regional housing supply can be achieved through mixed-use development, achieving this goal is constrained due to a lack of sufficient water supply. The Monterey Peninsula region has a limited amount of water available for new residential or commercial development and therefore the City cannot anticipate meeting its housing goals without new water supply. To address this problem this problem, the City has been closely

monitoring and supporting when appropriate efforts of the California American Water Company and Monterey Peninsula Water Management Districts to secure additional water supply for the Monterey Peninsula.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

The needs assessment portion of the Consolidated Plan identified lack of affordable housing as a key unmet need. The Consolidate 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. The PY2015 Action Plan allocated funding to implement these strategies by maintaining support for 2 existing planned affordable rental projects and funding opportunity purchase for preserving existing L-I housing units.

Furthermore, in PY2015 the City made significant progress towards development of the Van Buren Senior Housing project and the Monterey Hotel Apartment project. Completion of the projects will add important new ELI, VLI and LI housing to the supply of affordable housing in the community. The City also executed funding agreements that will provide a total of \$712,500 in CDBG grant funds for rehabilitation of homeless services facilities. Once completed these projects will add 21 new overnight shelter beds operated by VTC and Interim and improve the provision of counseling and outreach services to homeless youth by rehabilitating CHS offices.

Additionally, in PY2015 the City used CDBG funds:

- To support of public service organizations that proved direct services to homeless and special needs populations; and
- To abate lead based paint (LPB) hazard when it is encountered in connection with CDBG funded housing rehabilitation projects.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

In PY2015 the City allocated CDBG funds to support of public service organizations who prove direct services to homeless and special needs populations. Activities provided by these organizations include:

street outreach to homeless, food supplements, legal assistance for seniors, warm water therapy for disabled, fair housing investigations, overnight emergency shelter beds, bus passes and tax assistance for seniors. All of these funded activities are provided to assist the City's lowest income individuals and households maintain and/or improve their quality of life. These programs also strength the connection between the community and its lowest income population.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

In PY2015 the City continued to use CDBG funds to administer and monitor the Consolidated Plan and the Action Plans. The city also continued its traditional support for public service organizations, which helps the organizations remain in the community.

During PY2015 City staff attended meetings to implement and monitor progress in the the Lead Me Home 10-Year Plan to end Homelessness, as well as, provided review and comment on grant proposals submitted to the Coalition of Homeless Services Providers. The City closely coordinated its CDBG planning efforts and Housing Element update planning efforts. all of these on-going efforts are intended to strengthen connections between the City, public services organizations and other area governments for the purpose of improving services to ELI, VLI and LI persons in the community.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

The City will continue to support regional planning efforts such as the Lead Me Home plan and work with the Coalition of Homeless Services Providers in effort to improve coordination of activites serving lower income populations. The City is prepared to support regional approaches that can be shown to produce an increase in the supply of EL-I, VI-I and L-I rental housing.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

I lack of affordable housing is a key unmet need in the community and it is the most fundamental impediment to fair housing choice. The City's 2015-2019 Consolidated Plan indicates that production of new ELI and VLI housing units are a priority. In PY2015 City staff spent considerable time in effort to complete agreements that will lead to the construction of 37 new rental housing units. Significant

progress has been made toward development of these units and they are anticipated to be completed in PY2016 and PY2017.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

The City was unable to meet all timeliness spending goals in PY2015. Although significant progress has been made to prepare projects for construction, spending on the projects has been delayed and they will not be completed until PY2016. Consequently, there is a significant potential the City will not receive \$215,000 in entitlement funds in PY2016. If this occurs the City will adjust its spending plans accordingly. In effort to address timeliness spending the City is more closely monitoring the receipt of program income and expenditures. Additionally, the City is actively working to provide additional staff resources to administer the CDBG program.

At this time the City's priority for addressing homelessness is to complete the rehabilitation of three homeless facilities in the community. These are projects first identified in PY2014. Substantial progress on implementing these rehabilitation activities was made during PY2015 and they will be completed in PY2016. Once completed they will provide up to 21 new shelter beds for homeless veterans and homeless with mental illness and improve outreach and counseling services to homeless and run away youth.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

The City published notice of the public hearing on this Consolidated Annual Performance Evaluation Report on September 17, 2016. The comment period will close after the Planning Commission conducts a public hearing on September 27, 2016. All public comments received on the report will be addressed and responded to in the report prior to submission to HUD.

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction’s program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

The City's goals and priorities specified in the 2015-2019 Consolidated Plan continue to guide the City's Annual Plan activities. Addressing and resolving timeliness spending is the key immediate challenge. City staff is diligently working to complete all of the timeliness spending projects by the end of PY2016. However, a significant increase in received program income in PY2015 increase the challenge. To address this issue the City staff will initiate discussion with adjacent jurisdictions and public services providers in effort to identify a strategy that will efficiently expend the City's annual CDBG funds on needed public facilities and services to the community's lowest income households.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

No

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

CR-60 - ESG 91.520(g) (ESG Recipients only)

ESG Supplement to the CAPER in *e-snaps*

For Paperwork Reduction Act

1. Recipient Information—All Recipients Complete

Basic Grant Information

Recipient Name	MONTEREY
Organizational DUNS Number	831506329
EIN/TIN Number	946000376
Identify the Field Office	SAN FRANCISCO
Identify CoC(s) in which the recipient or subrecipient(s) will provide ESG assistance	

