

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

Department(s):

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).



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

**FIRST AMENDMENT TO CONSULTANT AGREEMENT INCORPORATING
COMMUNITY DEVELOPMENT BLOCK GRANT REQUIREMENTS**

THIS FIRST AMENDMENT to the above-referenced agreement is entered into _____, 2024, by and between MDG Associates, Inc., a California corporation ("Consultant"), and the City of Santa Ana, a charter city and municipal corporation organized and existing under the Constitution and laws of the State of California ("City"). Consultant and the City shall be collectively referred to as the "Parties."

RECITALS

- A. The Parties entered into Agreement No. A-2020-099 ("Agreement") dated July 1, 2020, whereby Consultant agreed to provide select monitoring and technical support services to the City, as well as administrative services for the City's CDBG, HOME, ESG, and WIOA Programs.
- B. On February 10, 2023, the parties exercised their option to extend the term of the Agreement (A-2020-099-01) through June 30, 2024. The Agreement is current and in-effect.
- C. The Parties now wish to amend the Agreement to modify the scope of work to include additional services, extend the term of the Agreement, and increase the overall compensation paid by the City to the Consultant for the additional services through the extended term of the Agreement. No further terms are contemplated by this Amendment.

The Parties therefore agree:

- 1. **Section 1, Scope of Services**, is hereby amended to also include services detailed in the attached **Exhibit A-1**.
- 2. **Section 2.b, Compensation**, is hereby amended to increase the overall amount of the Agreement by \$44,500. The total amount to be expended under the term of the Agreement shall not exceed **\$259,616.00**.
- 3. **Section 3, Term**, is hereby extended through June 30, 2025. The City hereby exercises its final option to extend the Agreement for a one (1) year period.
- 4. Except as modified by this First Amendment, all terms and conditions of the Agreement, shall remain in full force and effect.

[signature page to follow]

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to the Agreement on the date and year first written above.

ATTEST


CITY OF SANTA ANA

Jennifer Hall
City Clerk

Thomas Hatch
Interim City Manager

APPROVED AS TO FORM
SONIA R. CARVALHO
City Attorney

MDG ASSOCIATES, INC.

By: 

Andrea Garcia-Miller
Assistant City Attorney



Rudy Muñoz
President

RECOMMENDED FOR APPROVAL

Michael L. Garcia
Executive Director
Community Development Agency

MDG Associates - Inc.

Consolidated Plan and Supporting Documents
December 1, 2023

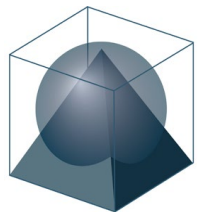
Corporate Headquarters

10722 Arrow Route, Suite 822
Rancho Cucamonga, CA 91730

Telephone (909) 476 - 9696

Fax (909) 476 - 6086

Contact: Rudy Muñoz, President



MDG
Associates, Inc.

Budget Details

Task	Budget	Timeline
Citizen Participation Plan Review	\$3,500	June 30, 2024
Language Access Plan Update	\$3,000	June 30, 2024
Consolidated Plan and Year 1 AAP	\$38,000	May 15, 2025
TOTAL	\$44,500	

All costs will be invoiced as a fixed fee line item which will be billed at MDG's current hourly rates.

MDG will invoice the Citizen Participation and Language Access Plan Update upon completion. MDG will invoice the Consolidated Plan/Year 1 AAP via the following schedule:

Completion of first Public Meeting:	\$11,000
Completion of draft Consolidated Plan:	\$11,000
Submission of Consolidated Plan in IDIS:	\$10,000
Acceptance of Consolidated Plan by HUD:	\$6,000

Deliverable Descriptions

Citizen Participation Review

MDG will conduct a monitoring level review of the existing Citizen Participation Plan and provide a written summary to Santa Ana with recommendations to better ensure compliance with HUD regulations and strategies to streamline and simplify the document.

Based on feedback from the City, MDG will complete the revisions to the Citizen Participation Plan and provide Santa Ana with the public noticing documentation needed for the updated Citizen Participation Plan to be adopted by City Council.

Language Access Plan

Using current Census data, MDG will conduct an updated four-step analysis of the primary languages spoken in the City. Based on the analysis, MDG will prepare an updated Language Access Plan for the City to use for all HUD CPD programs. MDG will conduct one round of revisions on the document based on City comments and feedback.

Consolidated Plan and Year 1 Annual Action Plan

MDG will prepare the FY2025 Consolidated Plan and FY2025 Annual Action Plan. Specifically, MDG will complete the following tasks:

- Update Needs Assessment and Market Analysis data based on the most current data available (as of March 1, 2024) for the American Community Survey (ACS) and Comprehensive Housing Affordability Strategy (CHAS) data sets
- Prepare online and paper-based community and stakeholder surveys to gather feedback on community needs and conditions
- Facilitate two (2) in-person community meetings to gather feedback on community needs. One meeting will be counted as the first public meeting to comply with Citizen Participation Requirements.

- Prepare noticing and marketing documentation for community meetings
- Facilitate four (4) remote stakeholder meetings to gather feedback on community needs and conditions
- Draft the FY2025 Consolidated Plan
- Draft the FY2025 Action Plan
- Finalize the Consolidated Plan and Action Plan based on City feedback
- Prepare noticing for the second public hearing to accept the Consolidated Plan and 30-day comment period
- Finalize Consolidated Plan and Action Plan as needed
- Submit Consolidated Plan and Action Plan in IDIS

During the Consolidated Plan process, MDG anticipates the City will complete the following tasks:

- Print, distribute, collect and scan paper-based surveys to MDG
- Assist with stakeholder identification and outreach
- Lead the second public hearing (remote MDG support)
- Conduct one round of review on all documents submitted to the City
- Submit and pay for notices to be posted in the newspaper
- Translate any documents in languages other than Spanish (as needed by LAP)