

# CDBG Annual Allocation & Residential Rehabilitation Program Guidelines

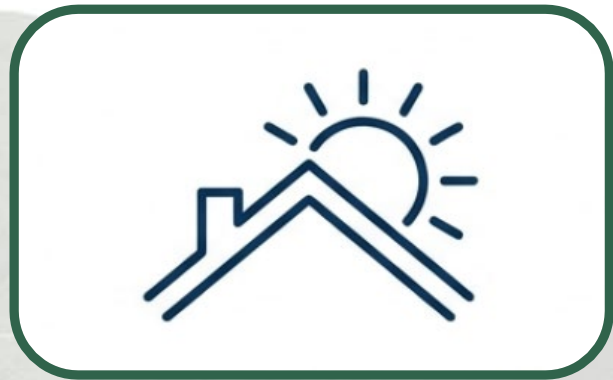
Fiscal Year 2026 – 2027 Funding Strategy &  
Fiscal Year 2025 – 2026 Guideline Updates

Community Development Department  
Public Hearing PH-2 • January 20, 2026

CITY OF  
**MONROVIA**  
CALIFORNIA

# CDBG Overview

- The Community Development Block Grant (CDBG) is a federal program that exists to fulfill three goals for low to moderate income residents:



1 Improve  
Quality of Life

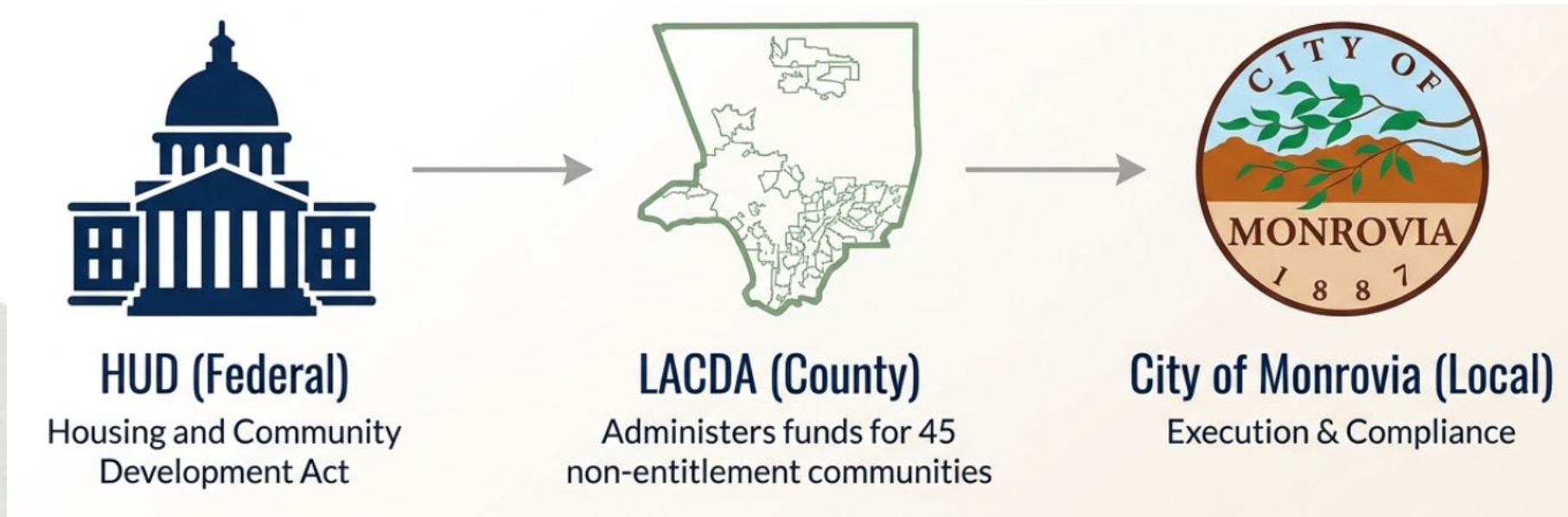


2 Prevent  
Deterioration



3 Address  
Urgent Needs

# CDBG Funding Source and Process



- Each year, LACDA allocates CDBG funds to participating cities, and those allocations must be approved by the City Council through a public hearing process before the funds can be programmed and used.

# FY 2026–2027 CDBG Allocation \$221,247

- LACDA requires a summary of the projected use of our Annual CDBG Allocation by February of 2026

CDBG Residential Rehabilitation Grant Program			
Fiscal Year (FY)	Funding	Program	% Allocation
FY 24 - 25	\$212,459	Residential Rehab	100%
FY 25 - 26	\$242,871	Residential Rehab	100%
FY 26 - 27	\$221,247	Residential Rehab	100%

# Residential Rehabilitation Grant Program

- Served 57 households since 2009.
- Provides grant-funded home repairs to low- and moderate-income, owner-occupied households who cannot afford necessary health, safety, and code-related improvements.
- Goal FY 2026 - 2027 – Provide for 7 projects ranging between \$20,000 to \$25,000 (labor and materials).
- Expenditure does not impact City's General Fund.



# Purpose of Program Guidelines

- Establish program eligibility requirements.
- Stipulate allowable use of the funds and provide prioritization standards.
- Provide administrative and compliance procedures (HUD, LACDA, and Federal Law).
- FY 2025 – 2026 Guideline Updates intended to strengthen program administration, improve compliance, and better prioritize households with the greatest needs.

Attachment A



Residential Rehabilitation Grant  
Program  
Program Guidelines

# Update: Serve “Greatest Need First”

- **Level 1 Essential Repairs:** Address immediate threat to health and safety. (i.e. Roof Replacement, Heating, Plumbing, Electrical, Accessibility).
- **Level 2 Necessary:** Prevent deterioration. (i.e. Roof / Structural Repairs, Weatherization Improvements).
- **Level 3 Recommended:** Improve habitability and long term quality. (i.e. interior/exterior painting, flooring, minor drywall repair).

## **Level 1: Essential Repairs**

*Must be considered before any others.*

## **Level 2: Necessary Repairs**

## **Level 3: Recommended Repairs**

# Update: Streamlining Bids / Quality Control

## New Process



- **Homeowner Driven:** Owner solicits bids (2-3 from licensed contractor).
- **City Oversight:** City and Willdan Engineering (Consultant) serve as quality control agents.

## Why?

- Meets federal “Wide Net” requirements and reduces liability.

# Residency and Ownership Covenant

- Grant recipients must sign a five-year owner-occupancy covenant.
  - If *home is sold or title is transferred* within that time, the full grant amount must be repaid to the City.
- Ensures public funds are serving long term community benefit.
- Prevents “house flipping.”



# Alignment with Current Federal Requirements

- Applicants must meet all applicable federal, state, and local eligibility requirements (i.e. income, owner occupancy).
- Pursuant to Executive Order 14218, CDBG recipients must verify citizenship or eligible immigration status for all household occupants prior to awarding federal assistance.

# Program Guidelines

- Program Guidelines will be reviewed annually.
- City Manager is granted authority to make administrative changes to ensure program continues to align with HUD, LACDA, and other applicable federal and state requirements.

Attachment A



Residential Rehabilitation Grant  
Program  
Program Guidelines

**Fiscal Year 2026-27 CDBG  
Annual Allocation &  
2025-26 Program Guidelines  
Recommendation**

**Option 1:** Approve estimated FY 26 / 27 Community Development Block Grant allocation, and Approve the Fiscal Year 2025-2026 Residential Rehabilitation Grant Program Guidelines as presented.