

**CITY OF TEMECULA  
AGENDA REPORT**

**TO:** City Manager/City Council

**FROM:** Luke Watson, Deputy City Manager

**DATE:** April 25, 2023

**SUBJECT:** Approve Fiscal Year 2023-2024 Community Development Block Grant (CDBG) Annual Action Plan

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**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 2023-2024 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 (2023-2024) will be City’s second year of the City’s current Consolidated Plan.

In preparation for the 2023-2024 Action Plan, staff held two in person CDBG community workshops on Thursday, December 1, 2022. 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, prior to the start of the program year to 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
- Housing Preservation
- 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 Committee, consisting of Mayor Pro Tem James Stewart and Councilmember Brenden Kalfus, convened on February 14, 2023, to make recommendations on CDBG funding for the upcoming fiscal year. Their recommendations are reflected in this report. The draft 2023-2024 Annual Action Plan was available for public review from March 27, 2023, through April 25, 2023.

## 2023-2024 ANNUAL ACTION PLAN

The City of Temecula’s annual allocation provided by HUD for the 2023-2024 program year is \$594,271. This allocation was increased from the initial \$552,512 that was anticipated. The Finance Committee convened on February 14, 2023, to provide funding recommendations, and HUD released allocation amounts on February 27, 2023. Consequently, previous recommended amounts have been adjusted to reflect the official allocation and adjustment in each category. 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 \$413,862.71, available for capital improvement projects. The breakdown of the estimated budget is demonstrated in the following chart.

2023-2024 CDBG Budget	Anticipated Allocation	2023-2024 HUD Allocation Update
<i>2023-24 Anticipated Allocation</i>	\$552,512.00	\$594,271.00
2023-24 Program Income	\$0.00	\$0.00
Available Unallocated/Reprogrammed Funds	\$27,586.36	\$27,586.36
<b><i>Anticipated Total Funds Available</i></b>	<b>\$580,098.36</b>	<b>\$621,857.36</b>
Public Service Allocation		
Maximum 15% of 2023-24 Allocation	\$82,876.80	\$89,140.65
<b>Total Public Service Funds Available</b>	<b>\$82,876.80</b>	<b>\$89,140.65</b>

## Capital Improvements Allocation

<i>2023-24 Anticipated Allocation</i>	\$552,512.00	\$594,271.00
2023-2024 Program Income	\$0.00	\$0.00
Minus Allocated Administrative Funds	\$110,502.40	\$118,854.00
Minus Allocated Public Service Funds	\$82,876.80	\$89,140.65
Plus Available Reprogrammed Funds	\$27,586.36	\$27,586.36
<b>Total Capital Improvements Funds Available</b>	<b>\$386,719.16</b>	<b>\$413,862.71</b>
<b>Administrative Funds</b>		
Maximum 20% of 2023-2024 Allocation	\$110,502.40	\$118,854.20
<b>Total Administrative Funds Available</b>	<b>\$110,502.40</b>	<b>\$118,854.20</b>

### Public Services

A maximum of \$89,140.65 (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 2023-2024 funding period satisfy at least one Consolidated Plan priority, and are therefore eligible for funding.

CDBG Public Service Programs					
	Organization	Program Name	FY 23-24 Request	Subcommittee Recommendation	Subcommittee Recommendations + HUD Allocation Update
1	Assistance League of Temecula Valley	Operation School Bell	\$ 10,000.00	\$ 6,609.60	\$ 7,235.98
2	Boys & Girls Club of Southwest County	Before & After School Program	\$ 20,000.00	\$ 6,609.60	\$ 7,235.98
3	City of Temecula - Community Services Dept.	Homeless Prevention & Diversion Program	\$ 30,000.00	\$ 15,000.00	\$ 15,626.38
4	Community Mission of Hope	CMOH - Food & Housing Programs	\$ 10,000.00	\$ 6,609.60	\$ 7,235.98
5	Fair Housing Council of Riverside County	Comprehensive Fair Housing Program	\$ 25,000.00	\$ 15,000.00	\$ 15,626.38
6	Habitat for Humanity	Path To Homewownership & Financial Wellness Center	\$ 15,000.00	\$ 6,609.60	\$ 7,235.99
7	Hospice of the Valleys	Senior Assitance Program	\$ 10,000.00	\$ 6,609.60	\$ 7,235.99
8	Riverside Area Rape Crisis Center	Crisis Intervention & Supportive Services for Trauma Survivors	\$ 10,000.00	\$ 6,609.60	\$ 7,235.99
9	SAFE Family Jusitce Center	Temecula SAFE & Healthy Families Program	\$ 10,000.00	\$ 6,609.60	\$ 7,235.99
10	Voices for Children	CASA Program	\$ 10,000.00	\$ 6,609.60	\$ 7,235.99
<b>Public Service Program Funds Recommended - Subtotal</b>			<b>\$ 150,000.00</b>	<b>\$ 82,876.80</b>	<b>\$ 89,140.65</b>

### Capital Improvement Projects

The Finance Committee recommended that the CIP funds (\$413,862.71) be allocated towards high priority accessibility projects as identified in the Americans with Disabilities Act (ADA) Transition Plan. Financial allocations towards these projects satisfy the Consolidated Plan goal of “improve neighborhoods, public facilities, and infrastructure.”

**FISCAL IMPACT:** Upon the approval of the 2023-2024 Annual Action Plan, the City of Temecula's allocation is \$594,271 through the CDBG program for 2023-2024, and approximately \$2.12 million through the duration of the Consolidated Plan cycle.

**ATTACHMENTS:**

1. Resolution – Approval of 2023-2024 Annual Action Plan
2. Exhibit A: 2023-2024 Annual Action Plan
3. Notice of Public Hearing