



Housing and Homelessness Advisory Commission

February 24, 2025

Item No. 5.1

ITEM TITLE

Housing Funds: HUD Block Grant Programs Funding Priorities for 2025-2029 Consolidated Plan and 2025/26 Annual Action Plan

Location: No specific geographic location

Department: Housing and Homeless Services

G.C. § 84308 Regulations Apply: No

Environmental Notice: The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act State Guidelines. Therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required. Notwithstanding the foregoing, the activity also qualifies for an Exemption pursuant to Section 15061(b)(3) of the California Environmental Quality Act State Guidelines. Under the National Environmental Policy Act (NEPA), the activity is exempt pursuant to Title 24, Part 58.34(a)(2)(3) of the Code of Federal Regulations.

Recommended Action

Accept report, allow for public comment, and provide input.

SUMMARY

As a Department of Housing and Urban Development Entitlement Community, the City of Chula Vista receives funds annually aimed to fund diverse programs and services to enhance the quality of life for Chula Vista's most vulnerable populations. As a recipient of these funds, the City is required to develop and submit a 5-Year Consolidated Plan for use of the funds describing the housing and community development needs of the City's low/moderate-income residents and outlining the strategies to address those needs. In addition, the City must develop and submit an Annual Action Plan for each of the five years of the Consolidated Plan.

This meeting will provide the commission and interested community members with an overview and an opportunity to provide input on the goals and funding priorities that will be established through the 2025-2029 Five-Year Consolidated Plan and the 2025-2026 annual Action Plan, expected to be adopted in spring 2025.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a “Project” as defined under Section 15378 of the State CEQA Guidelines because it will not result in a physical change in the environment. Therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Notwithstanding the foregoing, it has also been determined that the activity qualifies for an Exemption pursuant to Section 15061(b)(3) of the California Environmental Quality Act State Guidelines. Thus, no environmental review is required. Under NEPA, the activity is exempt pursuant to Title 24, Part 58.34(a)(2)(3) of the Code of Federal Regulations.

DISCUSSION

Department of Housing and Urban Development (“HUD”) Entitlement jurisdictions receive Community Development Block Grant (“CDBG”), HOME Investment Partnerships Act (“HOME”) Program, and Emergency Solutions Grant (“ESG”) Program annual allocations via a formula-based system determined by statistical and demographic data. The funds aim to address HUD’s performance measurement framework and were each enacted with a distinct community need as further described below.

CDBG: The primary objective of the CDBG program is the development of viable urban communities through decent housing, a suitable living environment, and expanding economic opportunities for low/moderate-income persons. Activities funded under this program must address one of three National Objectives:

1. Benefit to low/moderate-income persons through social services, housing or infrastructure projects;
2. Aid in the prevention or elimination of slums and blight through residential or commercial rehabilitation; or
3. To meet an urgent need such as a natural disaster or pandemic.

Historically, the City has utilized this flexible funding source to fund social services programs as well as improve public facilities and construct new streets and sidewalks.

HOME: The purpose of the HOME program is to create and retain affordable housing. The type of assistance allowable under this program includes owner-occupied housing rehabilitation, new construction, and acquisition and rehabilitation, for both single-family and multifamily projects, as well as predevelopment loans to developers.

In the past, the City has leveraged HOME funds by providing tenant-based rental assistance, gap financing to first-time homebuyers, and providing financing for developers investing in our community to create new affordable housing units.

ESG: The program was created specifically to address homelessness as it provides grant funding to engage and rapidly re-house homeless individuals and families as well as help operate and provide essential services in emergency shelters. Funds may also be used to prevent individuals and families from becoming homeless through rapid re-housing programs.

Currently the City is utilizing ESG funds for operational costs for shelters designated for victims of domestic violence, homeless prevention, and outreach services.

As a recipient of these funds, the City is required to prepare a five-year Consolidated Plan (“Con Plan”) describing the housing and community development needs of the City’s low/moderate-income residents and outlining strategies to address those needs over a five-year period. The Con Plan provides the necessary policy guidance for implementation of programs and services to be funded, as further detailed in the Annual Action Plan submitted to HUD, as the formal funding application for the respective program year.

The City is in the process of developing its 2025-2029 Con Plan as well as its 2025-2026 Annual Action Plan.

