

## **..Title**

Adopt a Resolution Approving: 1. 2025-2029 Community Development Block Grant (CDBG) Consolidated Plan and FY 2025-2026 CDBG Annual Action Plan; 2. FY 2025-2026 and FY 2026-2027 CDBG funding allocations for Public Facilities, Public Services, and Administration; and 3. The implementation of a two-year and three-year funding cycle for CDBG Public Services allocations to align with the five-year Consolidated Plan period

## **..Staffreport**

### **COUNCIL PRIORITY**

- Housing and Homelessness
- Race and Equity Initiatives
- Community and Business Development

### **SUMMARY**

The U.S. Department of Housing and Urban Development (HUD) annually allocates federal grants such as the CDBG and HOME Investment Partnerships Program (HOME) to eligible jurisdictions to support local community development activities. The City of San Leandro (City) is one of ten entitlement jurisdictions in Alameda County that qualifies for direct CDBG funding from HUD, as it exceeds the 50,000 population threshold required for entitlement status. Entitlement grant allocations are determined primarily through a HUD formula that incorporates objective measures of community need, including poverty levels, population trends, housing overcrowding, the age of the housing stock, and the rate of population growth relative to other metropolitan areas. To receive these federal funds, jurisdictions must comply with Title I of the National Affordable Housing Act, which requires preparation of a five-year Consolidated Plan, Annual Action Plan, and a Consolidated Annual Performance and Evaluation Report (CAPER). These documents identify local community development priorities and outline strategies to address them.

### **Funding Cycle**

Beginning in FY 2025-2026, Staff recommends that the City implement a two-year and three-year funding cycle for CDBG Public Services allocations to align with the five-year Consolidated Plan period. This approach will streamline the application process and reduce administrative requirements for agencies seeking limited funding. To be eligible for continued funding, agencies must remain in good standing to receive a one-year contract amendment. CDBG Public Facilities and Improvements applications will continue to operate on a one-year funding cycle.

### **RECOMMENDATIONS**

Staff recommends that the City Council adopt a Resolution (Attachment A) approving: 1. 2025-2029 Community Development Block Grant (CDBG) Consolidated Plan and FY 2025-2026 CDBG Annual Action Plan (Attachment B); 2. FY 2025-2026 and FY 2026-2027 CDBG funding allocations for Public Facilities,

Public Services, and Administration (Attachment C); and 3. The implementation of a two-year and three-year funding cycle for CDBG Public Services allocations to align with the five-year Consolidated Plan period

## **BACKGROUND**

### **2025-2026 CDBG Funding Allocations**

On May 14, 2025, the City received notification from HUD regarding its FY 2025-2026 CDBG allocation. The City anticipates receiving \$765,834 in FY 2025-2026 CDBG entitlement funds and plans to utilize an additional \$408,959.35 in prior year unexpended funds. In total, the City expects to have approximately \$1,174,793.35 in CDBG funds available for eligible activities.

The FY 2025-2026 CDBG funding allocations are based on HUD's final allocation formula and are subject to City Council approval. In addition, the City has adopted a CDBG Contingency Plan (Attachment D) to address any potential increases or decreases in HUD funding. A detailed funding breakdown is provided in the table below.

<b>FY 2025-2026 CDBG Budget (est.)</b>	
Entitlement Amount	\$765,834
Prior Year Unexpended Funds (FY 23-24 & FY 24-25)	\$408,959.35
<b>Total</b>	<b>\$1,174,793.35</b>
Administration (20%)	\$153,166.80
Public Services (15%)	\$114,875.10
Public Facilities & Improvements (65% + unexpended funds)	\$906,751.45
<b>Total</b>	<b>\$1,174,793.35</b>

### **General Fund Reserve**

On March 17, 2025, the City Council adopted Resolution No. 2025-028, which set aside 20% of the unallocated FY 2023-2024 unspent General Fund- totaling \$183,187- in a separate reserve account. This reserve was established as a safeguard if CDBG Public Services funding was withheld from the City. Based on the current HUD allocation for FY 2025-2026, it now appears that use of these designated General Fund reserves will not be necessary. The City anticipates releasing these reserve funds at the close of FY 2025-2026.

## **ANALYSIS**

### **2025-2029 CDBG Consolidated Plan**

Every five years, the City is required to undertake a planning process to determine how future CDBG entitlement funds will be invested. As part of this effort, the City conducted a comprehensive community outreach process that included distribution of a Priority Needs Survey to both stakeholders and the general public, promotional email blasts, website postings, social media outreach, a public

meeting, a 30-day public comment period, and a final public hearing. The survey was made available in English, Spanish, and Chinese, and the City received a total of 211 responses from residents and stakeholders. The survey results highlighted the following community priorities and goals.

