



CITY OF MENIFEE

SUBJECT: Substantial Amendment to the 2019/2020 Community Development Block Grant (CDBG) Annual Action Plan for CDBG Coronavirus (CV) Activities

MEETING DATE: May 3, 2023

TO: Mayor and City Council

PREPARED BY: Edna I. Lebrón, 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 the 2019/2020 Community Development Block Grant Annual Action Plan Corona Virus Funds.

DISCUSSION

Since 2012, the City of Menifee has participated as an entitlement community within the 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 actions. 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 2017-2021 Plan on May 3, 2017.

The Consolidated Plan is carried out through Annual Action Plans which provide a concise summary of the actions, activities, and 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 U.S. Department of Housing and Urban Development (HUD) no later than May 15 of each year during the five-year period. At its April 3, 2019 meeting, the Menifee City Council adopted the 2019/2020 Annual Action Plan via Resolution No. 19-781 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;
- 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 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 the HUD, identified as CDBG-CV to provide direct assistance to low moderate-income households.

On June 17, 2020, City Council accepted the allocation of \$307,232 in CDBG-CV1 funds and approved a Substantial Amendment to the 2019/2020 Annual Action Plan, incorporating use of CDBG-CV funds to the following activities:

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

On September 16, 2020, City Council approved replacing previously allocated funds to the Small Business Grant Program from CDBG-CV1 funds to CARES Act Funds (\$100,000) 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 December 2, 2020, City Council approved an additional Substantial Amendment to accept \$404,459 in CDBG-CV3 funds to the 2019/2020 Annual Action Plan, incorporating use of funds to the following activities:

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

<i>Activity</i>	CDBG-CV1	CDBG-CV3	Total CV1 + CV3
	<i>Amount (\$)</i>		
Public Services – Rental & Mortgage Assistance (RMAG) (Acct 481-1920-		\$254,459	\$254,459
Public Services – Food Activity (Acct 481-1920-	\$162,754	\$50,000	\$212,754
Public Services – Computer Lab Program	\$50,000		\$50,000
Public Services – Homeless Outreach	\$33,032		\$33,032
Public Services – Boys & Girls Club		\$20,000	\$20,000
Additional Public Services (To be Determined)		\$70,000	\$70,000
Administration ((Maximum Allowance 20%, \$142,338)	\$61,446	\$10,000	\$71,446
Total	\$307,232	\$404,459	\$711,691

On August 17, 2022, City Council approved a Substantial Amendment of \$123,184 in CDBG-CV3 funds to the 2019/20 Annual Action Plan, to be reprogrammed into the following activities:

TABLE 2: CDBG- CV Activities (Includes Previous Substantial Amendments)

<i>Activity</i>	<i>Prior Budget</i>	<i>Additional (Reprogrammed) Budget</i>	<i>Total Adjusted Budget</i>	<i>Change</i>
Public Services – Rental & Mortgage Program (RMAG) (Acct 481-1920-57100)	\$254,459	\$78,766	\$333,225	Reprogrammed from Food Activity
Public Services – Food Activity (Acct 481-1920-57100)	212,754	(78,766)	133,988	Reprogrammed to RMAG
Public Services – Computer Lab (Acct 481-1920-57100)	50,000	(19,177)	30,823	Reprogrammed to Homeless Outreach
Public Services – Homeless Outreach (Additional Funding Administrative Amendment) (Acct 481-1920-57100)	100,000	\$22,209	122,209	Re-program from Additional PS & Lab
Public Services – Boys & Girls Club (Acct 481-1920-57100)	20,000	0	20,000	
2019/2020 CV Public Services – Additional Public Services (To Be Determined)	3,032	(3,032)	0	Reprogrammed to Homeless Outreach
Administration (Maximum Allowance 20%, \$142,338) (Acct 481-1920-57110 & -57115)	71,446		71,446	
Total	\$711,691		\$711,691	

The current proposed Substantial Amendment to the 2019/2020 Action Plan is necessary because the City is proposing to amend activities related to the CDBG-CV funds allocation.

A Substantial Amendment has been prepared to reflect the proposed reprogramming of \$50,000 from projects/activities originally included as part of the 2019/2020 Annual Action Plan. Staff is recommending that the \$50,000 be reprogrammed into the 2019/2020 Annual Actions projects/activities as stated below:

TABLE 3: PROPOSED SUBSTANTIAL AMENDMENT TO 2019/2020 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) (Acct. 481-1920-57100)	\$333,225	(50,000)	\$283,225	Reprogrammed to Homeless Outreach Services
2019/2020 CV Public Services – Homeless Outreach Services (Acct. 481-1920-57100)	\$122,209	\$50,000	\$172,209	Re-program from Rental Mortgage Assistance

STRATEGIC PLAN OBJECTIVE

Responsive and Transparent Community Government

FISCAL IMPACT

There is no additional fiscal impact from the proposed Substantial Amendment. Reprogramming of funds will ensure the timely expenditure of the grant funds. All expenditures related to CDBG-CV adopted, and approved projects/activities will come from HUD 2019/2020 CDBG-CV allocations to the City of Menifee. Approval of this item will not require any additional budget appropriation action(s).

ATTACHMENTS

1. Substantial Amendment for 2019/2020 CV Funds
2. Resolution