



CITY OF POMONA COUNCIL REPORT

June 15, 2026

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 2026-27 ANNUAL ACTION PLAN WITH
FUNDING RECOMMENDATIONS**

RECOMMENDATION:

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

- 1) Adopt the following resolution:

**RESOLUTION NO. 2026-68 – A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF POMONA, CALIFORNIA, APPROVING THE FY 2026-27 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 2026-27 CDBG Program;
- 3) Approve final award recommendations for the FY 2026-27 HOME Program;
- 4) Approve final award recommendations for the FY 2026-27 ESG Program;
- 5) Approve the inclusion of funding awards in the Annual Action Plan;
- 6) Adopt the FY 2026-27 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 2026-27 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 April 1, 2026, HUD released the final formula allocations in federal funding for FY 2026-27, totaling \$2,403,345.99. As these are entitlement funds, their estimated revenues and corresponding expenditures have been adopted as special funds within the FY 2026-27 Proposed Budget. Any variances between the final revenues and appropriations outlined in the adopted resolution (Attachment No. 1) for FY 2026-27 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 October 2026.

PUBLIC NOTICING REQUIREMENTS:

Public Notice was published on May 14, 2026, in the Inland Valley Daily Bulletin newspaper for the June 15, 2026 Public Hearing (Attachment No. 6).

DISCUSSION:

The City of Pomona will receive \$2,403,345.99 in federal funding for the 2026-27 fiscal year, as announced by HUD on April 1, 2026. This includes \$1,621,295 for Community Development Block Grants (CDBG), \$633,468.99 for HOME Investment Partnerships, and \$148,582 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 No. 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 June 2, 2025, 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 Instagram reaching over 27,800 households. Other outreach efforts included advertising via newspaper outlets like La Nueva Voz and Inland Valley Daily Bulletin. Staff also conducted six (6) Community Needs meetings and attended over five (5) community tabling events to solicit input. Survey responses were collected through January 31, 2025. As a result of these outreach efforts, 340 surveys were collected, with the top three funding priorities as follows: (1) Youth Services, (2) Public Infrastructure, and (3) Homeless Prevention (Attachment No. 4).

Annual Fund Amounts

The FY 2026-27 entitlement allocations are listed below:

2026-27 ENTITLEMENT ALLOCATIONS FUNDS	AMOUNT
Community Development Block Grant (CDBG)	\$1,621,295
HOME Investment Partnership Program (HOME)	\$633,468.99
Emergency Solutions Grant (ESG)	\$148,582
TOTAL ENTITLEMENT ALLOCATIONS	\$2,403,345.99

The Annual Action Plan was made available for public review from May 14, 2026, through June 15, 2026. This agenda item serves as the public hearing for consideration and approval of the Annual Action Plan. Following approval, the final Annual Action Plan will be submitted to the U.S. Department of Housing and Urban Development (HUD) by June 24, 2026.

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 national objectives: 1) serve low-to-moderate income people, 2) benefit a low-to-moderate income area, 3) aid in eliminating slum 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. Federal regulations require that more than 70% of all CDBG funds be expended to benefit low-to-moderate income individuals and families. The City intends to allocate 100% of its CDBG funding toward programs and activities that directly benefit low-to-moderate income persons and households.

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 public improvement as their top priority, followed by rental and homeless assistance. 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 2026-27 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	\$ 324,259	(20% cap)
Public Service	\$ 243,194	(15% cap)
Non-Public Service Activities	\$ 1,053,842	(No cap)

Total Available Funding: \$1,621,295.00

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 no cap 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 16 applications for CDBG funds, excluding Administration. Of the 16 applications, five (5) were from Community-Based Organizations (CBOs), and eleven (11) were from City Departments. All applications were reviewed, and 15 of the 16 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 four (4) CBO agencies that were deemed eligible, along with performance information for agencies previously funded. The CLC recommended 4 of 4 proposals for funding consideration.

CDBG Program Administration

A total of \$324,259, or 20% of the anticipated CDBG funding allocation, is available in FY 2026-27 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 2026-27 public service funds, including \$32,750 in federally mandated Fair Housing, which is included in the HUD-required 15% public services cap.

CATEGORY	AMOUNT
Fair Housing Services	\$ 32,750
Other Public Service Activities	\$ 210,444

Total Available Funding: \$243,194

Non-Public Service Category

Non-public service activities include capital improvements, housing programs, and code enforcement activities. Based on community input and City Council direction, staff recommends continued investment in infrastructure improvements, including street and streetlight enhancements, as well as park and public facility improvements, in coordination with recommendations from the Public Works Department. Staff also recommends continued funding for the Housing Services Program, which supports existing housing initiatives through loan processing, housing counseling, and inspections related to housing projects.

In addition, staff recommends funding for code enforcement activities aimed at maintaining community standards and protecting public health and safety. Staff identifies eligible Low-and-Moderate-Income Areas (LMA) for these activities based on several factors, including the number of police reports, code enforcement complaints, abatements performed, and the presence of deteriorated conditions. These areas must also meet the criteria for designation such as slum and/or blighted areas. Furthermore, operational and personnel costs associated with these activities are shared with the Code Enforcement Division and are allocated proportionately based on the percentage of time personnel dedicated to CDBG-eligible areas (Attachment No. 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	\$63,346	(10% cap)
Community Housing Development Organizations (CHDO)	\$95,020	(15% cap)
First-Time Homebuyer Program	\$258,071	(no cap)
Single-Family Housing Rehabilitation	\$217,031	(no cap)

Total Available Funding: \$633,468.00

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 2026-27 appear below:

ESG CATEGORY	AMOUNT	CAP
Administration	\$11,143	(7.5% cap)
Homeless Prevention	\$0	(No cap)
Street Outreach	\$0	(60%cap)
Emergency Shelter	\$89,149	(60% cap)
Rapid Re-Housing	\$0	(No cap)
HMIS	\$48,290	(No cap)

Total Available Funding: \$148,582

The City did not solicit a Request for Funding Proposals for Homeless Services using ESG funds for FY 2026-27. ESG funds will be utilized primarily for the City's Hope for Home service center and shelter operations.

Preliminary Funding Recommendations

The preliminary funding recommendations submitted by staff are based on priorities established through prior-year funding allocations, City Council input, resident survey data, and the

demonstrated good standing of participating agencies as determined through annual performance evaluations. Pursuant to Council direction, staff is authorized to present the funding applications to the City Council during a public hearing for consideration and adoption as part of the Annual Action Plan, currently scheduled for June 15, 2026.

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 No. 1 - Resolution No. 2026-68
 Exhibit “A” - 2026-27 CDBG Funding Options
 Exhibit “B” - 2026-27 ESG Funding Options
Attachment No. 2 - CDBG District Formula Allocations
Attachment No. 3 - CDBG Eligible Areas Map
Attachment No. 4 - FY 2026-27 Community Needs Survey Results
Attachment No. 5 - FY 2026-27 Annual Action Plan Draft
Attachment No. 6 - Public Hearing Notice