ESG Contact Name

Prefix
First Name
Middle Name
Last Name
Suffix
Title

ESG Contact Address

Street Address 1
Street Address 2
City
State
ZIP Code
Phone Number
Extension
Fax Number
Email Address

ESG Secondary Contact

Prefix
First Name
Last Name
Suffix
Title
Phone Number
Extension
Email Address

2. Reporting Period—All Recipients Complete

Program Year Start Date	07/01/2015
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CAPER

33

Program Year End Date

06/30/2016

3a. Subrecipient Form – Complete one form for each subrecipient

Subrecipient or Contractor Name

City

State

Zip Code

DUNS Number

Is subrecipient a victim services provider

Subrecipient Organization Type

ESG Subgrant or Contract Award Amount

CR-65 - Persons Assisted

4. Persons Served

4a. Complete for Homelessness Prevention Activities

Number of Persons in Households	Total
Adults	
Children	
Don't Know/Refused/Other	
Missing Information	
Total	

Table 8 – Household Information for Homeless Prevention Activities

4b. Complete for Rapid Re-Housing Activities

Number of Persons in Households	Total
Adults	
Children	
Don't Know/Refused/Other	
Missing Information	
Total	

Table 9 – Household Information for Rapid Re-Housing Activities

4c. Complete for Shelter

Number of Persons in Households	Total
Adults	
Children	
Don't Know/Refused/Other	
Missing Information	
Total	

Table 10 – Shelter Information

4d. Street Outreach

Number of Persons in Households	Total
Adults	
Children	
Don't Know/Refused/Other	
Missing Information	
Total	

Table 11 – Household Information for Street Outreach

4e. Totals for all Persons Served with ESG

Number of Persons in Households	Total
Adults	
Children	
Don't Know/Refused/Other	
Missing Information	
Total	

Table 12 – Household Information for Persons Served with ESG

5. Gender—Complete for All Activities

	Total
Male	
Female	
Transgender	
Don't Know/Refused/Other	
Missing Information	
Total	

Table 13 – Gender Information

6. Age—Complete for All Activities

	Total
Under 18	
18-24	
25 and over	
Don't Know/Refused/Other	
Missing Information	
Total	

Table 14 – Age Information

7. Special Populations Served—Complete for All Activities

Number of Persons in Households

Subpopulation	Total	Total Persons Served – Prevention	Total Persons Served – RRH	Total Persons Served in Emergency Shelters
Veterans				
Victims of Domestic Violence				
Elderly				
HIV/AIDS				
Chronically Homeless				
Persons with Disabilities:				
Severely Mentally Ill				
Chronic Substance Abuse				
Other Disability				
Total (unduplicated if possible)				

Table 15 – Special Population Served

CR-70 – ESG 91.520(g) - Assistance Provided and Outcomes

10. Shelter Utilization

Number of New Units – Rehabbed	
Number of New Units – Conversion	
Total Number of bed - nighths available	
Total Number of bed - nights provided	
Capacity Utilization	

Table 16 – Shelter Capacity

11. Project Outcomes Data measured under the performance standards developed in consultation with the CoC(s)

CR-75 – Expenditures

11. Expenditures

11a. ESG Expenditures for Homelessness Prevention

	Dollar Amount of Expenditures in Program Year		
	2013	2014	2015
Expenditures for Rental Assistance			
Expenditures for Housing Relocation and Stabilization Services - Financial Assistance			
Expenditures for Housing Relocation & Stabilization Services - Services			
Expenditures for Homeless Prevention under Emergency Shelter Grants Program			
Subtotal Homelessness Prevention			

Table 17 – ESG Expenditures for Homelessness Prevention

11b. ESG Expenditures for Rapid Re-Housing

	Dollar Amount of Expenditures in Program Year		
	2013	2014	2015
Expenditures for Rental Assistance			
Expenditures for Housing Relocation and Stabilization Services - Financial Assistance			
Expenditures for Housing Relocation & Stabilization Services - Services			
Expenditures for Homeless Assistance under Emergency Shelter Grants Program			
Subtotal Rapid Re-Housing			

Table 18 – ESG Expenditures for Rapid Re-Housing

11c. ESG Expenditures for Emergency Shelter

	Dollar Amount of Expenditures in Program Year		
	2013	2014	2015
Essential Services			
Operations			
Renovation			
Major Rehab			
Conversion			
Subtotal			

Table 19 – ESG Expenditures for Emergency Shelter

11d. Other Grant Expenditures

	Dollar Amount of Expenditures in Program Year		
	2013	2014	2015
Street Outreach			
HMIS			
Administration			

Table 20 - Other Grant Expenditures

11e. Total ESG Grant Funds

Total ESG Funds Expended	2013	2014	2015

Table 21 - Total ESG Funds Expended

11f. Match Source

	2013	2014	2015
Other Non-ESG HUD Funds			
Other Federal Funds			
State Government			
Local Government			
Private Funds			
Other			
Fees			
Program Income			
Total Match Amount			

Table 22 - Other Funds Expended on Eligible ESG Activities

11g. Total

Total Amount of Funds Expended on ESG Activities	2013	2014	2015

Table 23 - Total Amount of Funds Expended on ESG Activities