



STAFF REPORT

DATE: 07/02/2025
TO: Honorable Mayor and City Council Members
FROM: City Manager's Office – Housing and Homeless Solutions Division

2025-270

REQUEST FOR CITY COUNCIL ACTION

SUBJECT:

PUBLIC HEARING FOR 2025-2029 HUD CONSOLIDATED PLAN AND 2025-2026 ANNUAL ACTION PLAN; AND INCREASED FUND ALLOCATION TO PROGRAM YEAR 2021 HOME-AMERICAN RESCUE PLAN ACT ALLOCATION PLAN

EXECUTIVE SUMMARY:

This staff report asks the City Council to conduct a public hearing to receive comments and approve the 2025-2029 HUD Consolidated Plan and 2025-2026 Annual Action Plan of the HUD Consolidated Plan, as well as HUD Increased Fund Allocation to Program Year 2021 HOME-American Rescue Plan Act (ARP) Allocation Plan.

RECOMMENDED ACTION:

That the City Council:

- a. Conduct a public hearing to receive comments concerning the 2025-2029 HUD Consolidated Plan and 2025-2026 Action Plan of the HUD Consolidated Plan.
- b. Approve the 2025-2029 HUD Consolidated Plan and 2025-2026 Action Plan of the HUD Consolidated Plan, including related Exhibits, and approve the HUD Correction for increased funding to Program Year 2021 of the HOME-ARP Allocation Plan, inclusive of the allocation of funds to the Community Development

Block Grant (CDBG), HOME Investment Partnerships (HOME) projects, and Program Year 2021 HOME-ARP Allocation.

- c. Authorize the City Manager, or his designee, to submit the required planning documents, sign any relevant HUD documents to accept the Program Year 2021 HOME-ARP increased allocation in the amount of \$2,019 and submit any necessary amendments to HUD.
- d. Authorize the City Manager, or his designee, to prepare and process all necessary budgetary transactions to receive and effectuate the funds included in the 2025-2029 HUD Consolidated Plan and 2025-2026 Action Plan of the HUD Consolidated Plan.
- e. Authorize the City Manager, or his designee, to negotiate, execute, and amend contracts with subrecipients, developers, contractors, or professional service providers as necessary to implement the CDBG, HOME, and HOME-ARP program projects using funds under the approved projects identified in the 2025-2026 HUD Annual Action Plan and the Program year 2021 HOME-ARP Allocation Plan, and any ongoing projects identified in prior Action Plans.
- f. Authorize the City Manager, or his designee, to execute, amend, and submit to HUD all plans and documents necessary to administer the 2025-2026 CDBG, HOME, and Program Year 2021 HOME-ARP Allocation projects.
- g. Authorize the appropriation of any CDBG program income receipts from loan payoffs received by the City to the Residential Rehabilitation Program, Operating and Maintenance Project No. 67133, a CDBG approved project, within the Community Development Block Grant Fund 431.
- h. Authorize the appropriation of any HOME program income receipts from loan payoffs received by the City to the Residential Rehabilitation Program, Operating and Maintenance Project No. 67133, a HOME approved project, within the HOME Investment Partnership Fund 432.

BACKGROUND & HISTORY:

The City of Corona receives entitlement grant allocations of CDBG and HOME funds each year from HUD. To continue receiving these funds, HUD requires the City of Corona to prepare and submit a Five-Year Consolidated Plan which establishes a unified, strategic vision for community development, housing and economic development actions. The HUD Consolidated Plan encompasses the analysis of local community needs and coordinates appropriate responses to those needs and priorities. City Council adopted the last Five-Year HUD Consolidated Plan for 2020-2024 on June 17, 2020.

The City's HUD Consolidated Plan is implemented 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 HUD Consolidated Plan. City Council adopted the most recent 2024-2025 Action Plan of the HUD Consolidated Plan on June 5, 2024.

HUD requires all entitlement communities receiving HOME – American Rescue Plan (HOME-ARP) funds to prepare and submit an allocation plan to identify qualifying populations within the jurisdiction; establish an assessment of unmet needs of each qualifying population; determine gaps in housing and shelter inventory, homeless assistance and services, and homelessness prevention service delivery systems; as well as define a summary of planned use of HOME-ARP funds for eligible activities based on the unmet needs of the qualifying populations.

ANALYSIS:

CDBG Funds

The Housing and Community Development Act of 1974 created the CDBG Program. The primary objective of the CDBG program is the development of viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low- and moderate-income. The CDBG regulations require that each activity meets one of the following national objectives:

- Benefit low- and moderate-income persons;
- Aid in the prevention or elimination of slums and blight; or
- Meeting other community development needs having a particular urgency

Each year with the submission of the Annual Action Plan, the City certifies that it has given priority to activities that meet the first and second objectives outlined above. Additionally, the City certifies that no less than 70 percent of the CDBG funds received, over a three-year certification period, will benefit low- and moderate-income persons.

