



Agenda Item No: 2.a

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: March 18, 2025

Submitted by: Kiana Louie

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 2025-26

Financial Impact:

Fiscal Impact:

Community Development Block Grant (CDBG) funds in the amount of \$533,305 are to be received for Fiscal Year 2025-26 to support proposed programs. No impact to the City's General Fund.

Summary:

The Federal Housing and Community Development Act of 1974 provides Community Development Block Grant (CDBG) funds for projects that promote the development of viable urban communities by providing suitable living environments for persons of low and moderate income. As a Metropolitan City, the City of Placentia does not compete with 11 other County cities to apply and receive CDBG funds through the County of Orange ("County"). The amount of CDBG funding received by the City is established and provided directly by the U.S. Department of Housing and Urban Development (HUD) via the County. The funding allocation varies from year to year; therefore, the funding allocation will be presented to the City Council on an annual basis.

For Fiscal Year ("FY") 2025-26, the anticipated funding amount is \$533,305, of which the City will receive \$498,063 directly. Eligible funding programs and activities must adhere to National Objectives established by HUD and the County's Consolidated Plan. The program and projects must achieve a specified performance outcome, such as improving accessibility through the removal of physical barriers or promoting livable and viable neighborhoods by providing a benefit to low to moderate-income residents. This action will conduct a public hearing on the proposed programs and activities and authorize the Interim City Administrator, or his designee, to submit the application to the County to receive CDBG funds for the programs and activities described herein.

Recommendation:

Recommended Action: It is recommended that the City Council take the following actions:

1. Open the Public Hearing to consider proposed programs and activities for the Community Development Block Grant Funding for Fiscal Year 2025-26; 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 Interim 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 2025-26; and
5. Authorize the Interim 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 5-Year Strategic Goal to Ensure Long-Term Fiscal Sustainability, under Objective #1.4, which is to protect and preserve existing economic development/property nodes throughout the City to maximize revenue opportunities. This item is also consistent with the Goal to Improve City Beautification, under Objective #6.5, which is to examine beautification opportunities in disadvantaged areas per the General Plan.

Discussion:

The Federal Housing and Community Development Act of 1974 provides CDBG funds for projects that promote the development of viable urban communities by providing suitable living environments for persons of low and moderate income. As a Metropolitan City, the City does not compete with 11 other County cities to apply and receive CDBG funds through the County. The City's funding allocation will be established annually by HUD.

Eligible programs and activities must adhere to the established performance objectives established by HUD and conform to the priority levels set by the County. This includes creating a suitable living environment that benefits communities, families, or individuals who are from designated low to moderate-income areas of the city. Projects must also achieve specified performance outcomes, such as improving accessibility through the removal of physical barriers or promoting livable and viable neighborhoods by providing a benefit to low to moderate-income residents.

As indicated in the chart below, the CDBG amount of \$498,063 will be allocated to the City and will serve as a direct offset and/or supplement to the General Fund for specific programs and activities that support viable urban communities. The remaining \$35,242 will be provided to the County to cover costs related to the preparation of the Annual Action Plan (AAP), Consolidated Annual Performance and Evaluation Report (CAPER), and other administrative costs.

CDBG ALLOCATION TO THE CITY OF PLACENTIA		
Activity	Program	Allocation
Housing Needs	Housing Rehabilitation Program	\$52,500
	Facade Improvement Program	\$176,679
Public Facilities/Non-Housing Rehabilitation	Sidewalk, Curb, and Gutters (ADA Improvements) Pedestrian Accessibility Improvements	\$180,778

Activity	Program	Allocation
Public Services (Mandated 15% of CDBG Funds)	Senior Services Salaries (Lunch Program)	\$21,000
	Public Services Salaries (Neighborhood Services)	\$31,864
Administration - City	Senior Management Analyst - Economic Development Salary for Administering CDBG Programs	\$35,242
	Total CDBG Allocation to the City	\$498,063

