



Report to City Council

TO: Mayor and City Council

FROM: Brian Mohan, Assistant City Manager (Administration)

AGENDA DATE: December 17, 2024

TITLE: PUBLIC HEARING FOR THE ANNUAL ACTION PLAN FOR PROGRAM YEAR 2025-2026 & TO ADOPT 2025-2026 OBJECTIVES AND POLICIES (REPORT OF: CITY MANAGER)

TITLE SUMMARY: FY 25-26 Annual Action Plan – December 17, 2024 (REPORT OF: CITY MANAGER)

Recommendation(s)

That the City Council:

1. Conduct a Public Hearing to allow for the public to comment on the needs of low- and moderate-income residents in Moreno Valley.
2. Approve the proposed CDBG, HOME, and ESG Grant Objectives and Policies for the 2025-2026 Program Year.

SUMMARY

Every year, the Department of Housing and Urban Development (HUD) allocates federal grant monies to the City of Moreno Valley known as the Community Development Block Grant (CDBG), the HOME Investment Partnerships Program (HOME), and the Emergency Solutions Grants (ESG) Program. These grants are used to provide services to benefit low-and moderate-income persons. (See Attachment 2 for the most recent income levels). Eligible CDBG activities range from social services to capital improvements. HOME funds must be used toward the development of affordable housing programs, and ESG funds are used to assist people with housing stability and homelessness. HUD requires that cities concentrate their programs in areas determined to contain residents of which at least 51% earn low-to moderate-incomes. These areas

are referred to as 'CDBG Target Areas'. (See Attachment 3 for a map of Moreno Valley's HUD Low-Mod Census Tracts/Blocks.)

As a condition for receiving Federal funding under the CDBG, HOME, and ESG Programs, grantee cities must prepare an Annual Action Plan consistent with the 2023-2028 Consolidated Plan as adopted May 16, 2023 (ConPlan). The City will conduct two public hearings and a 30-day comment period to allow for public input in the development of these documents. The City Council is asked to open the PUBLIC HEARING to discuss and adopt Objectives/Policies and Collect Community Needs Comments. The Plan will address housing, homeless, and community development needs to be undertaken with federal funds under the CDBG, HOME, and ESG programs.

DISCUSSION

Consolidated Plan

The Consolidated Plan identifies the housing and community development needs of the City's low-and moderate-income community, as defined by HUD, and establishes the City's HUD-funded strategies for addressing these needs for a five-year period. It serves as the official application to HUD for the CDBG, HOME, and ESG Programs. Moreno Valley's existing Consolidated Plan was adopted in FY 2023-2024 and is in effect through the end of FY 2027-2028, June 30, 2028. Program Year 2025-2026 is the third year of the current Consolidated Plan.

The goals and priorities for each category in the 2023-2028 Consolidated Plan are listed below:

- CDBG Housing and Community Development Goals & Funding Priorities
 1. Public Facilities and Infrastructure Activities
 2. Fair Housing Activities
 3. Public Service Activities
 4. Homeless/Homelessness Prevention Activities
 5. Housing and Neighborhood Improvement Activities
 6. Health, Safety and Public Welfare
 7. Economic Development Activities
 8. Slum or Blight Activities
 9. Historic Preservation
 10. Planning and Administration

- CDBG Public Service Funding Priorities
 1. Basic Needs Related to Social Services Programs (such as, but not limited to emergency food, shelter (homelessness), abused children advocacy, and utility assistance)
 2. Community Public Safety Programs
 3. Programs Offering Low-Cost Transportation
 4. Employment Services/Programs and Job (Skills) Training
 5. Free/Low-Cost Programs for School-Aged Youth

6. Fair Housing Activities

- HOME Investment Partnerships Program (HOME) Funding Priorities
 1. Housing and Neighborhood Improvement Activities
- Emergency Solutions Grants (ESG) Program Funding Priorities
 1. Sheltering Homeless/Homeless Prevention Activities

Annual Action Plan

For each fiscal year represented within the 2023-2028 Consolidated Plan, entitlement cities must adopt a separate planning document called the Annual Action Plan. The Annual Action Plan identifies how the City will allocate CDBG, HOME, and ESG funds for the upcoming year while meeting the goals established in the Consolidated Plan. Each Annual Action Plan must include up-to-date Objectives and Policies for CDBG, HOME, and ESG Programs.

Prior to submittal of the FY 2025-2026 Annual Action Plan, the City will complete a series of sequential activities including three City Council meetings to:

1. Adopt current fiscal year Objectives and Policies,
2. Recommend CDBG, HOME and ESG Project Selections to Council,
and
3. Adopt the program year Annual Action Plan.

An eligible use of CDBG monies is 'Public Services'. Public Services can include but are not limited to food banks, homeless shelters, specialized counseling, foster youth services, and a variety of other services that benefit the City's low-to moderate-income households. HUD limits the monies that can be used toward Public Services to 15% of the overall annual CDBG allocation, which for Moreno Valley averages approximately \$1,900,000 per year. Because Public Service monies are limited and the demand is so high, staff have established a priority ranking within this objective category that assists in reaching decisions on which programs are best suited for the community within a given fiscal year.