HOME Funds

The Cranston-Gonzalez National Affordable Housing Act created the HOME program to provide states and local governments with a flexible funding source to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income households. HOME is a federal block grant to local governments with the sole purpose of creating affordable housing opportunities for low-income households.

Consolidated Plan

The proposed Consolidated Plan establishes four (4) core strategies designed to address the planning and administration of both CDBG and HOME funds, address homelessness and housing insecurity through affordable housing efforts, provides public services to

those who need it most, and invests in essential community facilities and infrastructure. Use of CDBG and HOME resources to address these core strategies aligns with HUD's national strategy to provide decent housing opportunities, a suitable living environment, and economic opportunities—particularly for low- and moderate-income people.

As part of the preparation of the Consolidated Plan, the City reached out for consultation to agencies, groups, and organizations involved in the development of affordable housing, creation of job opportunities for low-and moderate-income residents, and/or provision of services to homeless and non-homeless individuals with special needs. To facilitate this consultation, the City solicited feedback through the following methods:

- Community Needs Survey (web-based and paper-surveys); a total of 2,578 surveys were collected
- Community and stakeholder meetings (Resident meetings were held in English and Spanish; both morning and evening session to account for different work schedules)
- Receipt of written or oral comments

The input received from these consultations helped establish and inform the objectives and goals described in the Strategic Plan, a section of the 2025-2029 Consolidated Plan.

Starting in October 2024, the City consulted with numerous stakeholders in the private, nonprofit, and public sectors to gather data and information necessary to make informed choices about high priority needs and Consolidated Plan goals. Extensive efforts were made to encourage participation by low- and moderate-income persons, particularly those living in blighted areas and in areas where HUD funds are proposed to be used, and by residents of predominantly low- and moderate-income neighborhoods. Staff also made efforts to encourage the participation of minorities and non-English speaking persons in accordance with its Limited English Proficiency Plan, as well as persons with disabilities. The consultation process included representatives from the Continuum of Care for Riverside County, Housing Authority of the County of Riverside, and other specified groups. These groups completed surveys, provided local data and assisted City staff to ensure practical coordination of strategies to maximize impact and to avoid duplicated efforts.

The five-year strategies identified in the 2025-2029 HUD Consolidated Plan include:

1. *Affordable Housing*: Address high priority needs to prevent and eliminate homelessness, increase the supply of affordable housing, and preserve the supply of affordable housing.
2. *Public Services*: Address the high priority needs to prevent and eliminate homelessness, ensure equal access to housing opportunities, and provide public services for low-income residents and residents with special needs.
3. *Community Facilities & Infrastructure*: Address the high priority needs to prevent and eliminate homelessness and improve community facilities and infrastructure.

4. *Planning & Administration:* Provide for the timely and compliant administration of the CDBG and HOME programs in accordance with HUD policy and federal regulations.

Investment of CDBG and HOME funds in specific activities over the next five years will be guided by these strategies and the specific measurable goals established within the annual action plans. Activities to receive CDBG and HOME funding each year will be determined by the City Council, based on recommendations formulated through consultation with residents, stakeholders, and City staff charged with managing and overseeing the program.

Action Plan of the HUD Consolidated Plan

For the 2025-2026 Program Year, the City will receive \$1,085,264 of CDBG funds and \$409,306.27 of HOME funds from HUD. The 2025-2026 Annual Action Plan allocates these resources to fund the following program activities that will be implemented from July 1, 2025, to June 30, 2026. The Action Plan includes the projects to receive CDBG and HOME funds during the 2025-2026 Program Year and authorizes the reuse of program income for existing eligible activities. As noted in the recommended actions within this staff report, CDBG and HOME program income shall be appropriated to the Residential Rehabilitation Program. It should be noted that updated Residential Rehabilitation Program (RRP) Guidelines have been incorporated into the 2025-2029 HUD Consolidated Plan and 2025-2026 Annual Action Plan as an exhibit to the planning document. The revised RRP Guidelines include the addition of Mobile Home Grants. Mobile Home Grants will complement the City’s pending Mobile Home Rent Stabilization Ordinance. The Annual Action Plan also outlines the City’s five-year commitment to service providers and activities as entitlement funds become available on a yearly basis. The proposed list of service providers and activities are outlined as follows:

