



# STAFF REPORT

## CITY of YORBA LINDA

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### COMMUNITY DEVELOPMENT DEPARTMENT

**DATE: MAY 20, 2025**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: NATE FARNSWORTH, COMMUNITY DEVELOPMENT DIRECTOR**  
**PREPARED BY: NICHOLE VALDEZ, ADMINISTRATIVE SECRETARY II**

**SUBJECT: COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION FOR FISCAL YEAR 2025/26 FUNDING**

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### **RECOMMENDATION**

It is recommended that the City Council approve the projects associated with Yorba Linda's Community Development Block Grant (CDBG) application for Fiscal Year 2025/26. Furthermore, the Council may direct staff to submit an application package to the County of Orange Housing and Community Development offices for administrative assistance, in accordance with the previously approved Cooperation Agreement between the City of Yorba Linda and the County of Orange executed on June 17, 2014.

### **BACKGROUND**

On an annual basis, the City of Yorba Linda participates in the CDBG program, for which the City submits an application for fiscal year funding. The program allocates federal monies for projects aimed at providing assistance to low-moderate income areas or neighborhoods and income-qualified individuals throughout the community.

For many years now the City has participated in a Cooperation Agreement with the County of Orange for joint participation in the City's CDBG Program. Under this designation as a "Metro City", Yorba Linda receives its full entitlement amount in accordance with the federal formula which allocates funding to eligible jurisdictions. As a Metro City, the County assists with specific documents, monitoring and reporting requirements and shares in the administrative costs related to the CDBG contracts.

### **DISCUSSION**

The purpose of the CDBG program is to assist communities in providing decent housing and a suitable living environment, and in expanding economic opportunities, principally for persons of low and moderate income. The overriding purpose of the CDBG program is to support "brick and mortar" activities, e.g., acquisition, rehabilitation and preservation, and public improvements and facilities.

# COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION FOR FISCAL YEAR 2025/26 FUNDING

Page | 2

In accordance with federal requirements and as outlined in the Citizen Participation Plan, the City is required to conduct a public hearing in connection with the application process and allow the community to provide input and suggestions related to the use of CDBG funds for the FY 2025/26 funding cycle.

The City will have available an estimated \$261,014 in regular CDBG funds during the 2025/26 fiscal year. As such, the following programs are proposed for use of CDBG funding:

Use of CDBG Funds		Proposed Allocation	FY 25/26 Allocation
<b>Neighborhood Improvement Program:</b> <i>Funds will be used to provide rehabilitation grants to qualified homeowners for general property improvements and repairs to meet local codes, standards, and ordinances.</i>		\$90,000	\$90,000
<b>Senior Nutrition Program:</b> <i>Maximum public service allocation is based upon 15% of the total grant award. This amount assists in covering a portion of the operational costs associated with the daily Senior Nutrition Program held at the Yorba Linda Community Center.</i>		\$40,514	\$39,152
<b>Evergreen Villa Program:</b> <i>Funds will be used for phase II for low-income senior community to help replace a portion of the complexes dilapidated roofs which will be completed in phases. The complex has three (4) buildings, fifty-two (52) units with one hundred fifty (150) residents.</i>		\$85, 564	\$79,660
<b>CDBG Program Administration:</b> <i>The overall development, management, coordination and monitoring of the CDBG program. Maximum administration allocation is based upon 20% of the total grant award – 10% to City and 10% to County of Orange.</i>			
<b>City allocation:</b>		\$27,009	\$26,101
<b>County allocation:</b>		\$27,009	\$26,101
<b>CDBG Award</b>		<b>\$270,096*</b>	<b>\$261,014</b>

\*Estimated Allocation

## **COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION FOR FISCAL YEAR 2025/26 FUNDING**

Page | 3

### **ENVIRONMENTAL DETERMINATION**

All projects being proposed in the FY 2025/26 CDBG application have received a preliminary environmental review and will have clearance prepared for each project as categorically exempt.

### **FISCAL IMPACT**

There are no fiscal impacts associated with the public hearing nor the preparation of the application for funding.

The Senior Nutrition Program provides a local community benefit by assisting lower income seniors and the disabled population with warm, balanced, and nutritional meals they may otherwise not have access to. Agencies can only use a maximum of 15% of CDBG funds to support this type of program. This funding has been a great resource to help offset General Fund staffing costs related to operating the program. Although the annual CDBG allocation may vary from year to year, the Parks and Recreation Department budgets funds through the annual budget process for any additional costs not covered by CDBG funding. It is important to note that this program also operates in a separate successful collaboration with Meals on Wheels Orange County. Meals on Wheels provides all the food associated with Senior Nutrition Program at no cost to the City of Yorba Linda.

Administrative costs associated with the CDBG program are capped at 20% of the annual grant award. As per the Cooperation Agreement with the County, the City and County equally share in the duties and responsibilities of administering program activities. As such, the City and the County will each receive 10% in CDBG administrative funds during the program year to help offset salaries and expenses associated with program implementation.

Funds related to the FY 2025/26 CDBG programs will be appropriated in the FY 2025/26 budget.

### **ALTERNATIVES**

If City Council would like to reallocate funds from any of the programs, other than the Senior Nutrition Program and the Administration Program, staff can work with the County Board of Supervisors for approvals.

If the City Council were to decide not to participate in the CDBG application process, the funds that the City of Yorba Linda were to receive would then be given to the County of Orange to be distributed through a competitive process to other Orange County cities seeking additional funding.

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