



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

SUBJECT:

Second Substantial Amendment to the FY24-25 HUD Annual Action Plan to Reallocate HOME Funds to Community Housing Development Organization Set-Aside.

RECOMMENDATION:

Adopt the Resolution Entitled, "Resolution of the City Council of the City of National City, California, Adopting the Second Substantial Amendment to the 2024-2025 U.S. Department of Housing and Urban Development Annual Action Plan to Reallocate \$71,026.49 in Home Investment Partnerships Funds from Affordable Housing Activities Set-Aside to a Community Housing Development Organization Set-Aside."

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Resolution 2024-38: Approval of 2024-2025 Annual Action Plan (AAP)
Resolution 2024-109: Approval of first substantial amendment to the 2024-2025 AAP

EXPLANATION:

Background

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.

On May 7, 2024, the City Council approved the 2024-2025 Annual Action Plan (AAP) and associated funding of activities through Resolution 2024-38. A Substantial Amendment to the 2024-2025 AAP is being proposed to reallocate \$71,026.49 in HOME funds from the Affordable Housing Activities Set-Aside to a Community Housing Development Organization (CHDO) Set-Aside. The purpose of this reallocation is to satisfy the requirements of 24 CFR § 92.300 by reserving 15% of the annual HOME allocation for CHDOs.

AAP Amendment

Per federal regulation 24 CFR Part 91, to allocate HOME funding to a new project, a Substantial Amendment to the 2024-2025 AAP is required. The First Substantial Amendment to the 2024-2025 AAP was approved through Resolution 2024-109 on September 17, 2024, to reallocate CDBG funding. A Second Substantial Amendment is required to reallocate the CHDO Set-Aside of \$71,026.49.

A 30-day public comment period beginning May 16, 2025, for the Second Substantial Amendment was noticed via email and the City's website, hard copies were provided at City Hall, and the notice was published in the Star News. A copy of the amended AAP has been made available on the City's website at www.nationalcityca.gov/cdbg-home. Hardcopies of the notice are available upon request at the City of National City Housing Authority (140 E 12th Street, National City 91950) or the Office of the City Clerk.

FINANCIAL STATEMENT:

\$71,026.49 in HOME funds from the FY24-25 AAP will be reallocated from Affordable Housing Activities Set-Aside to CHDO Set-Aside. This will not affect any budget allocations as both projects are set-asides. Per authorization provided in the resolution for this item, staff will make necessary budget adjustments.

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. Notification of a 30-day review period, as shown in Exhibit B, was Published in the Star News, on the City Website and posted on bulletin boards at City Hall.

ORDINANCE:

Not Applicable

EXHIBITS:

Exhibit A- Funding Allocations

Exhibit B- Public Notice

Exhibit C- Resolution