



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 25-743

Agenda Date: 6/4/2025

Agenda #: 26.

DATE: June 4, 2025

TO: Honorable Mayor and City Councilmembers

FROM: Housing and Neighborhood Services Department

TITLE: PUBLIC HEARING TO CONSIDER THE SECOND AMENDMENT TO THE FISCAL YEAR 2021-2022 ANNUAL ACTION PLAN TO INCORPORATE THE HOME INVESTMENT PARTNERSHIPS-AMERICAN RESCUE PLAN ALLOCATION PLAN

RECOMMENDATION

Staff recommends that the City Council:

1. Conduct a public hearing to consider establishing reasonable preferences for seniors and veterans among the qualifying population groups of those experiencing homelessness, at-risk of homelessness, or are part of a vulnerable population for HOME Investment Partnerships-American Rescue Plan (HOME-ARP) projects or activities.
2. Adopt a resolution approving the Second Amendment to the Fiscal Year (FY) 2021-22 Annual Action Plan ("Action Plan") to incorporate an amended HOME-ARP Allocation Plan establishing reasonable preferences for those benefiting qualified populations; authorizing its submission to the U.S. Department of Housing and Urban Development (HUD); and authorize the City Manager or their designee to finalize the draft HOME-ARP Plan and execute documents related to the Second Amendment of the 2021-2022 Annual Action Plan and HOME-ARP Allocation Plan on behalf of the City.

BACKGROUND AND ANALYSIS

On March 11, 2021, the American Rescue Plan (ARP) was passed in response to the COVID-19 pandemic. Congress appropriated \$5 billion in ARP funds to be administered through the HOME Investment Partnerships Program (HOME) and authorized HUD to distribute the funds to 651 participating jurisdictions nationwide beginning in Fiscal Year (FY) 2021. The City of Oceanside received \$2,248,491 in such funds.

The intent of HOME-ARP is to address the need for homelessness assistance and supportive services to benefit qualifying individuals and families, including veterans that are experiencing homelessness, at-risk of homelessness, or are part of a vulnerable population such as those fleeing domestic violence. Eligible activities for the use of the HOME-ARP funds include:

1. Development and support of affordable housing;

2. Tenant-based rental assistance (TBRA);
3. Provision of supportive services;
4. Acquisition and development of non-congregate shelter units.

The City received an allocation of \$2,248,491 in HOME-ARP funds, with \$1,119,218 for eligible activities and \$337,273 for planning and administration. HUD's issued guidance, for HOME-ARP funds requires jurisdictions to develop a HOME-ARP allocation plan in consultation with agencies and service providers whose clientele include the HOME-ARP qualifying populations. The City prepared a HOME-ARP Allocation Plan (Plan), consistent with the guidance, and on April 20, 2022, the City Council, by its Resolution No. 22-R0228-1, approved the Plan and an amendment to its 2021 -2022 Annual Action Plan (AAP) to incorporate the Plan for submittal to HUD.

The 2021-22 AAP identified the use of the available HOME-ARP funding for the development of rental housing based upon the City's previous Notice of Funding Availability (NOFA) and Request for Proposals (RFP) issued in March 2021 and awarded to the Greenbrier Village affordable housing development. Due to the need to spend available HOME funds, Greenbrier Village did not utilize the HOME-ARP funds.

Subsequently in February 2024, the City issued another NOFA for the development of affordable rental housing opportunities. As a result of such NOFA, Coast Villas sponsored by a partnership of National CORE and San Diego Community Housing Corporation was selected to receive HOME-ARP funding for a 56-unit new construction rental housing development that will serve qualified individuals and families, known as "Coast Villas" located at 1111 & 1123 South Coast Highway. Once constructed, Coast Villas would serve a subpopulation group of seniors 62 years of age or older and homeless veterans.

