

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: January 9, 2025

PREPARED BY: Joe Barron, Senior Contracts and Grants Analyst
Veronica Chavez, Director of Finance

SUBJECT: APPROVE OUTSIDE AGENCY FUNDING COMMITTEE
RECOMMENDATIONS FOR PROGRAM YEAR 2025-26 COMMUNITY
DEVELOPMENT BLOCK GRANT (CDBG) ACTION PLAN

RECOMMENDATION:

1. Conduct a public hearing and accept public comment related to the Community Development Block Grant (“CDBG”) Program proposed, Annual Action Plan (Program Year (PY) 2025-26).
2. Approve Outside Agency Funding Committee (“Committee”) recommendations for PY 2025-26 CDBG award of subrecipients, Programs and/or Projects and funding amounts as proposed.
3. Approve the use of the PY 2025-26 CDBG funding allocation awarded to the City of Palm Desert (“City”) by the U.S. Department of Housing and Urban Development (“HUD”) for the proposed funding of subrecipient’s Programs and/or Projects recommended by the Committee.
4. Approve the City’s PY 2025-26 CDBG Annual Action Plan (“Annual Plan”) and authorize staff to submit to the County of Riverside.
5. Authorize the City Manager to execute any documents necessary to effectuate the actions taken herewith.

BACKGROUND/ANALYSIS:

The City of Palm Desert receives an annual entitlement in Community Development Block Grant (CDBG) Program funds from the U.S. Department of Housing and Urban Development (HUD). The City has historically allocated its CDBG funds to nonprofit organizations that provide services to low and moderate-income households. In Fiscal Year (FY) 2025-26, the City expects to receive \$365,000 in CDBG funds. If there is a variance in the final award, allocations will be adjusted proportionately.

The final award amount will be included in the FY 2025-26 Proposed Annual Budget. Of the awarded amount, federal requirements stipulate that funding for public services cannot exceed 15% (\$54,750) and funding for program administration is limited to 20% (\$73,000). There are no funding restrictions for public facilities and improvements.

To achieve significant cost savings in program management, the City Council approved the Joint Recipient Cooperative Agreement with the County of Riverside on June 8, 2023. This agreement designates the City as a Metro City participant, transferring responsibility for the general administration of grant funds and the submission of all required reports to HUD to the County.

City of Palm Desert
 Approve PY2025-26 CDBG Award Recommendations and Action Plan

The County has informed its participants that applications for Program Year (PY) 2025-26 must be submitted to the County Board of Supervisors for approval in January. To meet this deadline, City staff initiated the application process on October 1, 2024, substantially earlier than in previous years, to facilitate a timely submission.

Information regarding the availability of CDBG Funding, as well as the application, was made available on the City's Procurement Portal, OpenGov, at the beginning of September 2024. Staff also conducted extensive outreach through all City social media avenues including Facebook, Instagram and the local newspaper Desert Sun. Staff also emailed and called all prior recipients and interested parties to ensure they were notified about the accelerated application for funding deadline.

As part of the application review process, selection teams were established for each funding program. The teams reviewed and scored all applicants in OpenGov based on the program guidelines and proposed funding request.

Funding recommendations made by the Committee are provided below and will be incorporated into the Annual Action Plan and a summary of grant applications, which includes an overview of applications.

Agency	Activity Description	Funding Recommendation
Desert Recreation District	Recreational Program Scholarships	\$8,000
Fair Housing Council of Riverside County	Fair Housing Program	\$30,000
Operation Safehouse	Youth Homeless Transitional Living Program	\$16,750
Desert Arc	Job/Educational Center's Restroom upgrades	\$0
The Joslyn Center	Senior Center's ADA Modifications	\$100,000
Palm Desert Housing Authority	Playground Replacement	\$117,750
The Ranch Recovery Centers, Inc	Substance Use Treatment Facility Improvements	\$19,500
City of Palm Desert	CDBG Program Administration	\$73,000
GRAND TOTAL		\$365,000

As a condition for receiving CDBG funds, grant recipients must be consistent with the adopted Consolidated Plan (ConPlan) and must conduct a Conduct a Public Hearing to allow input from the public. City staff published a 30-Day Notice of Public Hearing in the Desert Sun on December 06, 2024, and a 10-Day Notice of Public Hearing December 30, 2024, in English and Spanish.

If approved by the Council, City staff will forward the submission to the County for inclusion in their Annual Action Plan, which will then be submitted to HUD.

Legal Review:

This report has been reviewed by the City Attorney's Office.

FINANCIAL IMPACT:

Staff anticipates an award of \$365,000 in CDBG Funds and will be included in the FY 2025-26 Proposed Budget in the appropriate Fund 220 CDBG Accounts. Up to 20% of the award may be allocated to administrative costs to manage the CDBG Program. This will be the first award year that the County administers the program on behalf of the City therefore the allocation will be shared at 70/30 split to support County and City administrative costs, respectively. Remaining funds will be allocated to the various program awardees. **There is no impact to the General Fund with this action.**

ATTACHMENTS:

1. Draft-CDBG Funding Recommendations and Action Plan
2. CDBG PY2025-26 Annual Action Plan Presentation
3. Outside Agency Committee Meeting Minutes