Citizen Participation through Planning Process

Engaging residents and community members in defining and understanding the current housing and community development needs while prioritizing resources to address these needs is a key component of the development of the Con Plan. The City is required by HUD to gather input from its residents, including minorities, non-English-speaking persons, low/moderate-income residents, persons with disabilities, advocates for seniors, illiterate persons, and unhoused persons, whom the grant programs are designed to serve. Public input received is used to establish the strategies and funding priorities previously described.

Citizen participation has been encouraged using the City’s new public engagement software, Community Voices. A Community Voices webpage for the Con Plan was published in December 2024. This site detailed all public meetings for Con Plan Development and hosted the community needs survey that is currently available for members of the public to complete until February 28.

City staff held a series of four public input meetings, one in each Council District, that allowed residents to participate directly with staff and provide their input on funding priorities. Staff also announced development of the Con Plan at meetings of the Chula Vista Community Collaborative and provided fliers and links to the Community Voices webpage to community partner organizations and representatives of traditionally difficult to reach populations. On February 4th Staff presented to City Council and held an opening public hearing to fulfil HUD ConPlan requirements. This meeting is an additional avenue for the community to engage in the prioritization of the grant funds.

The Con Plan also utilizes qualitative and quantitative data gathered through citizen participation, market analysis, and the community needs survey to identify the highest priority needs in which to direct entitlement dollars. Funding priorities determined through citizen participation will be incorporated in the Con Plan through goals and outcomes that will be established and brought back to City Council for approval before final submission to HUD. Table 1, on the following page provides a timeline for the steps in the Con Plan development.

Funding Availability and Request for Applications (Program Year 2025-26)

The development of the 2025-2026 Annual Action Plan will be included with the Con Plan. A Notice of Funding Availability (“NOFA”) for request of the grant funds will be released on February 3, 2025 for eligible agencies and City Departments and be open until March 3, 2025, as further detailed in Table 1. While the City has not received formal communication from HUD on the anticipated grant funds for the 2025-26 program year, staff will be assuming the same amount as in prior years. As a reference, the City has received a slight decrease for each of the grants in the past five years.

Next Steps

Once all relevant Con Plan data has been gathered and subrecipient applications have been received and reviewed for eligibility and funding consideration, staff will return to City Council to present the draft Con

Plan goals and provide funding recommendations for the 2025-26 program year, anticipated April 8, 2025.

Table 1: 2025 Consolidated Plan and Annual Action Plan Timeline

DATE	ACTION
December 2024	Con Plan Community Needs Survey Opens
January 16, 27, 29 & 30, 2025	Con Plan Community Meetings
February 3, 2025	Annual Action Plan Notice of Funding Availability Release
February 4, 2025	Con Plan & Annual Action Plan Council Public Hearing
February 2025	Housing & Homeless Advisory Commission Con Plan Meeting
February 25, 2025	Annual Action Plan Applicant Question and Answer Period
Closes at the end of business day	Submit to: mbarnard@chulavistaca.gov
February 28, 2025	Con Plan Community Needs Survey Closes
March 3, 2025	Annual Action Plan Application Deadline
No later than 4:00 pm	
March 3 – March 17, 2025	Annual Action Plan Application Review Period
April 8, 2025 (anticipated)	City Council Public Hearing for Annual Action Plan Recommendations City of Chula Vista; 276 Fourth Avenue; Council Chambers
April 1 - April 30, 2025	30-Day Public Review Period Draft 2025-26 Annual Action Plan is made available to the public for public review and comments
May 6, 2025	City Council Con Plan & Annual Action Plan Consideration Final Con Plan & Action Plan are approved by Council City of Chula Vista; 276 Fourth Avenue, Council Chambers
May 15, 2025	Final Con Plan & Annual Action Plan submission to HUD
July 1, 2025	Implementation of 2025-2026 Annual Action Plan

CURRENT-YEAR FISCAL IMPACT

There is no fiscal impact to the General Fund as a result of this action as all costs associated with the planning and administration of the CDBG, HOME, and ESG programs are covered by the respective grants.

ONGOING FISCAL IMPACT

There is no ongoing fiscal impact to the City's General Fund as a result of this action.

ATTACHMENTS

None.

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