In HOME-ARP, there are four established "qualifying populations," referred to as "QPs":

1. Individuals experiencing homelessness, as defined in 24 CFR 91.5 and HUD's Notice CPD-21-10, including unaccompanied youth under 25 years of age described in 24 CFR 91.5 and HUD's Notice CPD 21-10(IV)(A)(1)(3).
2. Individuals at risk of homelessness, as defined in 24 CFR 91.5 and HUD's Notice CPD-21-10, including unaccompanied youth under 25 years of age described in 24 CFR 91.5 and HUD's Notice CPD 21-10(IV)(A)(2)(2) or
3. Persons fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking, as defined in HUD's Notice CPD 21-10(IV)(A)(3).
4. Other individuals or households who do not qualify for HOME-ARP assistance under any other QP definition but who require services or housing assistance to prevent homelessness or with the greatest risk of housing instability, as defined in HUD's Notice CPD-21-10 IV A. 4.(1) and (2).

It is intended that all four QPs will be served with HOME-ARP. However, jurisdictions are permitted to establish and identify in their allocation plan reasonable preferences among the four qualified populations or for a subpopulation of the qualified populations to prioritize for selection for HOME-ARP projects or activities. The City's adopted Plan did not provide for a preference among the qualified populations. While there are needs among all HOME-ARP QPs, seniors and veterans have

been identified by stakeholders, public comments and studies as a growing need among at-risk of homelessness and those currently experiencing homelessness. The FY 2021-22 AAP will be amended to include an Amended HOME-ARP Allocation Plan establishing preferences for seniors and veterans as subpopulations of qualified populations to prioritize applicants for HOME-ARP projects or activities. These preferences will allow organizations to prioritize affordable housing and supportive services for these populations.

Citizen Participation Process

A Public Hearing and a 30-day public review period of the amendment is required before submitting the amended Plan and the Second Amendment to the 2021-22 Annual Action Plan to HUD. A Public Notice was published in the San Diego Union Tribune on May 3, 2025 to inform residents availability of the drafts of the Amend Plan and Second Amendment to the 2021-2022 AAP for a 30-day review and comment period (May 5-June 4, 2025) and of the Public Hearing scheduled for June 4, 2025. The notice advised residents that copies of the draft Amended Plan and AAP were also available on the City's website from May 5, 2025, to June 4, 2025. Additionally, the notice stated that hard copies of the document were available at the counters of the Housing and Neighborhood Services Department, Oceanside Main Public Library, Oceanside Community Resource Centers and City Clerk Office. On Wednesday, June 4, 2025, the City Council will hold a Public Hearing to approve the amendments to the HOME-ARP Allocation Plan and 2021-22 AAP. As part of today's approval, the draft Plans have been updated to include additional detail on the need to establish preferences, including additional comments received, to incorporate and reflect the feedback and guidance received from HUD.

FISCAL IMPACT

The HOME-ARP Allocation Plan and 2021 Annual Action Plan refers to the City's planned use of federal CDBG and HOME entitlement funds. The City has an executed agreement with HUD for \$2,248,491 of HOME-ARP grant funds and has been budgeted under the HOME Contingency fund (923479800277.4391). On June 26, 2024, City Council, by its Resolution 24-R0334-1, awarded and appropriated \$1,911,217 of its HOME-ARP funds available for the development of affordable rental housing to Coast Villas (823194723277.5395). HOME funds are drawn down only as reimbursement for expenditures. The HOME-ARP program has no impact on the General Fund.

COMMISSION OR COMMITTEE REPORT

On May 9, 2024, staff presented responsive proposals for the 2024 Affordable Housing Notice of Funding Availability (NOFA), including the HOME-ARP allocation. The Housing Commission recommended that the City Council of the City of Oceanside and the Community Development Commission authorize the expenditure of available HOME-ARP funds in fulfillment of the 2024 NOFA and the award of this funding for the development and operation of a 56-unit affordable senior housing community at 1111 and 1123 South Coast Highway, known as Coast Villas.

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: Leilani Hines, Housing & Neighborhood Services Director
Submitted by: Jonathan Borrego, City Manager

ATTACHMENTS:

1. Staff Report
2. Resolution
3. HOME ARP Allocation Plan Draft