



Agenda Item

Community Development Block Grant Program Committee

Item #: 2.1.

10/16/2025

File #: 25-0576

TO: Community Development Block Grant Program Committee

THRU: Russell Bunim, Community Development Director

FROM: Jessica Herrera, Housing Manager

1. SUBJECT

Public Hearing for the Substantial Amendment to the Fiscal Year 2025-2026 Annual Action Plan that is included in the 2025-2029 Consolidated Plan.

2. SUMMARY

Substantial Amendment to the 2025-2026 Annual Action Plan, included as part of the 2025-2029 Consolidated Plan, proposing to allocate an additional \$54,259 in available funding from unspent Fiscal Year 2023 and 2024 resources to establish a Community Development Business Façade Program aimed at enhancing commercial corridors within Community Development Block Grant eligible areas.

3. RECOMMENDED ACTION

1. Conduct and close the Public Hearing.
2. Make the following recommendations to the City Council:
 - Amend the 2025-2026 Annual Action Plan to create a Community Development Business Façade Program activity under the Community Development Block Grant (CDBG) funding.
 - Allocate \$100,000 to the Community Development Business Façade Program from the following sources:
 - \$54,259 from the Fiscal Year 2025-2026 Community Development Business Assistance Program (Admin) to Community Development Business Façade Program;
 - \$36,973.89 from Fiscal Year 2022-2023 unspent entitlement funds
 - \$8,767.11 from Fiscal Year 2023-2024 unspent entitlement funds
 - Set grant awards at \$25,000 for each eligible business.

4. DISCUSSION AND BACKGROUND

The U.S. Department of Housing and Urban Development (HUD) mandates that jurisdictions receiving annual entitlement funding through the Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) Programs develop a Consolidated Plan (Con Plan) every five years. The Con Plan is designed to establish the City's housing and community development priorities, ensuring alignment with the objectives of the CDBG and HOME programs. Serving as a comprehensive strategic framework, the Con Plan enables the City to assess affordable housing and community development needs, evaluate market conditions, and make informed decisions based on

data analysis.

On June 24, 2025, the City formally adopted the 2025-2029 Con Plan, which identified Economic Development as a high-priority objective. As part of the Con Plan, the 2025-2026 Annual Action Plan (AAP) included funding in the amount of \$70,741 to support the creation of a Community Development Business Assistance Program aimed at advancing this priority.

2025-2026 Annual Action Plan

The Con Plan is executed through AAPs, which provide a detailed summary of the strategies, activities, and allocation of federal and non-federal resources each year to address the priorities identified in the Con Plan. The 2025-2029 Con Plan includes the 2025-2026 AAP, which is the first year of the five-year cycle.

Community Development Business Façade Program

The Community Development Department is proposing the establishment of a Business Façade Program aimed at revitalizing commercial corridors within eligible CDBG areas. The program would provide financial assistance to improve building exteriors visible from the public right-of-way, thereby enhancing neighborhood aesthetics and supporting local economic development.

Eligible improvements may include, but are not limited to:

- Architectural design services and related professional fees
- Labor, materials, and fixtures
- Restoration of historical or architecturally significant façade elements
- Gutters and downspouts
- Doors and windows
- Exterior painting, including murals
- Exterior lighting affixed to the building
- Siding and trim enhancements, including awnings and planter boxes
- Soffit and fascia repairs
- Decorative fencing to improve curb appeal
- Display windows and lighting for retail, restaurant, or service businesses
- Signage integrated into the building's architectural design
- Accessibility improvements for individuals with disabilities
- Installation or repair of awnings or shade structures
- Roofing repairs or replacement
- Interior blight remediation addressing code violations (e.g., accessibility, fire safety, mold)

The proposed program would provide grants of up to \$25,000 per eligible business located within designated CDBG areas. Priority consideration may be extended to businesses that contribute matching funds of \$10,000 or more, or that are identified as high-priority by the Community Development Director. The \$25,000 grant threshold has been selected to remain below the level that would trigger ongoing building monitoring or additional compliance requirements from HUD.

Citizen Participation Process

The Citizen Participation Plan (CPP) outlines the procedures for citizen participation in the planning process of the Consolidated Plan and Annual Action Plans. Pursuant to the City's CPP, the City shall amend the approved Consolidated Plan and Annual Action Plan when there is a:

- Substantial change (20% or more) in its allocation priorities or a substantial change in the method of distribution of funds takes place; or

- Carries out an activity, using funds from any program covered by the Con Plan (including program income) not previously described in the action plan; or has a
- Substantial change in the purpose, scope, location, or beneficiaries of an activity.

The City of Orange applied its substantial change criteria based on the introduction of a new activity not previously included in the City Council approved 2025-2026 AAP. The proposed funding allocation exceeds 20% of the original allocation, constituting a substantial amendment under the City's adopted guidelines.

Public Review of Substantial Amendment and City Council Public Hearing

The recommendations of the CDBG Committee will be incorporated into the Substantial Amendment to the 2025-2026 Annual Action Plan (AAP), which is part of the 2025-2029 Consolidated Plan.

The amendment will be made available for a 30-day public review and comment period, beginning October 30, 2025, and concluding on December 1, 2025 at the following locations:

- City Clerk Office - 300 East Chapman Avenue, Orang, CA 92866
- Community Development Department - 300 East Chapman Avenue, Orange, CA 92866
- Public Library (Main Library) - 407 East Chapman Avenue, Orange, CA 92866
- El Modena Branch Library - 380 S. Hewes Street, Orange, CA 92869
- Taft Branch Library - 740 E. Taft Avenue, Orange, CA 92865
- City website at www.cityoforange.org/our-city/departments/community-development/housing/cdbg
<<http://www.cityoforange.org/our-city/departments/community-development/housing/cdbg>>

After the 30-day review period, the Substantial Amendment will be presented to the City Council on December 9, 2025 for consideration and approval.