

Summary: Draft First Substantial Amendment to the FY 2025-2026 AAP

The following is a summary and draft language that proposes amendments to the Fiscal Year 2025-2026 AAP.

Background

This is a proposed First Substantial Amendment to the City's Fiscal Year 2025-2026 AAP. The purpose of the amendment is to program previously reserved CDBG funds for specific Community Development Investment infrastructure projects that would be implemented during the FY 2025-2026 program year.

The City's AAP outlines its funding strategy for the CDBG, HOME Investment Partnerships, Emergency Solutions Grant, and Housing Opportunities for Persons with AIDS programs. The AAP implements the priorities of the City's 2025-2030 Consolidated Plan and is developed through public input, data analysis, and community planning.

In the adopted FY 2025-2026 AAP, a portion of CDBG funds was reserved for future Community Development Investment construction activities, including public infrastructure and community facility improvements. The proposed First Substantial Amendment herein identifies the specific projects to be funded with those reserved CDBG funds.

Substantial Amendment is Needed

All entitlement jurisdictions that receive HUD formula funding are required to maintain an adopted Community Participation Plan. The City's Community Participation Plan establishes the process for amending the Consolidated Plan and AAP and defines the circumstances under which a substantial amendment is required.

Under the City's Community Participation Plan, a substantial amendment includes any change that:

- Increases or decreases the amount allocated to a funding category by \$250,000, or by an amount exceeding 25% of the total allocation for that category, whichever is greater; or
- Significantly alters the intended beneficiaries or persons to be served by a program or activity; or
- Adds a new activity that was not previously identified in the adopted AAP.

The proposed changes to the FY 2025-2026 AAP meet the definition of a substantial amendment because it adds specific new Community Development Investment projects that were not previously identified in the previously approved plan. Therefore, this First

Substantial Amendment requires a formal public review and approval process before submission to HUD.

Proposed Amendment

Beginning in the Community Development Investment activities section of the adopted FY 2025-2026 AAP, including Annual Plan-38 and related project tables, the CDBG allocations for Community Development Investment projects would be amended as follows:

Annual Plan-38 Project Summary

Project Name	Funding Source	Goal Supported	Need Addressed	Proposed Outcome	Allocation
Pedestrian and Traffic Safety Improvement Projects	CDBG	Strengthen Communities	Improvements of public facilities to improve public safety.	Improves pedestrian and bicyclist safety, reduces the risk of severe injury and fatal collisions, increases accessibility, and supports safer multimodal transportation in six LMI areas.	\$500,000
La Placita Facility Improvement Project	CDBG	Strengthen Communities	Improvements to community facilities.	Develops an arts and community facility that expands cultural programming, increases food access, and supports job creation and small business activity for LMI residents.	\$3,000,000
TOTAL					\$3,500,000