



CITY OF MENIFEE

SUBJECT: Community Development Block Grant Program Substantial Amendment

MEETING DATE: August 17, 2022

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 substantial amendment to fiscal years 2019/2020, 2021/2022, and 2022/2023 Community Development Block Grant Annual Action Plans.

DISCUSSION

Since 2012 the City of Menifee has participated as an entitlement community within the Community Development Block Grant (CDBG) Program. The CDBG Program supports community development activities to build stronger and more resilient communities. To support community development, activities are identified through an ongoing process. Activities may address needs such as infrastructure, economic development projects, public facilities installation, community centers, housing rehabilitation, public services, clearance/acquisition, microenterprise assistance, code enforcement, homeowner assistance, etc. As an entitlement community, the City is required to prepare and submit a consolidated plan every five years to establish a unified, strategic vision for economic development, housing, and community development action. The consolidated plan encompasses the analysis of local community needs and coordinates appropriate responses to those needs and priorities. The Menifee City Council adopted the current 2022-2027 five-year consolidated plan on May 4, 2022, and the prior year's 2017-2021 on May 3, 2017.

The consolidated plan is carried out through annual action plans which provide a concise summary of the actions, activities, and the specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified by the consolidated plan. The City must submit an annual action plan to the United States Department of Housing and Urban Development (HUD) no later than May 15 of each year during the five-year period. The

Menifee City Council has adopted the 2019/2020, 2021/2022, and 2022/2023 action plans and submitted to HUD.

Per the City's citizen participation plan, a substantial amendment to an annual action plan is required when a "substantial" change is proposed, which includes:

- The addition of a new activity or priority; or
- A change in the nature of an activity, its location, or its target population; or
- A change of more than 50 percent in the amount of funds allocated to an activity.

CDBG-CV (Coronavirus) Program

In direct response to the global coronavirus pandemic, \$5 billion of the federal CARES Act funding enacted by Congress in March 2020, was directed through HUD identified as CDBG-CV (Coronavirus funds) to provide direct assistance to low moderate-income households.

On June 17, 2020, the City Council accepted the allocation of \$307,232 in CDBG-CV1 funds and approved the proposed substantial amendment to the prior year 2019/20 annual action plan, incorporating recommended use of CDBG-CV funds to the following activities:

- Public Service Food Activities
- Small Business Grants
- Workforce Development Public Service Activities
- Administration Costs

On August 19, 2020, the City Council approved to replace previously allocated funds of \$100,000 to the small business Grant Program from CDBG-CV1 funds to CARES Act Funds due to mandatory restrictions and requirements of the CDBG-CV program. The \$100,000 originally assigned from CDBG-CV1 was reprogrammed to public services (food program and homeless services) and administrative costs.

On February 17, 2021, the City Council approved the proposed substantial amendment of \$404,459 in CDBG-CV3 funds to the prior year 2019/20 annual action plan, incorporating recommended use of funds to the following activities listed in the following tables.

TABLE 1: CDBG-CV1 & CBBG-CV3 FUNDING HISTORY

Activity	CDBG-CV1	CDBG-CV3	
		Amount (\$)	
Public Services – Rental & Mortgage Assistance (RMAG) (Acct 481-1920-57100)	\$0	\$254,459	\$254,459
Public Services – Food Activity (Acct 481-1920-57100)	162,754	50,000	212,754
Public Services – Computer Lab Program (Acct 481-1920-57100)	50,000		50,000
Public Services – Homeless Outreach (Acct 481-1920-57100)	33,032		33,032
Public Services – Boys & Girls Club	0	20,000	20,000

(Acct 481-1920-57100)			
Additional Public Services (To be Determined) (Acct 481-1920-57100)	0	70,000	70,000
Administration ((Maximum Allowance 20%, \$142,338) (Acct 481-1920-57110 & -57115)	61,446	10,000	71,446
Total	\$307,232	\$404,459	\$711,691

TABLE 2: Combined CDBG- CV Activities, Expenditures/Encumbered and Balance to Date (Including Previous Substantial Amendments)

