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City Council Agenda Report  
March 18, 2025

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**TO:** Honorable City Council

**FROM:** Jesus M. Gomez, City Manager

**BY:** Alex Hamilton, Interim Director of Community Development  
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**SUBJECT: 2025 CONSOLIDATED PLAN AND FISCAL YEAR 2025/26 ANNUAL ACTION PLAN**

**Background:**

The purpose of the public hearing is to receive input from the community and City Council regarding the 2025-2030 Consolidated Plan, Fiscal Year 2025/26 Annual Action Plan for the Community Development Block Grant (CDBG) and HOME Investment Partnership Programs (HOME) funding from the United States Department of Housing and Urban Development (HUD).

HUD requires CDBG and HOME funding recipients to submit a Consolidated Plan (Con Plan) every five years and an Annual Action Plan (AAP) each subsequent year. A study session was conducted on March 4, 2025, to inform and receive input from City Council regarding the 2025 Con Plan and Fiscal Year (FY) 2025/26 AAP. City staff sought to obtain City Council authorization for public review of the Con Plan and approval of the FY 2025/26 recommended activities.

At the study session, the City Council asked about social services agencies performance, services provided by the agencies to Norwalk residents, and the utilization of the Social Service Emergency Assistance program. There were also questions about programming unused funds and the process for tracking expenditures and reallocation. A detailed Social Service agency funding information is attached to this report for reference.

The Con Plan outlines the City's economic development, infrastructure, housing and social service needs and priorities. The FY 2025/26 AAP lists activities that the City will undertake with HUD in Year 1 of the Con Plan. These activities are subject to federal rules and regulations, such as funding caps, public-private partnerships, requirements, and compliance with national objectives.

The City is also required to identify barriers to equal housing access and develop solutions to mitigate or remove such impediments. The results of the study and actions the City will take to remove barriers are contained in the Analysis of Impediments to Fair Housing, which was adopted by City Council on December 3, 2024.

#### Consolidated Plan Needs Assessment

During the development of the Plans, the City held three community meetings, and a City Council study session held on March 4, 2025. A community engagement program was initiated including engagement notifications, promotional flyers, email blasts and multiple meeting reminders to residents, partners, social services and City Staff. From May 1, 2024 to October 15, 2024, the City hosted an online and paper survey made available on its website and distributed to community members and stakeholders throughout the City. The survey was conducted to solicit the community's input on the City's most pressing needs, particularly in the areas of housing, community facilities, homelessness, neighborhood improvements, community services, and affordable and fair housing. The City outreach activities also included:

- Stakeholder One-on-One Interviews
- Community Needs Survey
- Housing Summit
- Public Meetings
- Public Hearing

Respondents identified the top issues that limit housing options and affordability in the City. The City received 353 responses in English and 84 responses in Spanish, with a grand total of 437 responses. The following is a summary of the participants of the Community Engagement Survey:

- Majority of respondents were homeowners.
- Respondents stated Norwalk has a fair amount of affordable housing available to residents.
- Respondents feel somewhat informed of their rights and responsibilities as a tenant or homeowner.
- Respondents do not agree that Norwalk has areas which lack high-speed internet service or connectivity.
- Respondents do not agree that Norwalk is vulnerable to flooding or other natural disasters.

Stakeholder concerns included:

#### Homeless and Housing Needs:

- Housing rehab program is very important
- Air conditioning where seniors live

#### Affordability:

- Affordable rental housing is needed – 58%

- New business and more jobs are viewed as a solution to affordability and housing choice

Youth and Seniors:

- Youth centers are extremely important to 60%
- Parks and recreational facilities are extremely important
- Safe routes to school improvements are extremely important

Economic Development:

- Commercial property owners are not maintaining their properties.
- Business owners are not creating attractive buildings and or storefronts
- Traffic is impacting pedestrian safety

Infrastructure Needs:

- ADA curb cuts and sidewalk safety
- Trails at parks
- Senior center is at capacity, expansion is needed

Homeless:

- Homeless prevention programs and emergency shelters are extremely important
- New or designated permanent housing is important

Additional Concerns Identified:

- Rising housing prices
- Rising rental rates
- Limited number of vouchers
- Permanent housing for those with mental and physical disabilities
- Homeless prevention
- HUD program compliance is difficult
- Case management is short-term
- Limited number landlords accepting Section 8 and non-citizen
- High cost of fair housing legal assistance
- Those needing assistance are income ineligible
- Rental deposits are high, and application reviews are stringent.
- Limited number of larger family rental units

Based on the public participation process, review of regional data and reports, and informational session held with City Council, Norwalk has the following housing and community priorities to address over the next five years:

- Vital Services: support social services that provide mental health services for adults and youth in schools; substance abuse treatment; domestic violence, increased service for seniors, and homeless prevention programs.
- Public Facilities: improve or enhance City streets and lighting, sidewalks, youth and community center improvements, safe routes to school and recreation facilities
- Housing: create housing affordability through housing rehab, increase rental housing for families and seniors, increase homeownership and assistance programs, provide

tenant-based rental assistance. Programs that improve the living environment of low- and moderate-income families residing in substandard housing. Programs that promote fair housing, especially targeting extremely low- and low- income households

- Economic Development: create opportunities for job-generating businesses, job training, commercial façade improvements and financial assistance to businesses.

Demographic data, such as the poverty rate, level of unemployment, crime statistics, housing conditions, economic factors and environmental conditions were also analyzed to determine community needs.

