



AGENDA REPORT

Department: Community Development
Prepared by: David McEachern, Community Development Specialist III
Meeting Date: Tuesday, March 17, 2026
Approved by: Alejandro Hernandez, Acting City Manager

SUBJECT:

Public Hearing No. 1 of 2 for the 2026-2027 HUD CDBG and HOME Annual Action Plan.

RECOMMENDATION:

Conduct the Public Hearing and Receive Public Comments on the Upcoming FY2026-2027 HUD Annual Action Plan

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

OVERVIEW: The U.S. Department of Housing and Urban Development (“HUD”) provides annual grants on a formula basis to entitlement cities and counties, including the City of National City for its Community Planning and Development Programs (“CPD”). The City of National City (“City”) receives Community Development Block Grant (“CDBG”) and HOME Investment Partnerships (“HOME”) Program funds on an annual basis. The primary statutory objectives of the CDBG Program are to develop viable urban communities by providing decent housing, a suitable living environment, and by expanding economic opportunities, principally for low and moderate-income persons. The intent of the HOME Program is to expand the supply of decent, safe, sanitary, and affordable housing.

The 2025-2029 Consolidated Plan is the framework for the HUD CDBG and HOME entitlement programs. The Consolidated Plan assesses community needs and outlines the City's community planning and development priorities over five years. The Consolidated Plan is carried out through Annual Action Plans, which provide a concise summary of the actions, activities, and specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified by the Consolidated Plan. An overview of the Consolidated Plan's goals and priorities is attached to this staff report (Exhibit “B”). In addition, the entire Consolidated Plan and program information can be found at www.nationalcityca.gov/cdbg-home.

FUNDING AVAILABILITY: For fiscal year (FY) 2026-2027, HUD program year 2025, the City estimates receiving approximately \$700,000 in CDBG entitlement funds. Of that amount, 20% of the CDBG allocation is reserved for administration and mandatory fair housing requirements.

The City estimates receiving \$325,000 in HOME entitlement funds for FY 2026-2027. Of that amount, 10% of the HOME allocation is reserved for administration.

In addition, \$385,845.18 in CDBG funds from prior years will be reallocated to CDBG activities in FY2026-2027 and an amount to be determined for HOME program income will be allocated to HOME activities in FY 2026-2027.

NOTICE OF FUNDING: Interested parties were notified of the 2026-2027 Action Plan development process through a Notice of Funding Availability (“NOFA”) made available on January 29, 2026. The NOFA was sent via email and posted on the Housing Authority website per the HUD-approved Citizen and Community Participation Plan (“CCPP”).

FUNDING RECOMMENDATIONS: Funding recommendations will be proposed at the 2nd public hearing scheduled for May 5, 2026.

ANNUAL ACTION PLAN APPROVAL: A second Public Hearing will be conducted on May 5, 2026, to review public comments received during a 30-day public review period (April 3 through May 5, 2026) of the draft 2026-2027 Annual Action Plan. The Public Hearing will also provide interested persons and community groups with an opportunity to share their thoughts regarding the Plan and the CDBG and HOME Program activities being proposed. After all public comments have been considered at the Public Hearing on May 5, 2026, the City Council may adopt the 2026-2027 Action Plan and proposed CDBG and HOME Program funding recommendations.

HUD REVIEW: Upon receipt of the 2026-2027 Action Plan, HUD has 45 days to review and accept it. The Plan specifically details the City’s utilization of its CDBG and HOME program funds. HUD acceptance notices will be received in mid to late July.

FINANCIAL STATEMENT:

The City anticipates receiving approximately \$700,000 in CDBG and \$325,000 in HOME Program funds for FY 2026-2027. In addition, \$385,845.18 in CDBG funds will be reallocated from prior years and an amount to be determined in HOME fund program income will be reprogrammed to FY 2026-2027.

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Housing and Community Development

ENVIRONMENTAL REVIEW:

This is not a project under CEQA, and is therefore, not subject to environmental review. CCR15378; PRC 21065.

PUBLIC NOTIFICATION:

The Agenda Report was posted at least 72 hours before the Regular Meeting Date and time, and 24 hours before a Special Meeting in accordance with the Ralph M. Brown Act. Public notice was also provided on the City’s Website and Bulletin Boards and published in the Star-News.

ORDINANCE:

Not Applicable

EXHIBITS:

Exhibit A - Public Notice

Exhibit B – Consolidated Plan Goals