



# AGENDA REPORT

**Department:** Community Development  
**Prepared by:** David McEachern, Housing Programs Specialist II  
**Meeting Date:** Tuesday, June 17, 2025  
**Approved by:** Scott W. Huth, Interim City Manager

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**SUBJECT:**

HUD 2025-2029 Five Year Consolidation Plan, 2025-2026 Annual Action Plan, and Fourth Amendment to Citizen and Community Participation Plan

**RECOMMENDATION:**

Adopt the Resolution Entitled “Resolution of the City Council of the City of National City, California, Adopting the Fourth Amendment to the U.S Department of Housing and Urban Development (HUD) Citizen and Community Participation Plan, 2025-2029 Five-Year Consolidated Plan, 2025-2026 Annual Action Plan and the Allocation of 2025-2026 HUD Entitlement Grant Funds and Program Income to Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) Programs Proposed Activities.”

**BOARD/COMMISSION/COMMITTEE PRIOR ACTION:**

The previous Five-Year Consolidated Plan was adopted by the City Council on May 5, 2020, via Resolution No. 2020-84.

**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.

To continue receiving these funds, the City must prepare and submit a Consolidated Plan every five years and an Annual Action Plan every year. The Consolidated Plan outlines the City’s housing and community development needs and proposes strategies for using HUD funds to address these needs over a five-year period. The Annual Action Plan details the specific activities that will be undertaken each year to achieve the goals set forth in the Consolidated Plan. The City must also adopt a citizen participation plan to set forth policies and procedures for participation. Together, these documents serve as the City’s strategic framework for allocating federal resources and enhancing the quality of life for its residents, particularly those who are low- and moderate-income.

## **FIVE-YEAR CONSOLIDATED PLAN FOR HUD PROGRAM YEARS 2025 TO 2029 AND 2025-2026 ANNUAL ACTION PLAN**

In accordance with the federal regulations at 24 CFR, Part 91, the City has prepared a Five-Year Consolidated Plan for its Housing and Community Development Entitlement Programs funded by the HUD.

This Five-Year Consolidated Plan for HUD covers Program Years (“PY”) 2025-2029 for the period beginning July 1, 2025 through June 30, 2029. The Consolidated Plan also includes a one-year Annual Action Plan that outlines the intended use of CDBG and HOME resources for PY 2025-2026. As required by HUD guidelines, the identification of needs and the adoption of strategies to address those needs must focus primarily on low- and moderate-income individuals and households. National objectives and performance outcomes established by HUD are the basis for assigning priorities to needs for which funding may be allocated.

The Consolidated Plan establishes priorities for allocating CDBG and HOME funds based on a number of criteria, including urgency of needs, cost efficiency, eligibility of activities and programs, availability of other funding sources to address specific needs, funding program limitations, capacity and authority for implementing actions, and consistency with citywide goals, policies, and efforts. The 2025-2029 Consolidated Plan goals are as follows:

### **Consolidated Plan Goals<sup>1</sup>**

#### **Goal 1: Affordable Housing**

- Implementation may include:
  - Rehabilitation of single- and multi-family homes
  - Acquisition of multi-family properties with or without rehabilitation
  - Homeownership assistance to low- to moderate-income households
  - Assistance to developers for the acquisition and re-sale of housing units to low- to moderate-income households; and
  - Promotion of housing options to diverse populations.

#### **Goal 2: Community Facilities and Infrastructure**

- Through Capital Improvement Planning the City will provide for new and improved existing community facilities and infrastructure to include but is not limited to parking facilities, parks, recreational facilities, water/sewer improvements, street improvements, sidewalks, fire stations/equipment, clearance and demolition, and flood drainage improvements. The City will periodically assess the need for and when warranted pursue section 108 loans for large-scale public improvement and revitalization projects.

#### **Goal 3: Community and Supportive Services**

- Provide low- and moderate-income families with a range of public services necessary to prevent homelessness and ameliorate the effects of poverty. Programming may include rental assistance, crime prevention and awareness, code enforcement, and services for non-homeless special needs populations.

#### **Goal 4: Equal Access to Housing Opportunity**

- The City will affirmatively further fair housing choice through the provision of fair housing education, counseling, anti-discrimination and landlord-tenant mediation services.

