



Staff Report

City Council

Item No. 5.B

Meeting Date: April 23, 2025

From: John A. Corella, Director of Public Works

Title: Approve the FY 2025-2026 Community Development Block Grant Annual Action Plan

RECOMMENDATION:

To approve the FY 2025-2026 Community Development Block Grant (CDBG) Annual Action Plan (AAP) for submittal to the U.S. Department of Housing and Urban Development (HUD); and authorize the City Manager or designee to execute the required certifications; and execute all funding agreements and documents consistent with the FY 2025-2026 AAP.

BACKGROUND:

The Community Development Block Grant (CDBG) program, awarded from U.S. Department of Housing and Urban Development (HUD), allows Cathedral City to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and improving community facilities and services, principally for low-to-moderate (low-mod) income individuals.

As an entitlement city, Cathedral City receives annual entitlement funds to address the priority needs of the community which are outlined in the 5-Year Consolidated Plan (Con Plan). Consistent with the 5-Year Con Plan and as part of the Con Plan objectives, the Annual Action Plan (AAP) identifies how CDBG funds will be allocated in the upcoming fiscal year.

HUD has not yet released information on the City's FY 2025-2026 CDBG allocation. This delay follows a similar pattern observed in the previous year's allocation timeline, with the 2024 allocation amount being announced in August.

At the March 12, 2025, City Council meeting, staff presented the draft of the proposed FY 2025-2026 AAP to the City Council for review and comments. During this meeting, the City Council did not recommend any modifications to the proposed FY 2025-2026 AAP.

In accordance with the City's adopted community participation plan (CPP), a "Notice of Availability for Review and Comments" (Notice) was published in the Desert Sun on March 13, 2025. The notice was also posted at the following locations: Cathedral City Civic Center,

Cathedral City Senior Center, Boys and Girls Club of Cathedral City, and Cathedral City Library. Additionally, the draft of the FY 2025-2026 Annual Action Plan (AAP) was made available to the public at the Cathedral City Civic Center for a period of thirty (30) days.

DISCUSSION:

Cathedral City CDBG FY 2025-2026 AAP

For this fiscal year, city staff are proposing the allocation of funds as outlined in the table below. Please note that the funding amounts provided are estimates based on the previous year's allocations. The total award of funds is subject to change, and any adjustments will result in a proportional revision of the fund allocations.

ADMINISTRATIVE (≤20%)	FUNDING
Planning and Administration	\$ 51,000
Fair Housing Services	\$ 20,000
TAMJAC (CDBG Administrative On-Call Consultant)	\$ 35,000
Total Funding Allocated	\$ 106,000

PUBLIC SERVICES (≤15%)	FUNDING
Total Funding Allocated	\$ -

PUBLIC IMPROVEMENTS (>80%)	FUNDING
Whitewater Area Street Rehabilitation Phase II	\$ 424,000
Total Funding Allocated	\$ 424,000

TOTAL FUNDING	\$ 530,000
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For FY 2025-2026, staff is proposing to allocate resources from the city's General Fund for homeless and other public services through the General Fund Community Assistance Grant Program in lieu of funding from CDBG. This approach was successfully implemented in 2024, with the City Council awarding nine (9) grants totaling \$70,000 to community non-profit organizations.

As presented and discussed at the CDBG FY 2025-2026 AAP introduction public hearing on March 12, 2025, staff is proposing to fund the Sidewalk Repair Assistance Program for FY 2025-2026 using the remaining FY 2024-2025 CDBG funds allocated to this program. As of April 23, 2025, the date of this City Council meeting, the remaining balance is \$5,000. Approval of funding for the FY 2025-2026 CDBG Sidewalk Repair Assistance Program will be addressed in an administrative or substantial amendment during FY 2025-2026. Therefore, no funding has been reserved for this project in the proposed allocation of FY 2025-2026 awarded funds.

According to the Cathedral City Community Participation Plan, Cathedral City is required to

hold two (2) public hearings during the development of the AAP to provide an opportunity for the public to share their opinion regarding the programs and services outlined in the 5-Year Consolidated Plan and the AAP. The first public hearing was held on March 12, 2025, during the City Council meeting to introduce the draft of AAP. The second public hearing will take place tonight during the regularly scheduled City Council meeting. Please note that no public comments were received during the 30-day public comment period.

Staff is recommending City Council approve the FY 2025-2026 Community Development Block Grant (CDBG) Annual Action Plan (AAP) for submittal to the U.S. Department of Housing and Urban Development (HUD); and authorize the City Manager or designee to execute the required certifications; and execute all funding agreements and documents consistent with the FY 2025-2026 AAP.

FISCAL IMPACT:

All funding through the CDBG Program is provided on a reimbursement basis based on the AAP entitlement amounts. Once the allocation amount is confirmed, city staff will present a separate staff report to propose a provider for fair housing support services, funded through the available CDBG Administrative Funding allocation. Additionally, the public improvement Whitewater Area Street Rehabilitation Phase II project will be presented to the City Council for approval within FY 2025-2026 for construction services.

FIVE-YEAR STRATEGIC PLAN:

Goal B- Community Investment

Objective: Cathedral City roads, gateways, public spaces, and other city infrastructure are well planned, designed, constructed, and maintained.

ATTACHMENTS:

1. FY 2025-2026 Final Draft CDBG Annual Action Plan