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# CITY OF POMONA COUNCIL REPORT

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July 7, 2025

To: Honorable Mayor and Members of the City Council

From: Anita D. Scott, City Manager

Submitted By: Beverly Johnson, Neighborhood Services Director

**SUBJECT: ADOPTING THE FY 2025-26 ANNUAL ACTION PLAN WITH  
FUNDING RECOMMENDATIONS**

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## **RECOMMENDATION:**

It is recommended that the City Council take the following actions:

- 1) Adopt the following resolution:

**RESOLUTION NO. 2025-81 – A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF POMONA, CALIFORNIA, APPROVING THE FY 2025-26 ANNUAL  
ACTION PLAN WITH PROPOSED FUNDING FOR COMMUNITY  
DEVELOPMENT BLOCK GRANT (CDBG), HOME INVESTMENT  
PARTNERSHIPS (HOME), AND EMERGENCY SOLUTIONS GRANT (ESG)  
FEDERAL ENTITLEMENT PROGRAMS**

- 2) Approve final award recommendations for the FY 2025-26 CDBG Program;
- 3) Approve final award recommendations for the FY 2025-26 HOME Program;
- 4) Approve final award recommendations for the FY 2025-26 ESG Program;
- 5) Approve the inclusion of funding awards in the Annual Action Plan;
- 6) Adopt the FY 2025-26 Annual Action Plan as amended by item 5 above; and
- 7) Authorize the City Manager to execute appropriate applications and certification documents for the Annual Action Plan for submittal to the U.S. Department of Housing and Urban Development (HUD).

## **EXECUTIVE SUMMARY:**

The City receives entitlement funds from the U.S. Department of Housing and Urban Development (HUD) annually to address housing, homelessness, community, and economic development needs under the following programs: Community Development Block Grant (CDBG), Home Investment

Partnerships (HOME), and Emergency Solutions Grant (ESG) Programs. To receive these funds, staff must submit an Annual Action Plan to HUD. The Annual Action Plan is a one-year roadmap that outlines specific actions, activities, and resources the City will undertake to meet goals, objectives, and priority needs during the FY 2025-26 fiscal year.

**SB1439/GOVERNMENT CODE §84308 APPLICABILITY:**

☒ When this box is checked, it indicates the agenda item is subject to the Levine Act SB1439 requirements. Council members are reminded to check their campaign contributions and determine whether they have received a campaign contribution of \$500 or more that would require disclosure and/or recusal from discussing or acting on this agenda item. Campaign contributions of \$500 or more made 1) by any person or entity who is identified in the agenda report as the applicant or proposer or 2) on behalf of the applicant or participant, including a parent, subsidiary or otherwise related business entity, or 3) by any person who has a financial interest in the agenda item requires a councilmember to comply with SB1439.

**FISCAL IMPACT:**

On May 14, 2025, HUD released the final formula allocations in federal funding for FY 2025-26, totaling \$2,587,632. As these are entitlement funds, their estimated revenues and corresponding expenditures have been adopted as special funds within the FY 2025-26 Proposed Budget. Any variances between the final revenues and appropriations outlined in the adopted resolution (Attachment 1) for FY 2025-26 Operating Budget and Capital Improvement Program (CIP) Budgets will be addressed during the 1st Quarter Review, which will be presented to the City Council in November 2025.

**PUBLIC NOTICING REQUIREMENTS:**

Public Notice was published on June 6, 2025 in the Inland Valley Daily Bulletin newspaper for the July 7, 2025 Public Hearing (Attachment 6).

**PREVIOUS RELATED ACTION:**

The City Council held a public hearing on May 19, 2025, to gather comments and approve the draft for FY 2025-26 Annual Action Plan (Attachment 5).

**DISCUSSION:**

The City of Pomona will receive \$2,587,632 in federal funding for the 2025-26 fiscal year, as announced by HUD on May 14, 2025. This includes \$1,690,554 for Community Development Block Grants (CDBG), \$743,183 for HOME Investment Partnerships, and \$153,895 for Emergency Solutions Grants (ESG). In line with City Council policy, CDBG funds will be allocated to each Council District based on the percentage of low-to-moderate income areas (LMA) within the city (Attachment 2). These funds are detailed in the Annual Action Plan, outlining their use for programs benefiting low-to-moderate income residents and communities.

## **Citizen Participation**

On August 26, 2024, a Community Needs Survey was made available to Pomona residents to solicit community input on funding priorities for the annual entitlement grants on housing, human services, public infrastructure, and community development activities for low-to-moderate income people and areas. The survey was available to Pomona residents online through SurveyMonkey.com and in hard copies. The survey was promoted on the City's website, social media platforms such as Facebook and Instagram, and by mass mailing of postcards to over 43,000 households. Other outreach efforts included advertising in newspaper outlets like La Nueva Voz and Inland Valley Daily Bulletin. Staff also conducted six (6) Community Needs meetings and attended over twelve (12) community tabling events to solicit input. Survey responses were collected through January 31, 2025. As a result of these outreach efforts, 702 surveys were collected, presenting the top three funding priorities: (1) Youth Services, (2) Public Infrastructure, and (3) Homeless Prevention (Attachment 4).