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<sup>1</sup> The goals listed within the 2025-2029 Consolidated Plan were derived using up-to-date guidance from HUD as of June 6, 2025.

## Goal 5: Planning and Administration

- Compliance with federal statutes and regulations pertaining to the CDBG and HOME Programs.

### **ANNUAL ACTION PLAN<sup>2</sup>**

The 2025-2026 Annual Action Plan (“AAP”) outlines how the City intends to spend \$700,241.00 in CDBG entitlement funds. Of that amount, 20% of the CDBG allocation is reserved for administration and mandatory fair housing requirements. The City will receive \$325,766.04 in HOME Program entitlement funds. In addition to the funding sources noted above, the City will reprogram \$130,666.49 in HOME program income. Of the 25-26 HOME entitlement of \$456,432.53, 10% is set aside for HOME program administration. Additionally, \$72,099.97 of prior year HOME entitlement funds will be repurposed towards 2025-2026 activities.

### **2025-2026 Activities**

#### Community Development Block Grant Program

The following FY 2025-2026 CDBG entitlement activities are recommended for funding as part of the AAP. The first two activities are categorized under "Planning and Administration" (24 CFR 570.200).

**CDBG Program Administration:** \$90,048.20 for the financial management, compliance, and monitoring of CDBG activities, preparing and submitting required reports to HUD, and other administrative costs related to the overall administration of the CDBG program.

**Fair Housing Services:** \$50,000 for CSA San Diego County. As a recipient of CDBG” entitlement funds, the City is mandated to affirmatively further fair housing. One way the City fulfills its obligation is by addressing housing discrimination and promoting integrated communities, by funding a fair housing service provider to assist tenants, landlords, and first-time homebuyers. The City received applications from the two fair housing service providers in the county to provide services. CSA San Diego County and the Legal Aid Society of San Diego submitted applications. Although both applicants are eligible, CSA San Diego County is recommended \$50,000 to continue as National City’s fair housing service provider based on their responsiveness to staff and residents, experience in National City, and record of performance in the City.

The remainder of the 2025-2026 CDBG entitlement funds is recommended to be allocated to the following capital improvement projects (“CIPs”):

- **NCFD Air Compressor: \$64,973.56** for the National City Fire Department (“NCFD”) to acquire and install a new air compressor system to replace the current, 20-year-old SCBA fill station. The aging and obsolete fill station has reached the end of its operational life, resulting in safety concerns, reliability issues, and inefficiencies that hinder our ability to provide clean, breathable air for firefighters’ Self-Contained Breathing Apparatus (“SCBA”). The funds would include equipment acquisition, installation and integration, testing and certification, training for personnel, and initial maintenance and warranty.
- **NCFD Turnout Dryers and Extractors: \$65,908.61** for the National City Fire Department to equip each fire station (Station 31, 33, and 34) with its own turnout dryer and extractor. NCFD currently relies on a single, 20-year-old turnout extractor installed at Station 34

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<sup>2</sup> **Proposed FY 2026 Budget:** The President’s proposed budget for Fiscal Year (“FY”) 2026 (October 1, 2025- September 30, 2026) eliminates CDBG and HOME funding. The federal budget process is still ongoing. The budget is now in Congress and may or may not approved with the proposed cuts. This would not affect the City’s FY25-26 entitlement allocation regardless.

when the station was built in 2005. However, this arrangement has required personnel from Stations 31 and 33 to transport contaminated personal protective equipment (“PPE”) to Station 34 for cleaning, creating inefficiencies and increasing the risk of secondary exposure to hazardous contaminants. Station 34 does not have a dryer, so turnouts are hung to dry, creating a very slow and inefficient process. This centralized setup delays cleaning, disrupts daily operations, and poses safety risks to firefighters. The funds would include the purchase, delivery, and setup of one (1) 70-pound capacity turnout extractor for Fire Station 34 to handle the high volume of turnout gear cleaning needs, two (2) 20-pound capacity turnout extractors for Fire Stations 31 and 33, and two (2) turnout dryers for each station.

- **Public Restroom Rehabilitation and Upgrades: \$429,310.63** for the National City Engineering and Public Works Department for rehabilitation and upgrades to public restrooms at 1) MLK Jr. Community Center, 2) National City Public Library, and 3) Kimball Park for safety, security, and accessibility. Improvements include a combination of new and/or upgraded flooring, sinks, toilets, fixtures, countertops, doors, signage, plumbing, lighting, and electrical.

