



REPORT to the MAYOR and MEMBERS of the CITY COUNCIL  
From the CITY MANAGER

DATE: June 10, 2025

SUBJECT: CONSIDERATION AND APPROVAL OF THE DRAFT CONSOLIDATED PLAN FOR COMMUNITY DEVELOPMENT FOR THE PLANNING PERIOD JULY 2025 TO JUNE 2029 AND THE FISCAL YEAR 2025-2026 ANNUAL ACTION PLAN FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING AND CITIZEN PARTICIPATION PLAN (CPP) FOR THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) FUNDING PROGRAMS

ISSUING DEPARTMENT: Community Development

SUMMARY:

Issues:

1. Should the City Council approve the Draft Consolidated Plan for July 2025 to June 2029 and FY 2026 CDBG Annual Plan?
2. Should the City Council approve the draft CPP for HUD-funded programs?

Recommendation:

1. That the City Council provide input on the the draft Consolidated Plan and Annual Action Plan (**Attachment A**) and Citizen Participation Plan (**Attachment B**)
2. Direct staff to return on July 8, 2025, for final review and approval.

Fiscal Impact:

There is no impact on the City's General Fund. The City's CDBG entitlement funding allocation for program year 2025-2026 is \$456,031. In addition, this program year, the City will reprogram \$35,789.95 from available prior year funds.

City's Strategic Goals:

- Maintain a community where residents and visitors feel safe.
- Promote a high quality of life that current and future generations can afford to call home.
- Invest in infrastructure to serve the needs of the community.

Environmental Review:

This is not a project under CEQA and is, therefore, not subject to environmental review. CCR15378; PRC 21065.

BACKGROUND:

Incorporated in 1912, the City of La Mesa (City) is in the East County region of San Diego County and is bordered by the cities of San Diego to the west, El Cajon to the east, and Lemon Grove to the south. Often referred to as the "Jewel of the Hills," La Mesa has grown to an estimated population of 60,835 and boasts many vibrant community assets, including a historic downtown village, robust transit hubs that connects to the broader San Diego region, and 14 parks and open spaces for recreation and community events.

As an entitlement jurisdiction under the U.S. Department of Housing and Urban Development (HUD), the City qualifies to receive federal funding. HUD funding programs include:

- Community Development Block Grants (CDBG) – CDBG is a flexible funding source that can be used for both Housing and non-housing activities, including neighborhood revitalization, workforce and economic development, community and nonprofit facilities, and infrastructure and public services in LMI communities.
- HOME Investment Partnerships (HOME) – HOME is used for building, acquiring, and rehabilitating affordable Housing for rent and homeownership. It may also be used to provide direct rental assistance to low-income residents.
- Emergency Solutions Grants (ESG) – ESG funds programs and services supporting persons experiencing homelessness. This includes operating shelters, providing essential services to shelter residents, administering rapid rehousing programs, and homelessness prevention.

The City of La Mesa receives Community Development Block Grant (CDBG) funds in proportion to its population size, concentration of poverty, and other socioeconomic and

demographic data. To receive such funds, the City must submit a Consolidated Plan that outlines the City's housing and community development needs and proposes strategies for using HUD funds to address these needs over a five-year period, an Annual Action Plan that details the specific activities that will be undertaken each year to achieve the goals set forth in the Consolidated Plan, and must have an adopted Citizen Participation Plan to set forth policies and procedures for citizen participation.

Together, these documents serve as the Strategic Plan for allocating federal resources and enhancing the quality of life for its residents, particularly those that are low and moderate-income. Although the goals align with the City's Strategic Plan, the CDBG program Strategic Plan has separate goals. All the draft documents will be available for public comment 30 days prior to submission to HUD.

The City does not receive HOME or ESG funding. However, through HOME funding, the City participates in the County of San Diego's HOME Consortium (HOME Consortium), which includes the Cities of Carlsbad, Encinitas, La Mesa, San Marcos, Santee, and Vista. Forming a consortium is a way for local governments that would not otherwise qualify for funding to join with other contiguous units of local government to directly participate in the HOME Investment Partnerships Program (HOME) program. The County of San Diego's Housing Authority serves as the City's public housing authority.

In 2024, the HOME Consortium was one of the approved consortia Participating Jurisdictions (PJs). These PJs are interested in taking a more regional, collaborative approach to meeting their affordable housing needs, as individual formula allocations typically do not meet the minimum threshold for funding. As mentioned, the County of San Diego is the lead entity of the consortium. Per, 24.CFR 92.101, the lead entity, assumes all responsibility for compliance with the HOME program requirements and is responsible for the long-term affordability requirements of all projects developed by the consortium. The HOME Consortium will look to review its approval status in 2026.

The Consolidated Plan is a five-year planning document that identifies needs within low-to-moderate-income (LMI) communities and outlines how the City will address those needs. It guides investments and helps achieve HUD's mission of providing decent housing, suitable living environments, and expanded economic opportunities for LMI populations.

The City's CDBG allocation has fluctuated over the past ten years from a high of \$478,231 in the program year 2023-2024 to a low of \$355,856 in the program year 2017-2018, as shown in Table 1. To continue receiving these funds, the City must prepare and submit a Consolidated Plan every five years and an Annual Action Plan every year.

