



CITY OF MENIFEE

SUBJECT: Community Development Block Grant for Program Year 2024/2025 Annual Action Plan

MEETING DATE: May 1, 2024

TO: Mayor and City Council

PREPARED BY: Edna Lebron, Senior Management Analyst

REVIEWED BY: Cheryl Kitzerow, Community Development Director

APPROVED BY: Armando G. Villa, City Manager

RECOMMENDED ACTION

1. Adopt a resolution approving the City's Community Development Block Grant (CDBG) Program Year (PY) 2024/2025 Annual Action Plan.

DISCUSSION

The City of Meniffee 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 Meniffee residents. PY 2024/2025 will be the 13th year the City of Meniffee 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 Meniffee 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 1st to June 30th. The Annual Action Plan is required to be 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 January 5, 2024, the City posted a Notice of Funding Availability (NOFA) and released the Public Services Application Booklet. Applications for Public Service fund requests were due on February 26, 2024. On March 28, 2024, 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 2024/2025 Annual Action Plan. Staff concurs with the MCAC's program funding recommendations. These recommendations are based upon available funding and careful consideration of the agency's past performance and demonstrative ability to ensure that allocated funding will benefit low-and moderate-income residents in qualified CDBG program areas within the PY.

Organizations	Requested	MCAC Recommended
1. Assistance League of Temecula Valley	\$15,000	\$14,000
2. Boys & Girls Club of Inland Valley	\$10,000	\$10,000
3. Habitat for Humanity Inland Valley	\$18,750	\$15,000
4. Hospice of the Valleys	\$10,000	\$10,000
5. Menifee Mustangs Track & Field Club	\$10,000	0*
6. Menifee Valley Community Cupboard	\$20,000	\$16,000
7. SAFE Family Justice Centers	\$10,500	\$10,000

* Organization not recommended for funding in PY 2024/2025 based upon deficiencies in meeting established performance metrics in the prior year.

HUD's Guidelines

To utilize CDBG funds for public service, the service must be either:

- 1) A new service; or
- 2) A quantifiable increase in the level of an existing service.

2024/2025 Annual Action Plan

At this time, allocations have not been announced by HUD, and the City was advised to decrease the anticipated budget for Fiscal Year (FY) 2024. Therefore, the draft allocation below shows \$500,000 versus last year's allocation of \$527,847. Should the actual CDBG award increase or decrease from the draft budget of \$500,000, modifications would be made to the Public Service and Public Facilities/Infrastructure Projects line items. Any modifications would not require a public hearing at the City Council, instead, staff would consult with the MCAC to adjust as needed.

Staff recommends increasing the Minor Home Rehabilitation Program funding allocation by \$50,000 to allow for additional residents to benefit from the Program. Labor and materials costs have increased significantly while demand for assistance through this Program has continued to grow. With other funding sources available to support the planned Sun City area street improvement projects, staff recommends decreasing in the CDBG funding allocation for Public

Facilities Infrastructure Projects in PY 2024/2025 to address the anticipated reduction in CDBG funding and allow for an increase in funding to support the Minor Home Rehabilitation Program.

The following summarizes the funding plan included within the proposed PY2024/2025 Annual Action Plan:

Description

Planning & Administration (20% Maximum Cap)	\$100,000.00
Administration	77,000.00
Fair Housing Services	23,000.00
Minor Home Rehabilitation Grant Program	\$170,000.00
*\$20,000 for Activity Delivery Cost	
Public Services (15% Maximum Cap)	\$ 75,000.00
Assistance League of Temecula Valley	
Boys and Girls Club of Menifee Valley	
Habitat for Humanity	
Hospice of the Valleys	
Menifee Valley Community Cupboard	
SAFE Family Justice Centers	
Public Facilities/Infrastructure Projects	
Various Streets in Sun City	\$155,000.00
Grant Total	\$500,000.00

STRATEGIC PLAN OBJECTIVE

Safe and Vibrant Community

FISCAL IMPACT

There is no fiscal impact to the General Fund from participating in the CDBG program (with the exception of staff salary augmentation). All expenditures related to CDBG adopted and approved projects/activities will come from HUD PY2024/2025 CDBG allocation to the City of Menifee.

The FY 2024/2025 budget for CDBG will be presented with the City Budget and will generally be as follows based on a draft allocation of \$500,000:

Account	Account Number	Adopted FY 2024/2025 Budget	Adjusted FY 2024/2025 Budget
Grant Revenue	481-3845	\$527,847	\$500,000
Administration	Various	96,667	91,060
Legal Advertising	481-2024-51400	3,000	3,000
Membership & Dues	481-2024-52200	940	940
Professional Services	481-2024-52800	2,000	2,000
Minor Home Repair*	481-2024-58014	100,000	150,000
Fair Housing Services	481-2024-58043	23,000	23,000
Public Services	481-2024-58044	79,177	75,000
Public Facilities/Infra	481-2024-58066	223,063	155,000
	Total Expenditures	\$527,847	\$500,000

*\$20,000 for Activity Delivery Cost is budgeted in Administration.

The current adopted budget for the CDBG program in FY 2024/2025 is \$527,847 in both grant revenue and expenditures. A change to the draft allocation of \$500,000 would result in a reduction to both revenue and expenditures of \$27,847.

ATTACHMENTS

1. Resolution – Annual Action Plan
2. Exhibit “A” – Draft 2024/2025 Annual Action Plan