### HOME Investment Partnerships (“HOME”) Program

The following FY 2025-2026 HOME entitlement activities are recommended for funding as part of the AAP (24 CFR Part 92). Staff recommends the following eligible activities for funding.

- **Tenant Based Rental Assistance (“TBRA”): \$414,424.37** for SBCS. TBRA provides rental assistance, case management, and supportive services to National City low-income homeless individuals and families to retain stable housing and economic self-sufficiency. If awarded funds
- **CHDO Set-Aside: 68,464.88** (15% per Subpart G § 92.300) of 2025-2026 HOME entitlement funds will be set aside for a qualified Community Housing Development Organization (“CHDO”).
- **HOME Program Administration: \$90,048.20** for HOME Program administration. As a participating jurisdiction, reasonable administrative and planning costs related to the general management, oversight, and coordination of program activities, as per 24 CFR 92.207 of the HOME program, are eligible for funding (capped at 10%).

*Reference Exhibit “A” for the list of CDBG and HOME funding allocations.*

## **FOURTH AMENDMENT TO THE CITIZEN AND COMMUNITY PARTICIPATION PLAN**

The Citizen and Community Participation Plan (CCPP) describes the City's policies and procedures for public involvement in the development of the Five-Year Consolidated Plan and its component Annual Action Plans, amendments to these plans, as well as the CCPP, emergency noticing, and the public review process of the Consolidated Annual Performance and Evaluation Report (CAPER). The CCPP is a tool to encourage residents, consultants, participating jurisdictions, and other interested parties to become involved in the development and evaluation of the plans that outline the housing and community development needs, goals, objectives, and activities for National City.

This CCPP Fourth Amendment includes:

- Amendments to the definition of a Substantial Amendment to include:
  - increased the threshold of activity budget changes from 25% to 100%
  - a change in allocation priorities or a change in the method of distribution of funds
- Information on the City’s Language Access Plan (LAP)

## **PUBLIC HEARING # 1**

A minimum of two public hearings are required per 24 CFR §570.431. The first public hearing was held on September 17, 2024 to collect input from residents and stakeholders on their high-priority housing and community development needs, evaluate program performance, and discuss strategies for affirmatively furthering fair housing.

## **PUBLIC HEARING # 2**

This is the second public hearing for the Five-Year Consolidated Plan for HUD Program Years (PY) 2025 to 2029 and 2025-2026 Annual Action Plan. This hearing was preceded by a 30-day public review period from May 16 through June 16, 2025. During this review period, interested persons and community groups were provided the opportunity to share their thoughts regarding the Consolidated Plan and the CDBG and HOME Program activities proposed. This Public Hearing also serves to amend the City's Citizen and Community Participation Plan. After all public comments have been considered, the City Council will adopt the 2025-2029 Consolidated Plan and the 2025-2026 Action Plan including the proposed CDBG and HOME Program activities.

## **SUBMISSION TO HUD**

After all public comments have been considered at the Public Hearing on June 17, 2025, the City Council will adopt the amended Citizen and Community Participation Plan, 2025-2029 Consolidated Plan, and 2025-2026 Action Plan to submit to HUD.

## **PUBLIC DOCUMENT REVIEW**

All of the documents referenced in the staff report are available to the public on the City of National City CDBG and HOME webpage at <http://www.nationalcityca.gov/cdbg-home>. Previous year's accomplishments can be found on the same webpage under the heading titled Consolidated Annual Performance Report ("CAPER").

## **HUD REVIEW**

Upon receipt of the Plans, HUD has 45 days to review and accept.

### **FINANCIAL STATEMENT:**

\$700,241 in CDBG funds and \$528,532.50 in HOME funds will be allocated to the activities listed in Exhibit "A." Per authorization provided in the resolution, Finance Department staff will make necessary budget adjustments based on HUD's allocation to the City.

### **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 within 72 hours of the meeting date and time in accordance with the Ralph M. Brown Act. Published in the Star News, on the City Website and posted on bulletin boards at City Hall.

**ORDINANCE:**

Not Applicable

**EXHIBITS:**

Exhibit A- Funding

Exhibit B- Public Notice

Exhibit C- Resolution