

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Matt Peters, Director of Community Development

DATE: April 22, 2025

SUBJECT: Approve Fiscal Year 2025-2026 Community Development Block Grant Annual Action Plan

PREPARED BY: Brandon Rabidou, Principal Management Analyst

RECOMMENDATION: That the City Council adopt a resolution entitled:

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEMECULA APPROVING THE 2025-2026 ANNUAL ACTION PLAN AS AN APPLICATION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) FOR FUNDING UNDER THE FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM AND FINDING THAT THE ACTION IS EXEMPT FROM ENVIRONMENTAL REVIEW UNDER THE NATIONAL ENVIRONMENTAL POLICY ACT PURSUANT TO 24 CFR 58.34(A)(1) AND THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO CEQA GUIDELINES SECTION 15262 AND 15378(B)(4)

BACKGROUND: The Community Development Block Grant (CDBG) program was established through the Housing and Community Development Act in 1974. The primary purpose of CDBG funding is the development of viable urban communities by providing decent housing, a suitable living environment, and expanded economic opportunities, principally for persons of low and moderate income.

From 1992 to 2012, the City participated in the Riverside County Economic Development Agency Entitlement Program to receive CDBG funding. On June 14, 2011, City Council adopted Resolution No. 11-42 to request that the U.S. Department of Housing and Urban Development (HUD) designate the City of Temecula as an Entitlement Community. On April 10, 2012, City Council adopted the first Five-Year Consolidated Plan ("ConPlan"), authorizing the City to become an Entitlement Community and direct recipient of CDBG funds.

As an Entitlement Community, the City of Temecula is required to prepare a one-year Action Plan

to notify citizens and HUD of the City's intended actions to meet CDBG goals during a particular year. This current fiscal year (2025-2026) will be City's fourth year of the City's current Consolidated Plan.

In preparation for the 2025-2026 Action Plan, staff held two in person CDBG community workshops on Monday, December 2, 2024. A morning and evening session was provided to accommodate users with varying work schedules. The workshops encouraged participation regarding CDBG funding and provided technical assistance to applicants. An additional sub-recipient workshop will be held in June 2025, prior to the start of the program year for those agencies who are awarded CDBG funds. Based on input gathered from the public, and the adopted Consolidated Plan, the following objectives continue to guide the City in allocating CDBG funds:

- Public Facilities & Infrastructure Improvements
- Affordable Housing Development
- Services for Low-and moderate income residents
- Services for residents with special needs, including seniors and veterans
- Services for the homeless and those at risk of homelessness

The Finance Subcommittee, consisting of Council Member, James Stewart and Council Member, Matt Rahn (absent), convened on February 25, 2025, to make recommendations on CDBG funding for the upcoming fiscal year. Recommendations are reflected in this report. The draft 2025-2026 Annual Action Plan was available for public review from March 24, 2025, through April 22, 2025.

2025-2026 ANNUAL ACTION PLAN

The City of Temecula's anticipated annual allocation provided by HUD for the 2025-2026 program year is \$581,794. This allocation is an anticipated amount as HUD has yet to determine and notify their grantees their official allocation amount as of the date of this staff report writing. The Finance Committee convened on February 25, 2025, to provide funding recommendations, and took action that once HUD does release the official allocation that each funded activity be adjusted proportionately based on an increase or decrease to the anticipated allocation originally used to draft this document. It should be noted that a maximum of 20 percent may be allocated for administration of the program, and a maximum of 15 percent may be allocated for public services, with the remainder, approximately \$392,891, available for capital improvement projects. The breakdown of the estimated budget is demonstrated in the following chart.

2025-2026 CDBG Budget	
<i>2025-26 Anticipated Allocation</i>	<i>\$581,794.00</i>
2025-26 Program Income	\$0.00
Available Unallocated/Reprogrammed Funds	\$14,725.00
<i>Anticipated Total Funds Available</i>	<i>\$596,519.00</i>
Public Service Allocation	
Maximum 15% of 2025-26 Allocation	\$87,269.10
Total Public Service Funds Available	\$87,269.10
Capital Improvements Allocation	
<i>2025-26 Anticipated Allocation</i>	<i>\$581,794.00</i>
2025-26 Program Income	\$0.00
Minus Allocated Administrative Funds	\$116,358.80
Minus Allocated Public Service Funds	\$87,269.10
Plus Available Reprogrammed Funds	\$14,725.00
Total Capital Improvements Funds Available	\$392,891.10
Administrative Funds	
Maximum 20% of 2025-26 Allocation	\$116,358.80
Total Administrative Funds Available	\$116,358.80

Public Services

A maximum of \$87,269 (15%) may be allocated for public services during the fiscal year. Staff completed an extensive review of the applications to determine the benefit to low and moderate-income persons, activity need, cost efficiency, effectiveness, activity management, and experience and past performance. A summary of the funding recommendations of the Finance Committee is below. All applicants for the 2025-2026 funding period satisfy at least one Consolidated Plan priority, and are therefore eligible for funding.

CDBG Public Service Programs (Maximum of 15%)					
	Organization	Program Name	FY 24-25 Allocation	FY 25-26 Request	Subcommittee Recommendation
1	Assistance League of Temecula Valley	Operation School Bell	\$ 7,474.00	\$ 10,000.00	\$ 9,609.00
2	Boys & Girls Club of Southwest County	Before & After School Program	\$ 7,474.00	\$ 20,000.00	\$ 9,609.00
4	City of Temecula - Community Services Dept.	Homeless Prevention & Diversion Program	\$ 7,474.00	\$ 25,000.00	\$ 9,609.00
5	Thessalonika Family Services "Mission Hope"	Hope Food Pantry	\$ -	\$ 10,000.00	\$ 9,609.00
6	Fair Housing Council of Riverside County	Comprehensive Fair Housing Program	\$ 20,000.00	\$ 22,000.00	\$ 15,000.00
8	Hospice of the Valleys	Senior Assistance Program	\$ 7,474.00	\$ 15,000.00	\$ 9,609.00
9	NORA (Nurture, Outreach, Resilience, Advocacy)	Crisis Intervention & Supportive Services for Trauma Survivors	\$ 7,474.00	\$ 7,500.00	\$ 5,006.00
10	SAFE Family Justice Center	Temecula SAFE & Healthy Families Program	\$ 7,474.00	\$ 10,000.00	\$ 9,609.00
11	Voices for Children	Court Appointed Special Advocate (CASA) Program	\$ 7,474.00	\$ 10,000.00	\$ 9,609.00
Public Service Program Funds Recommended - Subtotal			\$ 72,318.00	\$ 144,500.00	\$ 87,269.00

Capital Improvement Projects

The Finance Committee recommended that the CIP funds (\$392,891) be allocated towards high priority accessibility projects as identified in the Americans with Disabilities Act (ADA) Transition Plan and to Habitat For Humanity Critical Home Repair Program. Financial allocations towards these projects satisfy the Consolidated Plan goal of “improve neighborhoods, public facilities, and infrastructure.”

FISCAL IMPACT: Upon the approval of the 2025-2026 Annual Action Plan, the City of Temecula’s anticipated allocation is \$581,794 through the CDBG program for 2025-2026, and approximately \$2.1 million through the duration of the Consolidated Plan cycle.

ATTACHMENTS:

1. Resolution – Approval of 2025-2026 Annual Action Plan
2. Exhibit A - 2025-2026 Annual Action Plan
3. Notice of Public Hearing