



# CITY COUNCIL STAFF REPORT



October 8, 2024

## ITEM TITLE

HUD Entitlement Grants: Adopt a First Amendment to the U.S. Department of Housing and Urban Development Fiscal Year 2024/25 Annual Action Plan, Amend Fiscal Year 2024-25 CIP Budget, Appropriate Funds, and Adopt 2025-2029 Citizen Participation Plan

**Report Number:** 24-0226

**Location:** Alpine Street Project, Alpine Avenue between Emerson Street and Naples Street. Harborside Park Rec Squad, 670 Oxford Street. No specific geographic location for the remainder of items.

**Department:** Housing and Homeless Services

**G.C. § 84308:** Yes

**Environmental Notice:** The Project qualifies for a Categorical Exemption pursuant to the California Environmental Quality Act State Guidelines Section 15301 Class 1 (Existing Facilities), Section 15303 Class 3 (New Construction or Conversion of Small Structures), and Section 15061(b)(3). Pursuant to Title 24, Part 58.35(a)(1) of the Code of Federal Regulations and HUD Environmental Guidelines, the activity is Categorical exclusion under the National Environmental Policy Act (NEPA).

## Recommended Action

Conduct the public hearing and adopt resolutions approving: (A) First Amendment to the City of Chula Vista U.S. Department of Housing and Urban Development 2024-2025 Annual Action Plan and appropriating funds therefore **(4/5 Vote Required)**; and (B) City's 2025-2029 Citizen Participation Plan.

## SUMMARY

The City of Chula Vista's Annual Action Plan is a document required annually by the U.S. Department of Housing and Urban Development to describe the funding strategy for use of various entitlement funds. Any significant funding changes to the approved Action Plan constitute a Substantial Amendment and must be approved by City Council following a public hearing.

This item would amend the 2024-25 Annual Action Plan to reallocate unused CDBG funds to the Alpine Street Sidewalk Project, the Harborside Park Rec Squad, and the City's Hotel/Motel Voucher program. This item also proposes the 2025-2029 Citizen Participation Plan for Council consideration and approval.

## ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed project for compliance with the California Environmental Quality Act (CEQA) and has determined that the project qualifies for a Categorical Exemption pursuant to State CEQA Guidelines Section 15301 Class 1 (Existing Facilities), Section 15303 Class 3 (New Construction or Conversion of Small Structures), and Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. Thus, no further environmental review is required. Pursuant to Title 24, Part 58.35(a)(1) of the Code of Federal Regulations and HUD Environmental Guidelines, the activity is Categorical exclusion under NEPA.

## BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

## DISCUSSION

As a U.S. Department of Housing and Urban Development (“HUD”) entitlement community, the City receives annual funds through three block grant programs: HOME Investment Partnerships Program (“HOME”), Community Development Block Grant (“CDBG”), and Emergency Solutions Grant (“ESG”). The grant amounts allocated to each jurisdiction are determined using a formula based on statistical and demographic data. The purpose of this funding is to provide housing and suitable living environments, and to expand economic opportunities principally for low- and moderate- income persons.

In connection with the programs, the City must adopt and follow a five-year Consolidated Plan and an Annual Action Plan for the activities and disbursement of funds. The Action Plan constitutes the City’s formal funding application to HUD for the corresponding grant year. The 2024-25 Action Plan was adopted by Council on [May 21, 2024](#), pursuant to City Council Resolutions No. 2024-085 and 2024-086, and submitted to HUD shortly thereafter. Tonight’s action would serve as a First Amendment to the 2024-25 Action Plan to reallocate a small portion of 2024-25 CDBG Public Services funds and add unused CDBG funds from prior years to a Capital Improvement Project (CIP).

### **CDBG Public Services**

Under CDBG regulations up to 15% of a jurisdiction’s annual allocation can be allocated to Public Services. While the City fully allocated its public services cap with the approval of the Annual Action Plan on May 21, on [July 16, 2024](#) a new funding source was approved to fund the “Work for Hope” program administered by McAlister for a period of two years, thereby freeing up \$40,000 in CDBG funding under the public services category for this year. City Staff are therefore proposing that \$30,000 in available public services CDBG funds be allocated to the Harborside Park Rec Squad and \$10,000 to the City’s Hotel/Motel Voucher Program for program year 2024-2025, as further described below.

#### *Harborside Park Rec Squad*

In August of 2022 the City closed Harborside Park following health and safety concerns related to homeless encampments in the park. After a two-year closure the City will be reopening the park in late 2024. As part of this reopening the City’s Parks and Recreation Department will be hosting drop-in recreational activities during peak hours of park operation, anticipated to be after school hours approximately between 2:30PM

and 7:00PM. Because of the park's proximity to Harborside Elementary School, it is anticipated that this program would largely benefit children under the age of 12. Program outcomes include providing recreational activities to low- and moderate-income families, preventing crime through active recreation and diversionary activities, and increasing community presence and involvement in the park. This item will reallocate \$30,000 from previously approved public service activities to the Harborside Park Rec Squad program.

#### *Hotel/Motel Voucher Program*

Each year the City allocates a portion of its CDBG public service funds to the Hotel/Motel Voucher program. This program provides hotel and motel vouchers to Chula Vista residents experiencing homelessness. City staff previously allocated \$16,014 to the program with the approval of the 2024-2025 Annual Action Plan, however due to an influx in need to assist families this year additional funds are needed. This item will reallocate an additional \$10,000 to the program.

