



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
February 20, 2024

TOPIC: Administrative and Technical Support for CDBG, HOME, ESG, and WIOA Programs

AGENDA TITLE

Approve an Amendment to the Agreement with MDG Associates, Inc. to Continue Providing Administrative and Technical Support for CDBG, HOME, ESG, and WIOA Programs

RECOMMENDED ACTION

Authorize the City Manager to execute an amendment to the agreement with MDG Associate, Inc. to continue providing administrative and technical support for the Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), Emergency Solutions Grant (ESG), and Workforce Innovation and Opportunity Act (WIOA) federal grant programs, expanding the scope of work to include the five-year Consolidated Plan and FY 2025 Annual Action Plan, increasing the not-to-exceed amount by \$44,500, and extending the term for one year, for a total agreement amount of \$259,616 (Agreement No. A-2024-XXX).

GOVERNMENT CODE §84308 APPLIES: Yes

DISCUSSION

On May 19, 2020, the City Council authorized the City Manager to execute an agreement with MDG Associates, Inc. (MDG) to assist in the administration and monitoring of the Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), Emergency Solutions Grant (ESG), and Workforce Innovation and Opportunity Act (WIOA) federal grant programs in an amount not to exceed \$215,116 over a three-year period, beginning July 1, 2020 and expiring June 30, 2023 (Exhibit 1). In compliance with the terms of the agreement, the City Manager administratively extended the Agreement for one year until June 30, 2024.

The City uses federal funds from the U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Labor for MDG to provide on-call administrative and technical support services and grant monitoring of sub-recipients for the City's federal and state grants. To meet federal and state regulatory requirements, the City needs qualified consultants with experience in grant monitoring, technical support, and administrative services.

Grant monitoring ensures that the City's CDBG, HOME, ESG, and WIOA funds are only used for authorized and eligible purposes, in compliance with federal regulations and the terms and conditions of the sub-awards. For example, the City needs to confirm that nonprofit organizations that receive City funds are spending the funds correctly and in compliance with the regulations. The technical support services involve applying MDG's knowledge of the Uniform Administrative Requirements, cost principles, and audit requirements for federal awards at 2 CFR 200 and various other grant-specific financial and technical support services. The administrative services include on-call grant administration of one or more of the City's grant programs, when necessary, to ensure the City does not fall out of compliance and eligibility for the renewal of program funding. In addition, administrative services include but are not limited to maintaining financial and programmatic records and preparation for submission of compliance reports, including the five-year Consolidated Plans, Annual Action Plans, Consolidated Annual Performance and Evaluation Reports, Section 3 compliance reports, minority- and women-owned businesses reporting, and other reports as needed to ensure the City's programs comply with all of the respective program regulations.

This Amendment to the Agreement with MDG will increase the Agreement by \$44,500 for a new total agreement amount of \$259,616 (Exhibit 2). The specific purpose of this increase is for MDG to assist the City with the five-year Consolidated Plan and FY 2025 Annual Action Plan. The five-year Consolidated Plan is a project that requires a substantial amount of staff time. Specifically, MDG will update the City's Needs Assessment and Market Analysis data using the most current information from the American Community Survey and Comprehensive Housing Affordability Strategy datasets. MDG will also prepare community and stakeholder surveys, facilitate in-person and remote meetings, draft the five-year Consolidated Plan and FY 2025 Annual Action Plan, and finalize these documents based on City feedback. MDG will also prepare documentation for public hearings, ensure compliance with the City's Citizen Participation Plan, and submit the five-year Consolidated Plan and FY 2025 Annual Action Plan in HUD's Integrated Disbursement and Information System.

This amendment will also extend the agreement term with MDG for one year. With the addition of this one year, the term of the agreement will end June 30, 2025.

FISCAL IMPACT

Funding for this Amendment to the Agreement for \$44,500 will be made available during Fiscal Year 2024-25 from the CDBG, HOME, and ESG programs' Contract Services-Professional accounts:

Fiscal Year	Grant Year	Accounting Unit-Account #	Fund Description	Accounting Unit, Account Description	Amount
FY 2024-25	2024	13518780-62300	CDBG Administration	Contract Services-Professional	\$35,000
FY 2024-25	2024	13018780-62300	HOME Program	Contract Services-Professional	\$7,000
FY 2024-25	2024	13518785-62300	ESG	Contract Services-Professional	\$2,500

	Total for FY 2024-25	\$ 44,500
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EXHIBIT(S)

1. [Staff Report from May 19, 2020](#)
2. Amendment to Agreement with MDG Associates, Inc.

Submitted By: Michael L. Garcia, Executive Director of Community Development

Approved By: Tom Hatch, Interim City Manager