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# CITY OF POMONA COUNCIL REPORT

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May 19, 2025

To: Honorable Mayor and Members of the City Council

From: Anita D. Scott, City Manager

Submitted By: Beverly Johnson, Neighborhood Services Director

**SUBJECT: APPROVE THE DRAFT FISCAL YEAR (FY) 2025-2026 ANNUAL  
ACTION PLAN WITH PRELIMINARY 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. 2025-57 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, CALIFORNIA, APPROVING THE DRAFT FISCAL YEAR (FY) 2025-2026 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 the draft funding awards for the FY 2025-2026 Community Development Block Grant and Emergency Solutions Grant Programs;
- 3) Approve the funding recommendations for the FY 2025-2026 Home Investment Partnerships Program;
- 4) Approve the inclusion of funding awards in the FY 2025-2026 Annual Action Plan.

## **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 2025-2026 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. Councilmembers 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:**

HUD has not released the FY 2025-2026 Entitlement Allocations for CDBG, HOME, and ESG. Based on prior year funding levels, the anticipated funding is \$2,651,146. The same level funding was utilized to project the FY 2025-2026 Proposed Budget in revenue and expenditures as Special Funds.

Staff expects to return to Council on July 7, 2025, with the final funding recommendations, which will proportionately increase or decrease to match the actual amounts awarded by HUD to the City of Pomona.

**PUBLIC NOTICING REQUIREMENTS:**

A Public Notice was published on April 18, 2025 in the Inland Valley Daily Bulletin newspaper for the May 19, 2025 Public Hearing (Attachment 6).

**PREVIOUS RELATED ACTION:**

On June 3, 2024, the City Council adopted the 2023-2028 Consolidated Plan and the FY 2024-2025 Annual Action Plan.

**DISCUSSION:**

Based on prior year or FY 2024-2025 funding levels, the City of Pomona anticipates receiving the following allocations: CDBG \$1,771,564, HOME \$723,880, and ESG \$155,702. The total anticipated funding is \$2,651,146. The Annual Action Plan for FY 2025-2026 details how these funds will be used for activities benefiting low- and moderate-income individuals and areas.

**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 like Facebook and Instagram, and by mass mailouts of postcards to over 43,000 households. Other outreach efforts included advertising in newspaper outlets like La Nueva Voz and Inland 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, displaying the top three funding priorities: (1) youth services, (2) public infrastructure, and (3) homeless prevention (Attachment 5).

### **Annual Fund Amounts**

The City anticipates receiving the following entitlement allocations for FY 2025-2026:

<b>2025-2026 ENTITLEMENT ALLOCATIONS FUNDS</b>	<b>AMOUNT</b>
Community Development Block Grant (CDBG)	\$1,771,564
HOME Investment Partnership Program (HOME)	\$723,880
Emergency Solutions Grant (ESG)	\$155,702
<b>TOTAL ENTITLEMENT ALLOCATIONS</b>	<b>\$2,651,146</b>

The draft Annual Action Plan was available for public review from April 18, 2025 through May 19, 2025. This agenda item is the first 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 persons and areas. All CDBG projects must meet a national objective and be an eligible activity. A national objective must meet one of four objectives: 1) serve low-moderate income persons, 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. Eligible activities fall into five general categories: Administration/Planning, Housing, Economic Development, Public Service, or Capital Improvement. Certain activities are not eligible, including single event functions, contingency funds, on-going clean-up activities, or improvements to buildings and areas for the general conduct of government. More than 70% of all funds must be expended on low-to-moderate-income persons and families. The City plans to spend 100% of CDBG funds to benefit low-to-moderate-income persons and families.

### **Citywide Needs**

Based on input from the Community Needs Survey Results (Attachment 4) and City departments, CDBG-funded citywide activities that otherwise could not be provided are needed. These include previously funded projects such as parks and recreation services, infrastructure projects, anti-crime programs, and code enforcement. However, supporting youth services is now ranked the highest priority per residents, followed by addressing public infrastructure as the second highest priority. 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 for 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 2025-2026 based on HUD requirements. The amounts provided under “capped” categories are rounded to the nearest dollar amount to ensure these regulatory caps do not exceed.

CDBG CATEGORY	AMOUNT	CAP
Administration	\$ 354,313	(20% cap)
Public Service	\$ 265,735	(15% cap)
Non-Public Service Activities	\$ 1,151,516	(No cap)

**Total Available Funding: \$1,771,564**

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.

### CDBG Program Administration

A total of \$354,313, or 20% of the anticipated CDBG funding allocation, is available in FY 2025-2026 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 older adult seniors vibrant and connected, thriving through enrichment programs that 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 2025-2026 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.

CATEGORY	AMOUNT
Fair Housing and Mediation Services	\$ 40,000
Other Public Service Activities	\$ 225,735

**Total Available Funding: \$265,735**

### **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 street and 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 determine and identify Low-and-Moderate-Income Area (LMA) for this activity, following federal requirements to concentrate CDBG-funded code enforcement activities in targeted areas based on various factors. These factors include the number of police reports filed, code complaints filed, abatement performed, and areas considered deteriorated. These areas must also be designated slums and 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.

### **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. Also, CBO applications were 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 the 6 proposals for funding consideration.

### **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 listing of eligible categories for the HOME Program and estimated funding levels.

CATEGORY	AMOUNT	CAP
*Administration	\$144,776	(20% cap)
Community Housing Development Organizations	\$108,582	(15% cap)
Tenant Based Rental Assistance (TBRA)	\$0	(no cap)
First-Time Homebuyer Program	\$325,000	(no cap)
Single-Family Housing Rehabilitation	\$145,522	(no cap)

**Total Available Funding: \$723,880**

\*Administration cap increased from 10% to 20% cap in FY 2024-2025 and FY 2025-2026 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 2025-2026 appear below:

ESG CATEGORY	AMOUNT	CAP
Administration	\$11,677	(7.5% cap)
Homeless Prevention	\$0	(No cap)
Street Outreach	\$0	(60% cap)
Emergency Shelter	\$93,421	(60% cap)
Rapid Re-Housing	\$0	(No cap)
HMIS	\$50,604	(No cap)

**Total Available Funding: \$155,702**

The City did not solicit a Request for Funding Proposals for Homeless Services using ESG funds for FY 2025-2026. 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 on May 19, 2025. 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. 2025-57  
    Exhibit “A” - 2025-2026 CDBG Funding Options  
    Exhibit “B” - 2025-2026 ESG Funding Options  
Attachment 2 - CDBG District Formula Allocations  
Attachment 3 - CDBG Eligible Areas Map  
Attachment 4 - FY 2025-2026 Community Needs Survey Results  
Attachment 5 - FY 2025-2026 Annual Action Plan\_Draft  
Attachment 6 - Public Hearing Notice