### **CDBG Capital Improvement Project (CIP)**

#### *Alpine Avenue Sidewalk Project*

The Alpine Avenue Sidewalk Project is an ongoing CIP managed by the City's Engineering Department. The project includes street improvements on Alpine Avenue between Emerson Street and Naples Street with construction expected to impact twenty Alpine Avenue Residences. The City will be allocating an additional \$240,000 in unused prior year CDBG funds for the completion of the project's design phase, resident outreach and coordination, increased construction costs, and additional staff time required for design and construction support.

### **Approval of the 2025-2029 Citizen Participation Plan**

The City will be adopting a new five-year Consolidated Plan in the Spring of 2025. The Consolidated Plan is the strategic plan for allocating and leveraging the City's entitlement grants like CDBG, HOME, and ESG. It utilizes qualitative and quantitative data gathered through citizen participation, market analysis, and an assessment to identify the highest priority needs in which to direct entitlement dollars. The City must adopt a Citizen Participation Plan (CPP) at the same time as or prior to the Consolidated Plan development adoption. In accordance with HUD regulations the CPP is a planning document that outlines the requirements and strategy for citizen participation in the development of required plans like the Consolidated Plan, Annual Action Plan, and Consolidated Annual Performance Evaluation Report.

CPPs must establish a process for encouraging citizens, including minorities and non-English speaking persons, to participate in the development of these required plans. In addition, the CPP details federal requirements for encouraging citizen participation, including the number of public hearings required during plan development, requirements for public comment periods, and regulations on minimum public notice. The CPP further defines what constitutes a substantial amendment to a Consolidated Plan or Annual Action Plan and the process for soliciting public review of substantial amendments.

While the City's CPP does not need to be approved at this time, staff felt it was important to update the engagement strategies for the Consolidated Plan outreach process since the last CPP was last adopted in

2020. This item therefore proposes the 2025-2029 Citizen Participation Plan, included as Attachment 1, for Council consideration and approval.

The policies and procedures in this CPP relate to five specific stages of action mentioned in law or regulation. These stages include:

- **Stage 1.** The needs assessment stage, i.e., the identification of housing and community development needs that generally occurs during development of a Consolidated Plan. For the 2025-2029 Consolidated Plan, this stage will occur from January through March of 2025.
- **Stage 2.** The plan development stage, i.e., preparation of a Draft Consolidated Plan and/or Draft Annual Action Plan. This will occur during February and March of 2025 for the Five-year Consolidated Plan and for the 2025-26 Action Plan.
- **Stage 3.** The approval stage, i.e., formal approval by elected officials of a final Consolidated Plan or Annual Action Plan. The timing of this stage depends on the meeting schedule of the City Council, but generally occurs during March-May.
- **Stage 4.** The amendment stage, i.e., when a change is made in the proposed use of funds in an Annual Action Plan or to the priorities established in the Consolidated Plan, a formal Substantial Amendment will be proposed, considered, and acted upon. (See “Stages in the Process” of this CPP for the definition of what constitutes a substantial amendment). This stage only occurs if a substantial amendment is required.
- **Stage 5.** The performance review phase, i.e., preparation of the Consolidated Annual Performance Evaluation Report. This occurs during August and September of each year.

While the 2025-2029 CPP largely resembles previous CPPs, the new plan includes greater detail related to online audience participation tools and updated information pertaining to City Council meeting access and methods of making public comment.

### **DECISION-MAKER CONFLICT**

Staff has reviewed the property holdings of the City Council members and has found no property holdings within 1,000 feet of the boundaries of the Alpine Avenue CIP or Harborside Park which are the subject of this action.

Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

### **CURRENT-YEAR FISCAL IMPACT**

There is no fiscal impact to the City’s General Fund as a result of this action, as all costs associated with the projects, programs, and administration of CDBG funded projects are covered by the grant funding.

This action will transfer \$240,000 in previously unused CDBG funds towards the Alpine Avenue Street Improvement Project (STL0442), reallocate \$30,000 in CDBG public service funds to the Harborside Park Rec Squad program and an additional \$10,000 for the City’s existing Hotel/Motel Voucher program.

**First Amendment to City of Chula Vista 2024-25 Annual Action Plan**

<b>Grant Program</b>	<b>Org</b>	<b>Obj</b>	<b>Project String</b>	<b>Proposed Project Description</b>	<b>Tonight's Allocation Amount</b>
CDBG	272556	7999	STL0442	Alpine Avenue Street Improvement Project	\$240,000
CDBG	272557	7901		Harborside Park Rec Squad Program	\$30,000
CDBG	272557	7901	BGS1261 - 272557 - OTHEREXP	Hotel/Motel Voucher Program	\$10,000
<b>Total</b>					<b>\$280,000</b>

**ONGOING FISCAL IMPACT**

There is no ongoing fiscal impact to the City's General Fund as a result of this action. All costs associated with the administration of the CDBG program are covered by the grant funding.

**ATTACHMENTS**

1. 2025-2029 Citizen Participation Plan

*Staff Contact: Dania Gonzalez, Principal Management Analyst  
Mark Barnard, Management Analyst II*