



## **CITY OF MENIFEE**

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SUBJECT: Community Development Block Grant for Program Year 2025/2026 Annual Action Plan

MEETING DATE: May 7, 2025

TO: Mayor and City Council

PREPARED BY: Edna Lebron, Senior Management Analyst

REVIEWED BY: Orlando Hernandez, Acting Community Development Director

APPROVED BY: Armando G. Villa, City Manager

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### **RECOMMENDED ACTION**

1. Adopt a Resolution approving the City's Community Development Block Grant ("CDBG") Program Year ("PY") 2025/2026 Annual Action Plan; and
2. Authorize the City Manager or his designee to execute all necessary agreements and other grant-related documents to receive CDBG funds.

### **DISCUSSION**

The City of Menifee elected to become a CDBG entitlement jurisdiction beginning July 1, 2012. This entitlement status enables the City to receive funds directly from the Federal Department of Housing and Urban Development ("HUD") for distribution and expenditure within the City and allows the City Council to have greater control of the use of the funds and ensure greater accountability to Menifee residents. PY 2025/2026 will be the 14<sup>th</sup> year the City of Menifee participates in the CDBG Program as an entitlement community.

As a recipient of annual CDBG grant funds, the City assists with the enhancement and support of low to moderate-income populations within the City of Menifee through the delivery of various programs and activities. Each year, the City must prepare and submit to HUD an Annual Action Plan, which identifies all the programs/activities to be completed in the upcoming program year, which runs from July 1<sup>st</sup> to June 30<sup>th</sup>. The Annual Action Plan is formally approved by the City Council at a public hearing.

The Annual Action Plan will generally include the following main categories of activities/programs:

- Planning/Administration (20% Cap)
- Fair Housing Services (Mandatory for Participation)

- Public Services (15% Cap)
- Housing (Senior Minor Home Rehabilitation Grant Program)
- Public Facilities/Infrastructure Projects

On December 20, 2024, the City posted a Notice of Funding Availability (“NOFA”) and released the Public Services Application Booklet. Applications for Public Service funds requests were due on February 28, 2025. On March 20, 2025, the Menifee Citizen Advisory Committee (“MCAC”) reviewed the funding proposals received as a result of the NOFA and formulated their Public Services program funding recommendations for City Council consideration. The MCAC’s Public Services program recommendations are summarized below and are included within the proposed 2025/2026 Annual Action Plan.

**TABLE 1 - PY 2025/2026 CDBG PUBLIC SERVICES**

Organizations	Requested	MCAC Recommended
1. Assistance League of Temecula Valley	\$15,000	0*
2. Boys & Girls Club of Inland Valley	\$10,000	\$10,000
3. Family Service Association (FSA)	\$20,000	\$20,000
4. Habitat for Humanity Inland Valley	\$26,570	\$10,000
5. Hospice of the Valleys	\$10,000	\$13,500
6. Menifee Valley Community Cupboard	\$20,000	\$20,000
7. Neighborhood Healthcare	\$15,000	0*
8. SAFE Family Justice Centers	\$10,500	\$10,500
9. Voices for Children	\$10,000	0*

\* Organization not recommended for funding in PY 2025/2026 based upon MCAC’s combined total scores of the “Community Needs Assessment”.

**2025/2026 Annual Action Plan**

At this time, allocations have not been announced. Per correspondence with HUD, jurisdictions are to project their Annual Action Plan using last year’s allocation (\$560,000). The following summarizes the funding plan included within the proposed 2025/2026 Annual Action Plan:

**TABLE 2 – PY 2025/2026 CDBG BREAKDOWN**

<b>Planning &amp; Administration (20% Maximum Cap)</b>	<b>\$112,000.00</b>
Administration	89,000.00
Fair Housing Services	23,000.00
<b>Minor Home Rehabilitation Grant Program (MHRGP)**</b>	<b>\$264,000.00</b>
**\$40,000 for Activity Delivery Cost (ADC)	
<b>Public Services (15% Maximum Cap)</b>	<b>\$ 84,000.00</b>
Boys and Girls Club of Menifee Valley	10,000.00
Family Service Association (FSA)	20,000.00
Habitat for Humanity Inland Valley	10,000.00
Hospice of the Valleys	13,500.00
Menifee Valley Community Cupboard	20,000.00
SAFE Family Justice Centers	10,500.00

<b>Public Facilities/Infrastructure Projects</b>	<b>\$100,000.00</b>
Kay Cenicerros's Roof	
<b>Grant Total</b>	<b>\$560,00.00</b>

\*\*Staff recommend an increase in the MHRGP and ADC. The interest in the program remains vastly high, and the added ADC would help support the salary of the part-time management aide who assists in administering the MHRGP, therefore alleviating the general fund.

Should the actual CDBG award increase or decrease from the draft budget of \$560,000, modifications would be made to the projects/activities line items. The modifications would not require a public hearing at the City Council, instead, staff would consult with the MCAC to adjust as needed.

**STRATEGIC PLAN OBJECTIVE**

Thriving Economy

**FISCAL IMPACT**

The fiscal impact for the acceptance of the grant is approximately \$560,000 in both revenue and expenditure accounts, to be recognized in Fiscal Year ("FY") 2025/2026. The biennial budget for FY 2025/2026 and 2026/2027 would propose federal grant revenue within the CDBG Fund (2481-441000) and appropriate those funds to the various expenditure accounts, to be reviewed for adoption by the City Council on June 4, 2025. There is no match required by the City through the CDBG program. The FY 2025/2026 budget for CDBG presented within the City biennial budget would be generally broken out as follows, based on a draft allocation of \$560,000:

**TABLE 3 - BUDGET ACCOUNTS**

<b><u>Expenditure Description</u></b>	<b><u>Account Code</u></b>	<b><u>Amount</u></b>
Administration	2481-CDD-CDBG-412-650100	83,060.00
Legal Advertising	2481-CDD-CDBG-412-651400	3,000.00
Membership & Dues	2481-CDD-CDBG-412-652200	940.00
Professional Services	2481-CDD-CDBG-412-652800	2,000.00
Minor Home Repair	2481-CDD-CDBG-412-658014	264,000.00
Fair Housing Services	2481-CDD-CDBG-412-658043	23,000.00
Public Services	2481-CDD-CDBG-412-658044	84,000.00
Public Facilities/Infra	2481-PWD-CIPC-412-760050	100,000.00
<b>TOTAL</b>		<b>\$560,000.00</b>

**ATTACHMENTS**

1. Proposed 2025/2026 Annual Action Plan
2. Resolution