Table 1: Ten-Year CDBG Allocation History	
Program Year	Allocation
2016-2017	\$ 360,485
2017-2018	\$ 355,856
2018-2019	\$ 395,112
2019-2020	\$ 413,091
2020-2021	\$ 446,016
2021-2022	\$ 450,233
2022-2023	\$ 435,060
2023-2024	\$ 478,231
2024-2025	\$ 453,937
2025-2026	\$ 456,031

This Five-Year Consolidated Plan cycle comprises the program years 2025-2029 for the period beginning July 1, 2025 through June 30, 2029. The Annual Action Plan (Annual Plan) outlines the intended use of CDBG resources for the program year 2025-2026.

As part of the Consolidated Plan process, the City submits an annual Consolidated Annual Performance and Evaluation Report (CAPER), which reports on how funds were spent, the households that benefited from the funds, and the progress toward meeting its annual goals for housing and community development activities. The most recent CAPER is provided for in **Attachment C**.

The City has successfully implemented housing and community development activities. The City's accomplishments during the past five years, arranged by project type and beneficiary group, can be found in **Attachment D**.

#### DISCUSSION:

In accordance with the federal regulations at 24 CFR, Part 91, the City has prepared a Five-Year Consolidated Plan with an Annual Action Plan and an amended Citizen Participation Plan.

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

Staff began the Consolidated Planning process in August of 2024. In accordance with the City's CPP, which specifies the City's policies and procedures for community engagement, staff conducted multiple public outreach activities to obtain community input. A Consolidated Plan workshop for residents, local housing groups, and service providers was held on December 17, 2024. In addition, a Housing and Community

Development Needs Survey was made available online and in hard copy form in English and Spanish.

The following 2025-2029 Consolidated Plan goals were developed from the community input and the needs assessment and housing market analysis required by HUD and are used to guide the selection and implementation of CDBG projects:

**Goal 1** – Improve public facilities and infrastructure to promote a healthy and vibrant city environment.

**Goal 2** – Promote equitable access to affordable housing through the preservation of existing units, assistance to homeowners, and fair housing services.

**Goal 3** – Create programs to prevent and address homelessness and provide access to services.

**Goal 4** – Provide local community services to support low- and moderate-income households.

### **Annual Action Plan**

On May 14, 2025, HUD announced that the City would receive an allocation of \$456,031 in CDBG entitlement funds for FY 2025-2026. The Annual Plan outlines how the City intends to spend an estimated \$456,031 in CDBG entitlement funds. Additionally, \$35,789.95 of prior year CDBG entitlement funds will be repurposed towards 2025-2026 activities.

Below is an overview of the funding recommendations for the 2025-2026 CDBG entitlement funds and prior year funds based on the goals identified through the citizen participation process, with a full description of each funding recommendation starting on page 73 of the Consolidated Plan.

- **Improve Facilities and Infrastructure: (\$405,829.29)** - The City's Sidewalk Master Plan Map categorizes streets as: streets where sidewalk currently exists, streets where sidewalk does not currently exist but is planned for the future, and streets where sidewalk does not currently exist and is not planned for the future. Tower Street between 70th Street and 68th Street is identified on the Sidewalk Master Plan as a street where sidewalk does not currently exist but is planned for the future. Design is anticipated to be completed by

December 2025. Construction is anticipated to be completed by December 2026.

- Fair Housing (\$30,000) – to be allocated to CSA administration costs.
- Planning and Administration (\$50,000)- allocated for administrative activities, environmental review of projects, monitoring, reporting, and outreach.
- Conserve the Housing Stock (\$6,000) – allocated for housing specific administrative costs including oversight of the rehabilitation loan program

### **Citizen Participation Plan**

The Citizen Participation Plan (CPP) describes the City's policies and procedures for public involvement in the development of the Five-Year Consolidated Plan and its component Annual Action Plans, amendments to these plans, as well as the CPP, emergency noticing, and the public review process of the Consolidated Annual Performance and Evaluation Report (CAPER). The CPP is a tool to encourage residents, consultants, and other entitlement grant beneficiaries to become involved in the development and evaluation of the plans that outline the housing and community development needs, goals, objectives, and activities for La Mesa.

The Citizen Participation Plan (**Attachment B**) has been reviewed and updated to align with HUD requirements as follows: Amendments to the definition of a Substantial Amendment to include:

- increased the threshold of activity budget changes from 25% to 100%
- a change in allocation priorities or a change in the method of distribution of funds
- Amendments to the purpose of noticing and noticing time frames in order to align with HUD guidelines.

### **CONCLUSION:**

Staff recommends that the City Council provide input on the draft 2025-2029 Consolidated Plan, which includes the 2025-2026 Annual Action Plan (**Attachment A**), and Citizen Participation Plan (**Attachment B**), and direct staff to return on July 8, 2025 for final review and approval. Attached is the draft version of Draft Resolution (**Attachment E**) which will be brought back at the second public hearing.

Reviewed by:



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Greg Humora  
City Manager

Respectfully submitted by:



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Lynnette Santos  
Community Development Director