### Consolidated Plan Activities

The Con Plan explains how the City will utilize federal funds to improve community development needs, address affordable housing, and priorities for people experiencing homelessness. The City's annual entitlement of CDBG and HOME funds is not enough to address all the City's housing, infrastructure, economic development and social service needs. To be effective, the City must prioritize needs and limit the number of activities to be funded. Based upon the needs assessment, staff recommends the following priority needs and goals over the next five years:

- Provide decent, affordable housing by increasing affordable housing opportunities
- Support special needs programs and services by providing vital support services
- Construct or upgrade public facilities and infrastructure by enhancing community facilities
- Create public awareness of fair housing through planning and grant administration
- Create job-generating businesses and job training by enhancing economic development opportunities
- Homeless prevention programs and services
- Maintain and promote neighborhood preservation by preserving, rehabilitating and enhancing neighborhoods

### Funding and Proposed Activities for the Annual Action Plan

The AAP establishes strategies for the next program year and identifies specific projects and activities that will be subsidized with CDBG and HOME funds received from HUD. The City may increase, reduce, or eliminate funding to any of the activities listed below, but new activities may not be added at this time without issuing a new public hearing notice and providing additional opportunity for public comment.

While HOME funds may only be used for housing related activities, CDBG funds may be used for a variety of community development activities, such as rehabilitation of commercial buildings, infrastructure improvements, and certain services, such as counseling. Funds may be used to directly benefit a household that meets the income limitations, such as repair of a specific home, or used for an area benefit, where the improvement is located in a designated census tract with at least 51% of the households being considered low to moderate income.

HUD publishes the CDBG and HOME grantee allocations by mid-March. For FY 2024/25 the City received \$977,097 in CDBG funds and \$240,414 in HOME funds. The City anticipates a

reduction in funding for FY 2025/26. The City will allocate CDBG and HOME program income and carryover funds from prior years to FY 2025/26 funding.

The following tables list the proposed activities and expenditures for FY 2025/26:

<b>PROJECTS / ACTIVITIES FUNDED BY CDBG</b>	<b>Estimated / Recommended Funding</b>
Program Administration – CDBG (20% cap)	\$182,419
Fair Housing – CDBG (20% cap)	\$13,000
Emergency Services – Social Service Center (15% cap)	\$75,000
Social Service Agencies (TBD – 15% cap)	\$60,000
Economic Development Project/Activity (TBD)	\$100,000
Upwards Inc. – Economic Development	\$10,000
Capital Improvement Project (TBD)	\$536,678
<b>Total</b>	<b>\$977,097</b>

<b>PROJECTS / ACTIVITIES FUNDED BY HOME</b>	<b>Estimated / Recommended Funding</b>
CHDO Set-Aside – HOME (15% cap of HOME funds)	\$36,062
Program Administration – HOME (10% cap of HOME funds)	\$24,041
TBRA – Security Deposit Assistance	\$30,000
Affordable Housing Project	\$150,311
<b>Total</b>	<b>\$240,414</b>

#### Social Service Agency Funding Information

On November 8, 2024, the availability of CDBG funds was announced to 51 local non-profit agencies. Nine applications for CDBG funding were received by the deadline of December 13, 2024. The Social Services Commission reviewed and discussed the applications.

The following table shows the recommended agencies and proposed funding information. The total amount is estimated as HUD has not provided the FY2025/26 CDBG grant allocation for the City.

<b>Agency</b>	<b>Agency Requested Funding</b>	<b>Commission / Director Recommended Funding</b>
Community Family Guidance Center	\$25,000	\$20,000
Community Legal Aid	\$20,000	\$20,000
Emergency Assistance Funds	\$75,000	\$75,000
LA CADA	\$20,000	\$20,000
<b>Total</b>	<b>\$296,873</b>	<b>\$135,000*</b>

\*amount to be adjusted based upon final HUD CDBG Entitlement

**Timeline**

The draft Con Plan and AAP will be made available for public review and comment for a period of 30-days starting March 25, 2025. After the 30-day period, the final Plans will be presented to City Council for adoption at a public hearing scheduled on or before May 6, 2025. The final Con Plan, AI and AAP are due to HUD by May 15, 2025.

**Fiscal Impact:**

The CDBG and HOME programs are funded solely by the United States Department of Housing and Urban Development.

**Citizens Advised:**

Notice of the Public Hearing was posted at the City's official posting sites on February 27, 2025, and published in The Norwalk Patriot and La Opinion in accordance with State law on February 28, 2025.

The Consolidated Plan and Annual Action Plan will be made available at City Hall (Community Development Department), the Norwalk Social Services Center, and the Norwalk Regional Library from March 25, 2025 to April 25, 2025 for citizens to review and make comments before the public hearing scheduled for May 6, 2025.

**Strategic Plan 2023 Implementation:**

The recommended actions will further the City's Strategic Plan Goal 2: Objective 1 Re-invest in existing and aging infrastructure and Objective 3: Improve living conditions for residents in greatest need; Goal 3: Objective 1 Create dynamic neighborhoods, Objective 2 Diversify and grow the economy, and Objective 3 build great public destinations.

**Recommended Action:**

Staff recommend City Council and the public provide input of the proposed Community Development Block Grant and HOME Investment Partnerships Program Consolidated Plan and funding activities for Fiscal Year 2025/26 Annual Action Plan.

**Attachments:**

1. Social Service Agency Funding Information
2. <https://cms3.revize.com/revize/norwalkca/Documents/Departments%20&%20Services/Community%20Development/Housing/Draft%202025%20Consolidated%20Plan%20&%20FY%2025-26%20Annual%20Action%20Plan.pdf>