Top Priority Need:

- Affordable housing

Priority Needs:

- Increase affordable housing for low- and moderate-income households and special populations
- Support a network of easily accessible services
- Improve infrastructure and public facilities in underserved areas
- Implement facilities projects that promote community resilience
- Improve neighborhood safety and resiliency

Plan Goals:

- Support affordable housing
- Support vital community services
- Improve public infrastructure, facilities
- Planning and administration

The Consolidated Plan will be updated and finalized, as needed, prior to submission to HUD.

### **2025-2029 CDBG Annual Action Plan**

The FY 2025-2026 Annual Action Plan is a one-year plan that outlines the eligible activities the City intends to undertake during the program year (July 1, 2025 - June 30, 2026) to address community needs and implement the strategies identified in the adopted 2025-2029 Consolidated Plan. The Annual Action Plan details the specific activities the City plans to fund to address priority housing and community development needs and to affirmatively further fair housing. The Annual Action Plan will be updated and finalized, as needed, prior to submission to HUD.

### **FY 2025-2026 CDBG Administration**

Of the total anticipated entitlement amount, \$153,166.80 has been allocated to Program Administration to cover eligible staff and consultant costs. In addition, the City will allocate \$20,000 to ECHO Housing for the Fair Housing Services Program. A detailed funding breakdown is provided in the table below.

<b>FY 2025-2026 CDBG Administration (est.)</b>	
City of San Leandro	\$133,166.80
ECHO Housing-Fair Housing Services Program	\$20,000
<b>Total</b>	<b>\$153,166.80</b>

### **2025-2026 and 2026-2027 CDBG Public Services**

Of the total anticipated entitlement amount, \$114,875.00 has been allocated to eligible Public Service activities, which must primarily benefit very low- and low-income households. This allocation marks the first year of the City's two-year funding cycle for CDBG Public Services covering FY 2025-2026 and FY 2026-2027. FY 2026-2027 CDBG Public Services funding allocations will be based on the actual HUD entitlement amount received at that time. A detailed funding breakdown of FY 2025-2026 is provided in the table below.

<b>FY 2025-2026 CDBG Public Services (est.)</b>	
CALICO- Child Abuse Intervention Project	\$25,179.87
Service Opportunities for Seniors, Inc. (SOS)/Meals On Wheels - Meal Delivery to Homebound Seniors	\$55,259.34
Spectrum - San Leandro Senior Nutrition Program	\$34,435.89
<b>Total</b>	<b>\$114,875.10</b>

### **2025-2026 CDBG Public Facilities and Improvements**

In FY 2025-2026, the City intends to fund one CDBG Public Facilities and Improvements project. The allocation will support the City's Capital Improvement Program (CIP) by funding accessibility-related improvements. A detailed funding breakdown is provided in the table below.

<b>FY 2025-2026 CDBG Public Facilities &amp; Improvements (est.)</b>	
Provide funding for the City's CIP Projects - design of barrier removal along the public right-of-way involving various curb ramp and sidewalks gaps Citywide, barrier removal project for various curb ramps and sidewalk gaps Citywide	\$906,751.45
<b>Total</b>	<b>\$906,751.45</b>

### **SUMMARY OF PUBLIC OUTREACH EFFORTS**

As noted above, the City conducted a comprehensive community outreach process that included distribution of a Priority Needs Survey to both stakeholders and the general public, promotional email blasts, website postings, social media outreach, a public meeting, a 30-day public comment period, and a final public hearing. The survey was made available in English, Spanish, and Chinese. In compliance with HUD regulations, the City posted the 2025-2029 Consolidated Plan and FY 2025-2026 Annual Action Plan for a 30-day public comment period from April 1 to May 5, 2025, exceeding the minimum requirement. The documents were made available for public review on the City's website and at the City Hall public counter. No public comments were received

### **ENVIRONMENTAL REVIEW**

The National Environmental Policy Act (NEPA) generally exempts planning documents- such as the Five-Year Consolidated Plan and Annual Action Plans-

from environmental review requirements. Environmental review under NEPA will be conducted at the project or activity level, as applicable.

### **FINANCIAL IMPACTS**

Sufficient funding will be available and budgeted to support the FY 2025-2026 CDBG funding allocations. As noted above, FY 2026-2027 CDBG Public Services funding allocations will be based on the actual HUD entitlement amount received at that time. CDBG programs and projects are funded through the City's annual federal grant allocation from HUD.

### **ATTACHMENTS**

***Attachment A:*** Draft Resolution

***Attachment B:*** 2025-2029 CDBG Consolidated Plan and FY 2025-2026 CDBG Annual Action Plan

***Attachment C:*** FY 2025-2026 and FY 2026-2027 CDBG funding allocations for Public Facilities, Public Services, and Administration

***Attachment D:*** Resolution 2024-021 (CDBG Contingency Plan)

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