



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 26-1299

Agenda Date: 5/20/2026

Agenda #: 17.

DATE: May 20, 2026

TO: Honorable Mayor and City Councilmembers

FROM: Housing and Neighborhood Services Department

TITLE: AMENDMENTS TO THE CITIZEN PARTICIPATION PLAN, 2025-29 CONSOLIDATED PLAN, AND 2025-26 ANNUAL ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME PROGRAMS

RECOMMENDATION

Staff recommends that the City Council: 1) Conduct a public hearing to consider an amendment to the City's Citizen Participation Plan required for U.S. Department of Housing and Urban Development (HUD) funding and substantial amendments to the Fiscal Year (FY) 2025-29 Consolidated Plan to establish a reasonable preference for households with Special Needs (i.e., At-Risk of Homelessness and Homeless Persons) for the HOME Tenant-Based Rental Assistance Program and the FY 2025-26 Annual Action Plan to award and appropriate an additional \$300,000 of CDBG dollars to complete the necessary improvements to the Crown Heights Resource Center; and 2) Adopt a resolution approving the amendment to the Citizen Participation Plan and those substantial amendments to the FY 2025-29 Consolidated Plan and the FY 2025-26 Annual Action Plan, their submission to HUD; and, authorizing the City Manager or their designee to execute all documents and take all necessary actions to effectuate such amendments.

BACKGROUND AND ANALYSIS

As a designated HUD entitlement community, the City of Oceanside receives Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) funds, collectively known as "HUD funds". HUD funds are aimed at funding diverse programs and services to enhance the quality of life for Oceanside's most vulnerable populations.

Citizen Participation Plan

As required by the HUD Code of Federal Regulations (CFR) (24 CFR Part 91 Sec. 91.105), the City must adopt a Citizen Participation Plan (CPP) setting forth the City's policies and procedures for citizen participation. This CPP establishes standards for the City to provide for and encourage citizens and entitlement grant beneficiaries to participate in the planning, execution, and evaluation of the Consolidated Plan, the Annual Action Plan, and the Consolidated Annual Performance and Evaluation Report (CAPER). Any changes to the CPP and substantial changes to the Consolidated Plan or the Annual Action Plan necessitate a Public Hearing process.

Staff has proposed key changes to the CPP which would define substantial amendments to include a

change in an activity’s program budget which exceeds 25% or more and inclusion of activities not previously identified in the AAP process. The detailed changes to the CPP are included in Attachment 2.

2025-29 Consolidated Plan

HUD regulations require that entitlement jurisdictions adopt a five-year Consolidated Plan for Housing and Community Development and Annual Action Plans for the use of its HUD funds. On May 7, 2025, the City Council approved the FY 2025-29 U.S. Department of Housing & Urban Development (HUD) Consolidated Plan and the program budget for the CDBG and HOME funds for the FY 2025-26 Annual Action Plan, which included funding for renovations to the Crown Heights Community Center. On May 6, 2026, the City Council approved the CDBG and HOME program budget for FY 2026-27, inclusive of a HOME funded Tenant Based Rental Assistance (TBRA) program with a preference for a special needs population.

Community members and organizations have expressed concern regarding the affordability of rental housing and financial setbacks placing them at risk of losing their housing. Due to current trends at the local, state and federal levels, funding to address risk of homelessness has decreased. For the upcoming FY 2026-27 HOME budget, to assist those lower-income households most in need, City Council approved a TBRA program with preferences for Oceanside residents at imminent risk of housing loss or displacement and secondarily those facing homelessness. This includes households that have received an eviction notice, experienced a significant loss of income or financial hardship, or whose existing rental assistance is scheduled to end. Specifically, with the imminent conclusion of federal funding for the Emergency Housing Voucher (EHV) program in fall 2026, TBRA may serve as a vital resource to stabilize eligible EHV participants’ housing situations while long term and additional resources are identified. which would provide a preference for those at risk of losing housing or being displaced and those facing homelessness.

