



To: Mayor and City Council

From: City Manager

Meeting Date: April 22, 2025

Subject: PUBLIC HEARING – APPROVAL OF COMMUNITY DEVELOPMENT BLOCK GRANT 2025-2029 CONSOLIDATED PLAN AND FISCAL YEAR 2025-2026 ANNUAL ACTION PLAN

Recommendation:

1. Conduct a public hearing and approve a resolution authorizing the City Manager, or his designee, to submit the Community Development Block Grant (CDBG) 2025-2029 Consolidated Plan and Fiscal Year 2025-2026 Annual Action Plan to the U.S. Department of Housing and Urban Development; and
2. Authorize the City Manager or his designee to execute all necessary agreements and certifications related to the implementation of CDBG-funded programs and projects.

Fiscal Impact:

As of the date of this agenda report, the U.S. Department of Housing and Urban Development has not announced federal entitlement fund allocations for local jurisdictions. The City of Pico Rivera (City) anticipates receiving approximately \$2.75 million cumulatively for fiscal years 2025-2029. For FY 2025-2026, the City estimates receiving approximately \$550,000 in CDBG funds to program as part of the FY 2025-2026 Annual Action Plan. The CDBG activities and administrative costs will be funded solely by grant funds and will not impact on the General Fund.

Background:

The U.S. Department of Housing and Urban Development (HUD) requires entitlement cities to submit a Consolidated Plan every five (5) years, and an Annual Action Plan each program year to receive CDBG funding. These documents outline how federal funds will be used to address the community's housing and development needs, particularly for low- and moderate-income residents. The public review process for both plans has been completed, and City Council approval is now requested for submission to HUD.

Discussion:

The Consolidated Plan identifies long-term goals, strategies, and priority needs for the City's use of HUD funding. The Annual Action Plan outlines specific projects and programs that will be funded in the first program year (July 1, 2025 – June 30, 2026).

The City received public input through:

- Public Comment Period (March 21, 2025, to April 22, 2025)
- Online resident surveys (217 survey responses)
- Consultations with non-profits, service providers, and housing advocates

These efforts ensured the plans reflect the needs and priorities of residents, especially those in low- and moderate-income communities. The draft Consolidated Plan and Annual Action Plan were made available for public review during this period, with a notice published in *Los Cerritos Community News*.

This table illustrates Consolidated Plan goals, based on the survey responses.

No.	Goal and Needs Addressed
1	Public Service – Public Service Programs to Improve Quality of Life
2	Public Facilities and Infrastructure Improvements – Maintain Suitable Living Environments for Residents
3	Maintain Affordable Housing – Address Substandard Housing and Maintain Affordable Housing
4	Fair Housing – Address Housing Discrimination
5	Economic Development – Economic Development Activities
6	Administration – Planning and Administration

Although HUD has not yet released the City's funding allocations for FY 2025-2026, the City is using estimated allocations based on the allocations it received last year from HUD. All proposed activities' budgets will be proportionately increased or decreased from the estimated funding levels to match actual allocation amounts when these are released by HUD. For FY 2025-2026, the City estimates receiving approximately \$550,000 in CDBG funds to program as part of the FY 2025-2026 Annual Action Plan.

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Proposed FY 2025-2026 CDBG Funding Allocations:

Program Activity/Project	Funding Recommendation
Program Administration*	\$99,500
Fair Housing Services*	\$10,500
Southeast Area Social Services Funding Authority**	\$41,250
Heart of Compassion**	\$41,250
Handyworker Grant Program	\$125,000
Citywide Sidewalk Improvements	\$232,500
Total	\$550,000

* Subject to 20% Administration cap

** Subject to 15% Public Service cap

Staff recommends allocating funds to the above-listed activities, which are further outlined below:

- Program administration funds are utilized for administration and planning activities, such as general management, oversight, preparing budgets and schedules, and preparing reports and other HUD-required documents. These funds help cover the consultant costs for the administration of the program. Planning and administration costs are capped at 20% of the program year's allocated CDBG entitlement, plus any program income received during that year.
- The City is required to provide fair housing resources via a provider who can provide guidance and mediation for fair housing issues and complaints involving landlords and tenants. Fair housing activities are eligible administrative activities, and these costs are also subject to the 20% administration cap.
- The Southeast Area Social Services Funding Authority (SASSFA) provides congregate meals at the Senior Center and home delivered meals to senior Pico Rivera residents. In addition to meals, SASSFA provides home chore/personal care and respite services. These are public service activities with costs capped at 15% of the program year's allocated CDBG entitlement plus any program income received during that year.
- Heart of Compassion plans to offer direct assistance to low-income Pico Rivera residents by distributing fresh fruits, vegetables, and other essential items twice a week; as public service activities. These costs are also subject to the 15% public service cap.

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- The Handyworker Grant Program is a home rehabilitation program. It allows grant funds for low-income homeowners with critical home repair needs. Staff recommends allocating \$125,000 to this program for the upcoming fiscal year.
- Infrastructure and Public Facilities Improvements: Additional CDBG funds are recommended for allocation to construction activities for an additional round of citywide sidewalk improvements.

Environmental Analysis:

The approval of the 2025-2029 Consolidated Plan and Fiscal Year 2025-2026 Annual Plan is not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4) and (5), because it involves governmental fiscal and administrative activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

Conclusion:

Staff recommends that the City Council conduct a public hearing to receive comments on the draft 2025–2029 Consolidated Plan and FY 2025–26 Annual Action Plan, approve the 2025–2029 Consolidated Plan and FY 2025–2026 Annual Action Plan, authorize the City Manager to submit the approved documents to HUD, and authorize the City Manager to execute all necessary agreements and certifications related to the implementation of CDBG-funded programs and projects.



Steve Carmona

SC:AB:JG:ca

Enclosure(s): 1) Resolution
2) FY 2025-26 CDB Proposed Budget
3) FY 2025-2029 Consolidated Plan & FY 2025-2026 Annual Action
Plan
4) Public Notice