## **Annual Fund Amounts**

The FY 2025-26 entitlement allocations are listed below:

<b>2025-26 ENTITLEMENT ALLOCATIONS FUNDS</b>	<b>AMOUNT</b>
Community Development Block Grant (CDBG)	\$1,690,554
HOME Investment Partnership Program (HOME)	\$743,183
Emergency Solutions Grant (ESG)	\$153,895
<b>TOTAL ENTITLEMENT ALLOCATIONS</b>	<b>\$2,587,632</b>

The Annual Action Plan was available for public review from June 6, 2025 through July 7, 2025. This agenda item is the second of two required public hearings to approve the Annual Action Plan for submission. The final Annual Action Plan is due to HUD forty-five days after the start of the fiscal year or by August 16, 2025.

## **Community Development Block Grant (CDBG) Program**

CDBG's primary purpose is to provide decent housing, a suitable living environment, or expanded economic opportunities for low-to-moderate income people and areas. All CDBG projects must meet one of four nation objectives: 1) serve low-to-moderate income people, 2) benefit a low-to-moderate income area, 3) aid in eliminating slums and blight, or 4) address recent, urgent health or welfare needs such as natural disasters. In addition, the project must fall under one of the following five general categories: Administration/Planning, Housing, Economic Development, Public Service, or Capital Improvement. More than 70% of all funds must be expended on low-to-moderate income people and families. The City plans to spend 100% of CDBG funds to benefit low-to-moderate income individuals and families.

## **Citywide Needs**

Input from surveys, stakeholders, and City departments confirms a continued need for funding in key areas such as parks and recreation, infrastructure, anti-crime programs, and code enforcement.

Residents specifically identified youth services as their top priority, followed by public infrastructure. However, a reduction or loss of CDBG funding would require the City to fund these activities from the General Fund or to significantly reduce or eliminate services that mainly benefit low-to-moderate income residents of the City. Thus, staff is proposing and recommending funding additional service programs designed to meet citywide high priority needs such as:

Code Enforcement	Housing Services
Community Oriented Policing Program	Infrastructure Improvements
Fair Housing & Mediation Services	Park Improvements
Homeless Services Programs	Public Facility Improvements
Housing Improvement Programs	Public Service Activities

### **Funding Caps**

Below is the breakdown of the proposed CDBG funding allocations for FY 2025-26 based on HUD requirements. The amounts provided under “capped” categories are rounded to the nearest dollar amount to ensure these regulatory caps are not exceeded.

CDBG CATEGORY	AMOUNT	CAP
Administration	\$ 338,110	(20% cap)
Public Service	\$ 253,583	(15% cap)
Non-Public Service Activities	\$ 1,098,861	(No cap)

**Total Available Funding:    \$1,690,554**

These funding caps help ensure that a significant portion of CDBG funds is allocated toward program activities and not solely administrative costs. Therefore, no more than 20% of CDBG funds can be spent on planning and administration, 15% on public service activities, and 65% on other non-public service activities such as code enforcement, housing improvement programs, and park and infrastructure improvements.

### **Request for Proposal Submittals, Late Requests, and Rejections**

This year, the City received 22 applications for CDBG funds, excluding Administration. Of the 22 applications, 9 were from Community-Based Organizations (CBOs), and 13 were from City Departments. All applications were reviewed, and 20 of the 22 were recommended for funding by the Grants Administration Committee. The CBO applications were also reviewed by the Community Life Commission (CLC). The CLC was provided a list of the 7 CBO agencies that were deemed eligible, along with performance information for agencies previously funded. The CLC recommended 6 of 7 proposals for funding consideration.

### **CDBG Program Administration**

A total of \$338,110, or 20% of the anticipated CDBG funding allocation, is available in FY 2025-26 for Administration Program Costs. This includes general management, oversight, and coordination and monitoring of programs. HUD requires that municipalities cap administration costs at 20% of the total funding allocation.

### **Public Service Category**

The City received several public service requests from City departments and community agencies. Community and stakeholder input showed a need for safety and crime prevention programs and senior and homeless services. Staff is proposing a continuation of CDBG funding for these types of programs. Safety and crime prevention programs provide direct education and community-oriented policing in targeted areas to prevent gangs, drug use, and other crime and illegal activity in the City's residential low-to-moderate income neighborhoods. Senior services such as the Community Services Elderly Enrichment program are essential in keeping our older adult seniors vibrant, connected, and thriving through enrichment programs to combat isolation and keep minds sharp. Lastly, to assist individuals experiencing homelessness, the CDBG Homeless Services Program delivers essential funding for emergency shelter operations, homelessness prevention efforts, street outreach, and supportive services such as case management and counseling. Under CDBG regulations, these programs are considered public service activities.

