



Agenda Item

Orange City Council

Item #: 3.6.

2/10/2026

File #: 25-0651

TO: Honorable Mayor and Members of the City Council

THRU: Jarad Hildenbrand, City Manager

FROM: Russell Bunim, Community Development Director

1. SUBJECT

First Amendment to Agreement with MNS Engineers, Inc. for Community Development Block Grant, Home Investment Partnership Act Program, and Housing Set-Aside Administration Support.

2. SUMMARY

First Amendment with MNS Engineers, Inc. to provide continued support services for Community Development Block Grant, Home Investment Partnership Act Program, and Housing Set-Aside Administration Support.

3. RECOMMENDED ACTION

Approve the amendment to agreement with MNS Engineers, Inc. for \$40,000, for a total not to exceed compensation of \$70,000, for Community Development Block Grant, Home Investment Partnership Act Program, and Housing Set-Aside Administration Support; and authorize the Mayor and the City Clerk to execute on behalf of the City.

4. FISCAL IMPACT

There is no direct fiscal impact to the City. The expense for this amendment is \$40,000 and will be funded through CDBG/HUD (Fund 310), HOME-HUD (Fund 317), and Low- & Moderate Income Housing Fund (Fund 232) respectively:

310-6410-55999-256001	Other Professional & Consulting Services	\$17,000
317-6411-50102-266027	Business Assistance	\$10,000
317-6431-55999-256001	Other Professional & Consulting Services	\$3,000
232-6401-55999	Other Professional & Consulting Services	\$10,000

5. STRATEGIC PLAN GOALS

Goal 3: Enhance Public Communication Strategy and Quality of Life

6. DISCUSSION AND BACKGROUND

The U.S. Department of Housing and Urban Development (HUD) provides grants, including the

Community Development Block Grant (CDBG), to states, cities, and counties on an annual basis to provide housing support and uplift communities. CDBG funds are used to provide suitable environments through economic opportunities for low- and moderate-income people. In addition, the HOME Investment Partnerships Program (HOME) is used to implement housing strategies designed to increase homeownership and affordable housing.

Consultant Support

Due to the stringent requirements for the use of CDBG and HOME funds, MNS Engineers, Inc. (MNS) was retained in August 2024 to assist in the reporting, monitoring, and compliance of HUD rules. MNS's support has functioned as staff augmentation to:

1. Ensure that any updates to HUD rules continue to be followed.
2. Inform staff of changes in program regulations and funding opportunities.
3. Meet deadlines during peak times of the year when workload is higher.
4. Support during City audits that occur 2-3 times a year.
5. Provide labor compliance assistance and support of Public Works funded projects.
6. Develop subsidy layering analysis for proposals related to new proposed projects requesting gap funding.
7. Develop specialized documents such as the CDBG eligibility maps; and
8. Develop National Environmental Policy Act (NEPA) clearance documents that are required with every federally funded activity and require specialized technical knowledge.

Additionally, with the development of the Business Assistance Façade Program under the CDBG program, staff is requesting support from MNS staff knowledgeable of the program to assist with implementation while Housing Division staff becomes familiarized with the program requirements and applicable regulations.

Furthermore, MNS provides ongoing technical assistance to staff for new and existing housing developments utilizing housing set-aside funding, including evaluating project eligibility through gap funding financial analysis and providing support with determining ongoing compliance, including rent evaluations.

Staff recommends an increase in compensation for MNS to maintain service continuity, reduce implementation risk, and support the timely and effective delivery of critical community development initiatives.

7. ATTACHMENTS

- First Amendment to Agreement with MNS Engineers, Inc.