



# AGENDA REPORT

**Department:** Housing Authority  
**Prepared by:** Angelita Palma, Housing Programs Manager  
**Meeting Date:** Tuesday, March 21, 2023  
**Approved by:** Brad Raulston, City Manager

---

**SUBJECT:**

Public Hearing No. 1 of 2 HUD 2023-2024 Annual Action Plan and the allocation of HUD Entitlement Grant Funds to the CDBG and HOME Program activities.

**RECOMMENDATION:**

Conduct the Public Hearing and approve recommendations for the CDBG and HOME funding allocations from the sources identified in the Financial Statement.

**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 2020-2024 Consolidated Plan is the framework for the HUD CDBG and HOME entitlement programs. The Consolidated Plan outlines the City's housing and non-housing community development needs and priorities over five years. 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](http://www.nationalcityca.gov/cdbg-home).

**Funding Availability** | For fiscal year (FY) 2023-2024, HUD program year 2023 the City will receive \$718,540 in CDBG entitlement funds. Of that amount, 20% of the CDBG allocation is reserved for administration and mandatory fair housing requirements. The remainder will fund the Section 108 debt service payment. The Section 108 loan payment has increased each year, which means fewer dollars have been allocated to public services, facilities, and infrastructure projects. The final Section 108 loan payment will be made in FY 2023-2024 for \$613,470.

HOME entitlement funds are \$409,716 for FY 2023-2024. Of that amount, 15% is set aside for Community Housing Development Organizations (CHDO). Another 10% of the HOME allocation is reserved for administration. The remaining amount will be set aside for an affordable housing activity.

In addition to the entitlement funds discussed above, \$393,222 in HOME funds from program income will be reallocated to HOME activities (Exhibit "A").

**Notice of Funding |** The City Council was notified of the 2023-2024 Action Plan development process and Notice of Funding Availability (NOFA) was made available to interested parties on February 14, 2023.

**Funding Recommendations/Annual Action Plan Approval |** Project and Program funding recommendations for the CDBG and HOME entitlement grant funds and program income will be presented at the first public hearing held on March 21, 2023. A second Public Hearing will be conducted on May 2, 2023, to review public comments received during a 30-day public review period (March 31 through May 1, 2023) of the draft 2023-2024 Annual Action Plan; and to provide interested persons and community groups with one last 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 2, 2023, the City Council will adopt the 2023-2024 Action Plan and proposed CDBG and HOME Program funding recommendations.

**HUD Review |** Upon receipt of the 2023-2024 Action Plan, HUD has 45 days to review and accept it (see Exhibit "B" for timeline). The Plan specifically details the City's utilization of its CDBG and HOME program funds.

**FINANCIAL STATEMENT:**

The City will receive \$718,540 in CDBG and \$409,716 in HOME Program funds for FY 2023-2024. In addition, the City will reprogram to FY 2023-2024 \$393,222 in HOME program income received.

**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:**

Agenda Report posted within 72 hours of meeting date and time in accordance with Brown Act. Published in The Star News, on City Website and Posted on Bulletin Boards at City Hall.

**ORDINANCE:**

Not Applicable

**EXHIBITS:**

Exhibit A - 2023-2024 Action Plan Funding Recommendations

Exhibit B - Explanation

Exhibit C - Public Notice

Exhibit D - Presentation