2025-2026 CDBG Activities

Fair Housing Council of Riverside County: Fair Housing	\$34,594
Big Brothers Big Sisters: Bigs with Badges Mentoring Program	\$32,048
Inspire Life Skills Training: Inspire Hope, Corona	\$32,048
Starting Over, Inc: Employment Readiness & Training Program	\$32,048
Voices for Children: Court Appointed Special Advocate (CASA)	\$32,048
City of Corona: Housing Code Enforcement	\$100,000
City of Corona: Public Works ADA Compliance	\$605,426
CDBG Program Planning and Administration	\$217,052
Total	\$1,085,264

The nonprofit public service providers were selected through a competitive Notice of Funding Availability (NOFA) process. The proposals were reviewed and scored by an application review committee consisting of staff and consultants. The applicants with the highest average scores were recommended for funding. The City of Corona Housing Code Enforcement and ADA Compliance projects were evaluated by staff and

consultants to ensure that recommended activities align with the Consolidated Plan priorities, HUD regulations, and implementation feasibility.

2025-2026 HOME Activities

Tenant-Based Rental Assistance	\$306,979.70
Community Housing Development Organization (CHDO) Set-Aside	\$61,395.94
HOME Program Planning and Administration	\$40,930.63
Total	\$409,306.27

Tenant Based Rental Assistance (TBRA) Program activities will continue to be provided by Mercy House in accordance with prior City Council actions related to the Homeless Plan and the Mercy House contract. The TBRA Program currently provides rental assistance to Corona residents at-risk of eviction as well as rental assistance to clients graduating from Corona’s shelter system. It should be noted that the TBRA Program also complements the City’s pending Rent Stabilization Ordinance as the funds can be used to provide rental assistance to eligible Mobile Home residents who are unable to pay space rent.

HOME-ARP (American Rescue) Allocation Plan

The City of Corona was allocated \$1,799,854 of HOME-American Rescue Plan Act (HOME-ARP) funding from HUD. In order to receive the HOME-ARP allocation, the City was required to develop a HOME-ARP Allocation Plan that became part of the City’s Program Year 2021-2022 HUD Annual Action Plan through a substantial amendment that was approved by the City Council on May 4, 2022. The increase to the Program Year 2021 HOME-ARP Allocation is \$2,019 and will be distributed to previously approved activities; with 15% (\$302) of the increase going to the Administration budget to oversee the program, and 85% (\$1,717) of the increase going to planned activity of Rental Housing as identified in the Program Year 2021 HOME-ARP Allocation Plan.

CITIZEN PARTICIPATION:

Notice of the availability of the draft 2025-2029 HUD Consolidated Plan and 2025-2026 Annual Action Plan, was published on May 30, 2025 in the Sentinel Weekly News and published on the City website at www.CoronaCA.gov/CDBG. In addition, physical copies were made available to the public at the City of Corona City Clerk’s Office and Corona Public Library during regular business hours. Accordingly, the draft 2025-2029 HUD Consolidated Plan and 2025-2026 Annual Action Plan were made available for public review starting June 2, 2025, for a minimum of 30 calendar days. The public was advised of the public hearing and also encouraged to submit comments via email to the City by 4:00pm on July 2, 2025 so that comments could be incorporated into the final document submitted to HUD.

FINANCIAL IMPACT:

There is no impact on the General Fund as a result of the planned projects to be funded with annual grants of CDBG, HOME, and HOME-ARP funds from HUD.

ENVIRONMENTAL ANALYSIS:

The creation, modification, or update of required plans and the allocations of CDBG, HOME, and HOME-ARP funds are 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”).

PREPARED BY: KAREN ROPER, HOUSING & HOMELESS SOLUTIONS MANAGER

REVIEWED BY: JACOB ELLIS, CITY MANAGER

ATTACHMENTS:

1. Exhibit 1 – 2025-2029 HUD Consolidated Plan (Inclusive of 2025-2026 Annual Action Plan)
2. Exhibit 2 – Notice of Public Hearing and 30-day Public Review Period
3. Exhibit 3 – Corona Residential Rehabilitation Program Guidelines (Exhibit within the 2025-2029 Consolidated Plan)
4. Exhibit 4 – HOME ARP – Corona CA Letter (R09-M21MP060559)
5. Exhibit 5 – HOME ARP – Corona CA Agreement (R09-M21MP060559)
6. Exhibit 6 – Corona Template – External CDBG Reimbursement Contract and Exhibit A
7. Exhibit 7 – Corona Template – External CDBG Reimbursement Contract and Exhibit B Insurance Requirements
8. Exhibit 8 – Corona Template – Internal CDBG Reimbursement Contract and Exhibit A