



# STAFF REPORT

DATE: 04/02/2025  
TO: Honorable Mayor and City Council Members  
FROM: City Manager's Office – Housing and Homeless Solutions Division

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**2025-119**

## REQUEST FOR CITY COUNCIL ACTION

### SUBJECT

PUBLIC HEARING FOR CITY COUNCIL CONSIDERATION AND APPROVAL OF AMENDMENT NO. 1 TO THE 2024-2025 AND 2022-2023 ACTION PLANS OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) CONSOLIDATED PLAN

### EXECUTIVE SUMMARY:

The staff report asks the City Council to approve a substantial amendment to the 2024-2025 and 2022-2023 Action Plans of the HUD Consolidated Plan to cancel an activity (Program Year 2024 Victoria Park Community Center Park Improvements Project Phase III) and transfer the funds to an existing project (Program Year 2022 Victoria Park Improvements Phase I—Splash Pad).

### RECOMMENDED ACTION:

That the City Council:

- a. Conduct a public hearing to receive comments concerning Amendment No. 1 to Program Year 2024-2025 HUD and Program Year 2022-2023 Action Plans of the HUD Consolidated Plan.
- b. Approve Amendment No. 1 to the Program Years 2024-2025 and 2022-2023 Action Plans of the HUD Consolidate Plan to cancel an activity (Program Year

2024 Victoria Park Community Center Park Improvements Project Phase III) and to transfer the funds to an existing project (Program Year 2022 Victoria Park Improvements Phase I - Splash Pad) in excess of 50% of the project's original budget.

- c. Authorize the City Manager, or his designee, to prepare and process all necessary budgetary transactions to effectuate the changes in Amendment No. 1 for the Program Years 2024-2025 and 2022-2023 Action Plans.
- d. Authorize the City Manager, or his designee, to negotiate, execute, and amend contracts with sub-recipients, developers, or professional service providers as necessary to implement CDBG funds under the approved projects identified in Amendment No. 1 to the Program Years 2024-2025 and 2022-2023.
- e. Authorize the City Manager, or his designee, to execute, amend, and submit all plans and documents necessary to administer the CDBG projects identified in Amendment No. 1 to the United States Department of Housing and Urban Development.

#### **BACKGROUND & HISTORY:**

The U.S. Department of Housing and Urban Development requires all entitlement communities receiving Community Development Block Grant (CDBG) funds, such as the City of Corona, to prepare and submit a HUD Consolidated Plan (Consolidated Plan) every five years to establish a unified, strategic vision for community development, housing and economic development actions. The Consolidated Plan encompasses the analysis of local community needs and coordinates appropriate responses to those needs and priorities. The Corona City Council adopted its Five-Year Consolidated Plan for 2020-2024 on June 17, 2020.

The Consolidated Plan is carried out through Annual Action Plans (Action Plan), which provide a concise summary of the actions, activities, and specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified by the Consolidated Plan. The Corona City Council adopted the 2024-2025 Action Plan on June 5, 2024.

The U.S. Department of Housing and Urban Development (HUD) requires all entitlement communities receiving Community Development Block Grant (CDBG) funds, such as the City of Corona, to prepare and submit a substantial amendment to the Action Plans, to provide residents with the opportunity to review proposed substantial changes to previously approved Action Plan(s), and to offer comments on those changes should there be substantial changes to the use of CDBG or HOME funds. Pursuant to the City of Corona Citizen Participation Plan adopted on June 3, 2020, a substantial amendment to an Annual Action Plan is required when a "substantial" change is proposed, which includes:

- Addition of a new project not previously identified in the Action Plan, without regard to funding source;
- The cancelation of an existing project identified in the Action Plan, without regard to funding source; or
  - Changes in the use of CDBG funds from one eligible activity to another eligible activity meeting the following thresholds:
    - A net increase or decrease greater than 50% of the activity allocation if the allocation is \$50,000 or more as listed in a published Action Plan, or as amended;
    - A net increase or decrease greater than 100% of the activity allocation if the allocation is less than \$50,000 as listed in a published Action Plan or amended; or
    - A net increase or decrease in an activity allocation greater than \$300,000.

**ANALYSIS:**

After collaborating with the City’s Public Works and Community Services Departments, who are overseeing the construction of the Victoria Park Splashpad Park project, and reviewing project activity expenditures, it was determined that additional funding was needed for year one of the park plan projects to be completed. In support of the City’s 3-year park plan, staff have identified unused CDBG capital improvement funds from the program year 2024-2025 set aside for the Victoria Park Community Center Phase III improvements, which could be used to fill a gap for the additional funding needed in Phase I Victoria Park Splashpad.

The transfer of these funds will support the following objectives: 1) the completion of the Victoria Park Splashpad project without any additional allocation of City funds, 2) support timely expenditure of CDBG grant funds as required by HUD, and 3) cancel an activity. The transfer of funds is more than 50% of the project’s original budget; therefore, the proposed Substantial Amendment also involves amending the 2022-2023 Action Plan.