<i>Activity</i>	<i>Total Budget</i>	<i>Prior Year Expenditures (thru FY20/21)</i>	<i>FY2021/22 Expenditures & Encumbrances</i>	<i>Remaining Balance</i>
Public Services – Rental & Mortgage Program (RMAG) (Acct 481-1920-57100)	\$254,459	\$0	(\$196,778)	\$57,681
Public Services – Food Activity (Acct 481-1920-57100)	212,754	(121,199)	(12,794)	78,760
Public Services – Computer Lab (Acct 481-1920-57100)	50,000	(30,823)	0	19,177
Public Services – Homeless Outreach (Acct 481-1920-57100)	33,032	(17,190)	(15,842)	0
Public Services – Homeless Outreach (Additional Funding Administrative Amendment) (Acct 481-1920-57100)	66,968	0	(15,699)	51,269
Public Services – Boys & Girls Club (Acct 481-1920-57100)	20,000	0	(20,000)	0
Additional Public Services (To be Determined) (Acct 481-1920-57100)	3,032	0	0	3,032
Administration (Maximum Allowance 20%, \$142,338) (Acct 481-1920-57110 & -57115)	71,446	(9,664)	(20,095)	41,687
Total	\$711,691	(\$178,877)	(\$281,208)	\$251,606

This substantial amendment to the 2019/2020, 2021/2022, and 2022/2023 action plans is necessary because the City is proposing to amend activities related to both the CDBG-CV funds allocated, and the regular CDBG Program.

A substantial amendment has been prepared reflecting the proposed reprogramming of

\$325,712 from projects/activities originally included as part of the 2019/2020, 2021/2022, and 2022/2023 annual action plans. Staff is recommending that the \$325,712 be reprogrammed into the 2019/2020 and 2022/2023 annual actions projects/activities as outlined in Table 3 and 4 below.

TABLE 3: SUBSTANTIAL AMENDMENT TO FY19/20 CDBG-CV FUNDING

<i>Program Year/ Activity Project</i>	<i>Prior Budget</i>	<i>Additional (Reprogrammed) Budget</i>	<i>Total Adjusted Budget</i>	<i>Change</i>
2019/2020 CV Public Services –Rental Mortgage Assistance (including Activity Delivery Costs)	\$254,459	\$78,766	\$333,225	Reprogrammed from Food Activity
2019/2020 CV Public Services – Food Activity	212,754	(78,766)	133,988	Reprogrammed to RMAG
2019/2020 CV Public Services – Homeless Outreach Services	100,000	\$22,209	122,209	Re-program from Additional PS & Lab
2019/2020 CV Public Services – Additional Public Services (To Be Determined)	3,032	(3,032)	0	Reprogrammed to Homeless Outreach
2019/2020 CV Public Services – Computer Lab	50,000	(19,177)	30,823	Reprogrammed to Homeless Outreach
2019/2020 CV Public Services – Boys & Girls Club	20,000	-	20,000	
2019/2020 CV Administration	71,446	-	71,446	
TOTAL	\$711,691		\$711,691	

TABLE 4: SUBSTANTIAL AMENDMENT TO FY22/23 CDBG FUNDING

<i>Program Year/Activity Project</i>	<i>Prior Budget</i>	<i>Additional (Reprogrammed) Budget</i>	<i>Total Adjusted Budget</i>	<i>Change</i>
NEW Activity 2022/2023 Romoland 3 rd Street Pedestrian and ADA Improvements	\$231,033	\$224,737	\$455,770	Reprogram unused funds from prior years
2021/2022 Peacock Place Surface Improvements	224,737	(224,737)	0	Project used other source of funds
TOTAL	\$455,770		\$455,770	

STRATEGIC PLAN OBJECTIVE

Responsive and Transparent Community Government

FISCAL IMPACT

There is no additional fiscal impact from the proposed substantial amendment(s). Reprogramming of funds would ensure timely expenditure of the grant funds. All expenditures related to CDBG,

and CDBG-CV adopted, and approved project/activities would come from HUD prior year 2019/2020, 2021/2022, and 2022/2023 CDBG and CDBG-CV allocations to the City of Menifee.

ATTACHMENTS

1. Substantial Amendment for 19/20, 21/22 & 22/23
2. Resolution