Agenda Item No: 2.a

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: March 17, 2026

Submitted by: Jeannette Ortega

From: City Administrator

Subject:
PUBLIC HEARING AND CONSIDERATION OF PROPOSED PROGRAMS AND ACTIVITIES TO BE SUBMITTED TO THE COUNTY OF ORANGE FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING FOR FISCAL YEAR 2026-27

Financial Impact:
Fiscal Impact:
CDBG funds in the amount of $352,527 for Fiscal Year 2026-27

Summary:
The Federal Housing and Community Development Act of 1974 authorizes Community Development Block Grant ("CDBG") funding for projects that support the development of viable urban communities by providing suitable living environments for low- and moderate-income persons. As a designated Metropolitan City, the City of Placentia does not compete with other County cities for CDBG funding through the County of Orange ("County"). Instead, the City's CDBG allocation is determined by and provided directly from the U.S. Department of Housing and Urban Development ("HUD") through the County. Funding allocations vary annually; therefore, the proposed allocation is presented to the City Council each fiscal year.

For Fiscal Year ("FY") 2026–27, the City's anticipated CDBG allocation is $352,527, of which $317,285 will be received directly to the City. All eligible programs and activities must comply with HUD National Objectives and the County's Consolidated Plan. Funded programs and projects are required to achieve measurable performance outcomes, such as improving accessibility through the removal of physical barriers or enhancing livable and viable neighborhoods by benefiting low- to moderate-income residents. This action will hold a public hearing on the proposed programs and activities and authorize the City Administrator, or her designee, to submit the CDBG application to the County for the programs and activities described herein.

Recommendation:
Recommended Action: It is recommended that the City Council:

1. Open the Public Hearing to consider proposed programs and activities for the Community Development Block Grant Funding for Fiscal Year 2026-27; and
2. Receive the Staff report, consider all public testimony, ask any questions of Staff; and
3. Close the Public Hearing; and

4. Authorize the City Administrator to submit an application to the County of Orange to receive CDBG Funds to support public service programs, public facilities improvements, housing rehabilitation needs, and administrative expenses for Fiscal Year 2026-27; and
5. Authorize the City Administrator to execute all necessary documents, in a form approved by the City Attorney.

Strategic Plan Statement:
This item is consistent with the City Council approved Strategic Goal No. 3: Infrastructure, Facilities and Public Spaces by maintaining and enhancing streets, parks, and public facilities to ensure they are well-appointed, clean, attractive, and reflective of the City's commitment to quality.

Discussion:
The Federal Housing and Community Development Act of 1974 authorizes Community Development Block Grant ("CDBG") funding for projects that support the development of viable urban communities by providing suitable living environments for low- and moderate-income persons. As a designated Metropolitan City, the City does not compete with other County cities for CDBG funding through the County. The City's annual funding allocation is established by the U.S. Department of Housing and Urban Development ("HUD").

Eligible programs and activities must comply with HUD's established performance objectives and align with the priority levels set forth by the County. These programs are intended to create suitable living environments that benefit communities, families, or individuals residing in designated low- to moderate-income areas of the City. Funded projects must also achieve measurable performance outcomes, such as improving accessibility through the removal of physical barriers or promoting livable and viable neighborhoods by providing direct benefits to low- to moderate-income residents.

As shown in the chart below, $317,285, in CDBG funds will be allocated directly to the City and used to offset and/or supplement the General Fund for specific programs and activities that support viable urban communities. The remaining $35,242, will be allocated to the County to cover costs associated with preparation of the Annual Action Plan (AAP), the Consolidated Annual Performance and Evaluation Report (CAPER), and other administrative expenses.

Activity	**Program**	**Allocation**
Housing Needs	Housing Rehabilitation Program	$52,500
Public Facilities/Non-Housing Rehab	Sidewalk, Curb, and Gutters (ADA Improvements)	$176,679
Public Services	Senior Services Salaries (Lunch Program)	$21,000
Public Services	Public Services Salaries (Neighborhood Services)	$31,864
Administration - City	Deputy Director of Admin. Services for Administering CDBG Programs	$35,242
	CITY TOTAL	**$317,285**
Administration - County	County Staff Salaries for CDBG Reporting	$35,242
	COUNTY TOTAL	**$35,242**
	TOTAL CDBG FUNDING ALLOCATION	**$352,527**

Program Activities

Housing Needs

The objective of the Housing Needs program is to preserve and rehabilitate the City's existing owner-occupied housing stock. A significant portion of the City's residential units are more than 50 years old, necessitating proactive measures to maintain their quality, safety, and livability. Many of these homes are owned by low- to moderate-income residents, including elderly and disabled individuals, who may lack the resources to adequately maintain their properties. Minor exterior rehabilitation activities, such as exterior repairs, weatherization, and site clean-up, are often required to address health and safety concerns and to preserve acceptable living conditions.

Public Facilities / Non-Housing Rehabilitation

The purpose of this activity is to improve accessibility and ensure compliance with the Americans with Disabilities Act (ADA) within identified public areas throughout the City. Title II of the ADA requires public entities to provide individuals with disabilities equal access to programs, services, and activities. Numerous sidewalks, curbs, and gutters within the City were constructed prior to the enactment of the ADA in 1990 and require rehabilitation to eliminate existing physical barriers. On May 7, 2024, the City Council awarded a contract to Disability Access Consultants (DAC) to prepare an ADA Self-Evaluation and Transition Plan. As part of this effort, DAC conducted field assessments of the City's public rights-of-way to identify accessibility barriers, recommended corrective measures, and developed a prioritized implementation schedule in accordance with federal ADA requirements and State of California access standards. Based on the findings of this study, the City continues to place a high priority on improving ADA accessibility in public areas.

Public Services

HUD regulations require that up to 15 percent of the total CDBG allocation be dedicated to public service activities. Based on identified community needs and HUD requirements, the City prioritizes continued support for public services benefiting seniors and youth. The City's Senior Lunch Program provides a vital community service to senior and disabled residents by offering daily nutritious meals along with valuable opportunities for social interaction. The program serves an average of approximately 450 meals per month to residents of Placentia and surrounding communities. The majority of participants are over the age of 65, live alone, and are considered low-income. In addition, the City offers Neighborhood Services programs, including free food distribution and human services referrals, in designated low- to moderate-income areas. These programs ensure that residents have access to comprehensive and coordinated resources to support family and individual needs.

Administrative Costs

HUD permits up to 20 percent of the total CDBG allocation to be used for administrative costs. Pursuant to the City's agreement with the County of Orange, administrative funding is evenly divided between the City and the County. The County is responsible for preparing and submitting required HUD reports on behalf of the City, including the Annual Action Plan (AAP), Consolidated Annual Performance and Evaluation Report (CAPER), Analysis of Impediments (AI), Citizen Participation Plan (CPP), and management of the Integrated Disbursement and Information System (IDIS). The City's administrative costs support the monitoring and reporting of CDBG-funded programs and activities, including the submission of quarterly expenditure reports, financial documentation, contracts, and summaries of program accomplishments.