To provide additional context for the proposed amendment, it is important to note that the City of Corona receives regular formula-based entitlement grants of CDBG funds through the United States Department of Housing and Urban Development (HUD) each year.

On May 4, 2022, the Corona City Council approved the Program Year 2022-2023 Action Plan to specify the eligible CDBG activities and projects to be undertaken to address the community’s needs through the use of the CDBG entitlement allocation. Specifically, the 2022-2023 Action Plan identified Phase I of the Park Projects Plan “Community Facilities and Infrastructure” project, with an allocated budget of \$703,775.

On June 5, 2024, the Corona City Council approved the Program Year 2024-2025 Action Plan to specify the eligible CDBG activities and projects to be undertaken to address the community’s needs through use of the CDBG entitlement allocation. Specifically, the 2024-2025 Action Plan identified Phase III of the Parks Projects Plan “Community Facilities and Infrastructure” project, with an allocated budget of \$613,249. Due to

extenuating circumstances related to the Phase III Victoria Park Community Center project, this activity is no longer feasible.

Action Plan Amendment No. 1 to the Program Years 2024-2025 and 2022-2023 Action Plans reallocates funds between approved Community Development Block Grant projects. The City proposes to delete an activity (PY 2024 Park Improvements Project Phase III) and transfer the funds to an existing project (PY 2022 Victoria Park Improvements Phase I - Splash Pad) over 50% of the project’s original budget. This substantial amendment also involves amending the budgets for these two activities as identified in the table below:

Project Name and Program Year	Current CDBG Budget	Proposed New CDBG Budget via Substantial Amendment	Net Change
PY 2024 Victoria Park Community Center Improvements Project Phase III	\$613,249	\$0	(-\$613,249)
PY 2022 Victoria Park Improvements Phase I	\$703,775	\$1,317,024	(+\$613,249)

The proposed Amendment No. 1 also addresses a high-priority need and national objective as set out in the City’s 2020-2024 Consolidated Plan and HUD’s National Objectives. Subject to the program regulations set forth by HUD, CDBG funds will be used for the activities outlined below:

***Program Year 2022 Victoria Park Improvements Phase I (Splash Pad Project):***

CDBG funds support personnel (review of key project documentation and publication elements) and capital improvement costs (proofs of publication, construction costs, materials, and installation by an approved contractor). The installation will also include purchasing an ADA-compliant splash pad with several water features and designated play areas with multiple sprayers at Victoria Park. Funds will also cover the costs of materials and installation for multiple seating areas around the splash pad and accent lighting surrounding the splash pad. The splash pad will be in an open area within the park that is currently an open and unutilized grass area.

**CITIZEN PARTICIPATION:**

Notice of the availability of the draft Amendment No. 1 to the Program Year 2022-2023 Action Plan and Program Year 2024-2025 Action Plan was disseminated on the City website at [www.CoronaCA.gov/CDBG](http://www.CoronaCA.gov/CDBG) and via other electronic means. Amendment No. 1 to the 2024-2025 Action Plan and 2022-2023 Action Plans were made available for public review online at [www.CoronaCA.gov/CDBG](http://www.CoronaCA.gov/CDBG) from January 6, 2025, to April 2, 2025. The public was advised of the public hearing and encouraged to submit comments via email to [WrittenPublicComments@CoronaCA.gov](mailto:WrittenPublicComments@CoronaCA.gov)

**COMMITTEE ACTION:**

On May 4, 2022, and June 5, 2024, the Corona City Council approved the Program Year 2022-2023 and 2024-2025 Action Plans to specify the eligible CDBG activities and projects to be undertaken to address the community's needs through the use of the CDBG entitlement allocation.

**FINANCIAL IMPACT:**

The planned projects identified in Amendment No. 1 will not impact the general fund. Amendment No. 1 to the 2024-2025 and 2022-2023 Action Plans recommend canceling and reallocating CDBG funds between approved Community Development Block Grant projects.

**ENVIRONMENTAL ANALYSIS:**

The development of required plans and the allocation of CDBG funds is an administrative activity exempt under 24 CFR Part 58, Section 58.34 of the National Environmental Policy Act of 1969 ("NEPA"), as amended. Additionally, these activities are not considered to be a "project" under the California Environmental Quality Act ("CEQA"). Individual construction activities will be assessed under NEPA and CEQA.

**PREPARED BY:** KAREN ROPER, HOUSING AND HOMELESS SOLUTIONS  
MANAGER

**REVIEWED BY:** JACOB ELLIS, CITY MANAGER

**ATTACHMENTS:**

1. Exhibit 1 - Amendment No. 1 to the 2024-2025 and 2022-2023 HUD Consolidated Annual Action Plans
2. Exhibit 2 – Proof of Publication For Amendment No. 1 to the 2024-2025 and 2022-2023 HUD Consolidated Annual Action Plans