While the Consolidated Plan identified Tenant-Based Rental Assistance (TBRA) as an eligible activity under Project “Affordable HOME Housing”, it did not identify a preference for any specific targeted population. HOME regulations allow the establishment of preferences, but in its implementation, cannot violate any applicable fair housing, civil rights, and nondiscrimination requirements. In establishing rental housing preferences, the City must include specific details in their Consolidated Plan and Action Plan (24 CFR 92.209 (c)(2)(i) and CFR 91.220(l)(2)(vii)). A substantial amendment to the City’s Consolidated Plan has been prepared to reflect a preference for the identified special needs population.

2025-26 Annual Action Plan

The approved FY 2025-26 AAP included CDBG funding of \$793,593 for the renovations to the Crown Heights Community Center. Due to the unexpected significant building infrastructure concerns and increased construction costs, additional funding is necessary to complete the renovations. CDBG funding is available from CDBG contingency funds, savings from previously allocated Capital Improvements projects, to allocate to the Crown Heights Community Center project. To modify the appropriation of CDBG funds, the 2025-26 Annual Action Plan requires an amendment.

Crown Heights Project Costs	
General Capital Projects Fund	2,367,273

American Rescue Plan Act	1,905,000
CDBG -FY 2025-26	793,593
CDBG - FY 2025-26 Additional Funding	300,000
Project Totals	\$5,365,866

Public Engagement

On April 21, 2026, a Public Notice was published, outlining the proposed amendment of the definition of substantial amendment in the CPP (Attachment 3), establishing a preference for individuals and households with Special Needs (i.e., At-Risk of Homelessness and Homeless Persons) for the HOME Tenant-Based Rental Assistance Program in the FY 2025-29 Consolidated Plan (Attachment 4), and describing the proposed award of an additional \$300,000 requested from Engineering (Attachment 5) to the Crown Heights Resource Center, an existing Capital Improvement Project in the FY 2025-26 Annual Action Plan.

The Public Notice was published in the San Diego Union Tribune newspaper. Additionally, the Public Notice provided details of this City Council public hearing. The draft Amendments were made available on the City’s webpage, Libraries, and Community Resource Centers for public review beginning April 21, 2026 through May 20, 2026. This constituted the required 30-day public review period.

At the time of this report preparation, no public comments were received.

FISCAL IMPACT

The recommendations in this report are cost neutral. The appropriation of the additional \$300,000 in CDBG funding for the Crown Heights project will come from HUD’s reallocation of unspent funds in the FY2025-26 CDBG cycle and does not constitute a new funding source. The change in CDBG funding for this activity will be incorporated into the City’s FY 2025-26 CDBG budget. The HOME funded TBRA program was approved by City Council on May 6, 2026 and will be incorporated into the City’s FY 2026-27 HOME budget. The requested action for TBRA constitutes establishing a preference for those lower-income households eligible for assistance

The CDBG and HOME programs are run on a reimbursement for expenditures basis. All expenditures must be for eligible activities and according to the budget approved by the City Council. CDBG funds are in Fund 237 and HOME funds are in Fund 277. The CDBG and HOME Program has no impact on the General Fund.

	Description	Account	Amount
Revenue	CDBG Contingency	821166319237.4381.0001	\$300,000
Expenditure	CDBG Crown Heights ADA	821166319237.5395.0008	\$300,000

COMMISSION OR COMMITTEE REPORT

Staff presented the Amendments to the Consolidated and Annual Action Plans to update the

definition of Amendment, establishing a preference for individuals and households with Special Needs (i.e., households experiencing or at risk of experiencing homelessness) for the HOME Tenant-Based Rental Assistance Program and award an additional \$300,000 to an existing CDBG funded Capital Improvement Project to the Housing Commission at its April 28, 2026 meeting. The Housing Commission approved the Plan for submission to Council.

CITY ATTORNEY'S ANALYSIS

The City Council is authorized to hold a public hearing in this matter. Consideration of the matter should be based on the testimony and evidence presented at the hearing.

Prepared by: Cecilia Barandiaran, Management Analyst

Reviewed by: Leilani Hines, Housing & Neighborhood Services Director

Submitted by: Jonathan Borrego, City Manager

ATTACHMENTS:

1. Resolution
2. Citizen Participation Plan - Update
3. 2025-29 Consolidated Plan and 2025-26 Annual Action Plan
4. CIP Request for additional funds