CDBG ALLOCATION TO THE COUNTY OF ORANGE		
Activity	Program	Allocation
Administration - County	County Staff - Maximum HUD Allocation	\$35,242
	Total CDBG Allocation to the County	\$35,242

TOTAL CDBG FUNDING ALLOCATION	\$533,305
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Program Activities

Housing Needs: The goal is to preserve and rehabilitate existing ownership housing stock. Due to the large percentage of the City's housing stock exceeding 50 years of age, measures must be taken to preserve the quality and livability of existing residential units. Many of these housing units are owned by low-moderate income persons, often elderly or disabled residents, who are unable to adequately care for their homes. Minor exterior rehabilitation efforts are often necessary to provide exterior repairs, weatherization, or clean-up improvements to maintain the quality of living conditions or for health and safety issues.

In addition, the Façade Improvement Program will be implemented in an effort to remove blight and provide for the expansion of the City's tax base through the use of CDBG funds for eligible façade improvements to local businesses. The funds can be used for exterior improvements among the aging commercial buildings in the Old Town Placentia area. The program will be designed to promote Placentia as a positive venue for quality business, incentivize business improvements and attraction to enhance local economic growth, and ensure that government regulations promote a favorable business climate.

Public Facilities/Non-Housing Rehabilitation: The goal of this activity is to provide adequate ADA accessibility among identified public areas in the city. Title II of the Americans with Disabilities Act (ADA) requires all public entities to give individuals with disabilities an equal opportunity to benefit from all of their programs, services, and activities. Several of Placentia's sidewalks, curbs, and gutters, constructed prior to the enactment of ADA in 1990, require rehabilitation to remove any existing physical barriers. On May 7, 2024, the City Council awarded a contract to Disability Access Consultants (DAC) to develop an ADA Self Evaluation and Transition Plan within a 12-month time frame. As part of their scope of work,

DAC is currently performing field investigations of the City's right-of-way to identify obstacles limiting accessibility, describe methods to improve accessibility, and recommend a schedule for achieving ADA compliance as mandated by the ADA and State of California Access codes. Once the Transition Plan is completed, the City will utilize the scheduled improvements to develop a bid package to advertise for construction of these ADA curb ramp improvements. Since this is still an ongoing study, the City will also utilize its current inventory of areas that have been identified in need of ADA improvements and continue to highly prioritize the need to provide adequate ADA accessibility in public areas.

Public Services: HUD requires 15% of the total CDBG funding allocation to be designated to public services. Based upon the community needs and HUD requirements, there is a high priority need to continue to support public services for senior and youth populations. The City's continuing Senior Lunch Program provides a local community benefit to the senior and disabled population by providing daily nutritional meals supplemented by much-needed social interaction. The program serves an average of 450 lunches a month to senior and disabled residents in Placentia and the surrounding communities. The majority of attendees are over the age of 65, live alone, and are considered low-income. The City also provides several Neighborhood Services programs, including free food distribution and human services referrals in areas designated as low-to-moderate income. These Neighborhood Services programs ensure that comprehensive and coordinated resources are available to support family needs.

Administrative Costs: HUD approves the allocation of 20% of the total CDBG funding for administrative costs. Per the current agreement with the County of Orange, the 20% will be equally divided between the City and the County. The County will file on behalf of the City, several HUD-mandated reports, including the Annual Action Plan (AAP), Consolidated Annual Performance and Evaluation Report (CAPER), Analysis of Impediments (AI), Citizen Participation Plan (CPP), and the Integrated Disbursement and Information System (IDIS) management. The City's administrative costs will be for the monitoring and reporting of the programs and activities. Administrative costs will specifically be for the submittal of quarterly expenditure reports, financial activity, contracts, and a summary of accomplishments for each of the programs and activities.

Fiscal Impact Summary:

Fiscal Impact:

Submittal of the proposed CDBG program and activities to the County will have a positive financial impact. The City will receive approximately \$498,063 of the anticipated total amount of \$533,305 in CDBG-allocated funds for FY 2025-26 for the implementation of specific programs and activities that will have a positive impact on our community.