The following table breaks down available FY 2025-26 public service funds, including \$40,000 in federally mandated Fair Housing and Mediation Services, which is included in the HUD-required 15% public services cap.

<b>CATEGORY</b>	<b>AMOUNT</b>
Fair Housing Services	\$ 22,029
Other Public Service Activities	\$ 231,554

**Total Available Funding: \$253,583**

### **Non-Public Service Category**

Non-public services include capital improvements, housing programs, and code enforcement activities. Based on community input and Council direction, staff recommends continued support for infrastructure improvements, such as streets/street light improvements, as well as park and public facility improvements, as suggested in consultation with the Public Works Department. Staff also proposes funding for the Housing Services Program. This funding will support current housing programs by providing loan processing, housing counseling, and inspections for housing-related projects. In addition, staff is also recommending funding code enforcement activities to maintain community standards and ensure public safety and health. Staff determines and identifies the Low-and-Moderate-Income Area (LMA) for this activity. These factors include the number of police reports filed, code complaints filed, abatements performed, and areas considered deteriorated. These areas must also be designated slums and/or blighted areas. Furthermore, the cost of these operations and personnel is shared with the Code Enforcement Division, as it is based on the percentage of time personnel spend in CDBG-eligible areas (Attachment 3) versus non CDBG-eligible areas.

### **Home Investment Partnership Program (HOME)**

HOME funds are used to preserve and create affordable housing. Eligible activities include Single-Family Housing Rehabilitation, Multi-Family Housing Rehabilitation, First-Time Home Buyer Programs, and Tenant-Based Rental Assistance. Below is a list of eligible categories for the HOME Program and estimated funding levels.

CATEGORY	AMOUNT	CAP
*Administration	\$148,636	(20% cap)
Community Housing Development Organizations (CHDO)	\$111,477	(15% cap)
Tenant Based Rental Assistance (TBRA)	\$0	(no cap)
First-Time Homebuyer Program	\$337,548	(no cap)
Single-Family Housing Rehabilitation	\$145,522	(no cap)

**Total Available Funding: \$743,183.00**

\*Administration cap increased from 10% to 20% cap in FY 2024-25 and FY 2025-26 due to waivers granted under Disaster Recovery (DR) 4856-CA for wildfire and straight-line winds.

### **Emergency Solutions Grant Program (ESG)**

Emergency Solutions Grant (ESG) program activities emphasize moving homeless persons from tentative, unstable living situations to more permanent, stable housing and self-sufficiency. These activities fall under six (6) basic funding categories listed below under the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), enacted into law on May 20, 2009. HUD requires each category to have a mandated 100% match for funds expended, except for Administration. Therefore, agencies receiving ESG funds from the City must identify the source of its matching funds as part of the application process. ESG City-operated programs meet this requirement by matching non-ESG salaries for staff administering the ESG grant. Any amount funded for Street Outreach, Emergency Shelter, and Administration cannot exceed the statutory caps as regulated by HUD. The categories and anticipated funding amounts for ESG FY 2025-26 appear below:

ESG CATEGORY	AMOUNT	CAP
Administration	\$11,542	(7.5% cap)
Homeless Prevention	\$0	(No cap)
Street Outreach	\$0	(60% cap)
Emergency Shelter	\$92,337	(60% cap)
Rapid Re-Housing	\$0	(No cap)
HMIS	\$50,016	(No cap)

**Total Available Funding: \$153,895**

The City did not solicit a Request for Funding Proposals for Homeless Services using ESG funds for FY 2025-26. ESG funds will be utilized primarily for the City's Hope for Home service center and shelter operations.

### **Preliminary Funding Recommendations**

Preliminary funding recommendations, as submitted by staff, are based on priorities as established by prior year funding, Councilmember input, resident survey data, and the good standing of agencies as established through annual performance evaluations. Under the direction of the

Council, staff is authorized to bring the applications for funding to the City Council for a public hearing as the final meeting to adopt the Annual Action Plan is scheduled for July 7, 2025.

### **COUNCIL PRIORITIES & GOALS:**

This item supports the 2021-2022 City Council Priority #1: Fiscal and Operational Responsibility  
- Goal C: Obtain additional grant funding and other revenues to help achieve City goals.

Prepared by:

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Housing Analyst

### **ATTACHMENT(S):**

Attachment 1 - Resolution No. 2025-81  
    Exhibit “A” - 2025-26 CDBG Funding Options  
    Exhibit “B” - 2025-26 ESG Funding Options  
Attachment 2 - CDBG District Formula Allocations  
Attachment 3 - CDBG Eligible Areas Map  
Attachment 4 - FY 2025-26 Community Needs Survey Results  
Attachment 5 - FY 2025-26 Annual Action Plan\_Draft  
Attachment 6 - Public Hearing Notice