After comprehensive research, including consideration of public input and review of various program reports, including those provided by the City's local non-profits currently serving the City's low-and moderate-income population, staff recommends the following priority ranking under the Public Service Objective:

1. Basic Needs' Related Social Services Programs such as, but not limited to, emergency food and shelter (homelessness), abused children advocacy, and utility assistance
2. Community Public Safety Programs
3. Programs offering Low-Cost Transportation
4. Employment Services/Programs and Job (Skills) Training
5. Free/Low-Cost programs for School-Aged Youth
6. Fair Housing Activities

Public Engagement

Citizen participation is one of the most important components of the Annual Action Plan process. To solicit public input during the development of the plans, two public hearings and a 30-day comment period will be administered. Before the City can begin the project selection process for CDBG, HOME, and ESG, HUD requires the City to complete a mandatory 'Citizen Participation Process' and adopt objectives and policies that reflect the current needs of the community.

Moreno Valley's 'Citizen Participation Process'

The 'Citizen Participation Process' is intended to encourage active and informed participation in the CDBG, HOME, and ESG Programs by the community. Each year as part of this process, Moreno Valley holds community-based Public Meetings and Public Hearings to receive input on the current needs of its low-to moderate-income residents. Attendees are asked to comment on issues and problems affecting low-to moderate-income people so that the City can make informed funding decisions.

Comments received at these meetings are taken into consideration when forming the Objectives and Policies for the program year.

<u>Preliminary Dates</u>	<u>Event</u>
Tuesday, November 26, 2024	Public Meeting 1: Finance Subcommittee to Review Action Plan Calendar and FY 2025-26 Objectives/Policies
Friday, December 13, 2024	Notice of Funding Availability (NOFA) Available. APPLICATIONS AVAILABLE FOR DISTRIBUTION.
Tuesday, December 17, 2024	Public Hearing 1: Public Hearing to Adopt FY 2025-26 Objectives/Policies & Collect Community Needs Comments
Thursday, January 9, 2025	Application Workshop
Friday, January 31, 2025	Applications Due from Applicants
Tuesday, March 25, 2025	Public Meeting 2: Open Technical Review Committee during Finance Subcommittee Meeting
Tuesday, April 15, 2025	Public Hearing 2: Public Hearing to Review Project Recommendations as issued by the Finance Subcommittee
Tuesday, May 6, 2025	Public Hearing 3: Approve Annual Action Plan
Tuesday, May 13, 2025	Submittal of 2025-26 Action Plan to HUD

Purpose of Objectives and Policies

In accordance with HUD's requirements, Moreno Valley's Objectives and Policies must be re-evaluated each year to ensure they adequately reflect the current needs of the community. The updated Objectives and Policies must then be adopted by the City

Council for the upcoming CDBG, HOME, and ESG program year. Objectives and Policies primarily focus on: (1) defining the City's funding priorities, (2) offering project selection criteria, and (3) providing guidance for staff when reviewing and recommending programs and projects for funding. Both are distributed to agencies who are interested in applying for funding to develop a local social service program in Moreno Valley and convey important information about the eligible categories of programs and the City's priorities for local organizations.

30-Day Public Comment Period

In accordance with the City's Citizen Participation Plan (Attachment 4), the City will release the draft 2025-2026 Annual Action Plan for public comment. The documents will be made available to the public for a 30-day review and comment period beginning on April 4, 2025, and ending on May 6, 2025.

ALTERNATIVES

The City Council has the following alternatives:

1. City Council may conduct a Public Hearing, receive comments, and adopt the proposed CDBG, HOME, and ESG Objectives and Policies as listed on Attachment 1. Staff recommends this alternative as doing so will meet HUD's requirements, as well as provide the public and staff with direction regarding funding proposals for FY 2025-2026.
2. City Council may choose not to adopt the proposed CDBG, ESG, and HOME Objectives and Policies as listed on Attachment 1. Staff does not recommend this alternative because it would delay the necessary measures to meet HUD's established deadline for submission of these documents.

FISCAL IMPACT

The City, as an entitlement city for CDBG, HOME, and ESG funds, receives grant funds every year to carry out eligible housing and community development activities. Further, staffing costs for administering the CDBG, HOME, and ESG programs are covered by an administration cap within each program. No General Fund money is used for the CDBG, HOME, or ESG programs; therefore, there is **NO FISCAL IMPACT TO THE GENERAL FUND.**

NOTIFICATION

Notice of this meeting was published in the local edition of the Press-Enterprise and La Opinion newspapers on November 15, 2024.

PREPARATION OF STAFF REPORT

Prepared By:
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Grants Division Manager

Department Head Approval:
Brian Mohan
Assistance City Manager – Administration

CITY COUNCIL GOALS

None

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

ATTACHMENTS

1. FY 2025-26 Objectives and Policies DRAFT
2. 2024 HUD Income Limits Summary
3. CDBG HUD Target Areas for Reference
4. FY 2025-26 Citizen Participation Plan

Report Approval Details

Document Title:	STAFFREPORT_CM_FY25-26_ACTION_PLAN_12.17.24.docx
Attachments:	<ul style="list-style-type: none">- Attachment 1 FY 25-26 Objectives and Policies v.11.13.2024.docx- Attachment 2 2024 Annual Income Limits.docx- Attachment 3 CDBG HUD Target Areas.pdf- Attachment 4 FY 25-26 MoVal Citizen Participation Plan v.11.20.2024.docx
Final Approval Date:	Dec 10, 2024

This report and all of its attachments were approved and signed as outlined below:

No Signature found

Viviana McDaniel

No Signature - Task assigned to Brian Mohan was completed by workflow administrator Patty Rodriguez

Brian Mohan

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