



# STAFF REPORT

DATE: 05/06/2026  
TO: Honorable Mayor and City Council Members  
FROM: City Manager's Office - Housing and Homeless Solutions Division

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**2026-157**

## REQUEST FOR CITY COUNCIL ACTION

**SUBJECT:**  
PUBLIC HEARING FOR THE 2026-2027 ANNUAL ACTION PLAN

**EXECUTIVE SUMMARY:**

This staff report asks the City Council to conduct a public hearing to receive comments and approve the Annual Action Plan for Community Development Block Grant and HOME Investment Partnerships Programs for Fiscal Year 2026-2027.

**RECOMMENDED ACTION:**

That the City Council:

- a. Conduct a public hearing to receive comments concerning the 2026-2027 Annual Action Plan.
- b. Approve the 2026-2027 Annual Action Plan, inclusive of the allocation of funds to the Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) projects and authorize the City Manager or his designee to prepare, sign and submit all required documents and any necessary amendments to the U.S. Department of Housing and Urban Development (HUD).
- c. Authorize the City Manager, or his designee, to prepare and process all necessary budgetary transactions to receive the funds included in the Annual Action Plan, HUD Grant Agreements, and related documents.

- d. Authorize the City Manager, or his designee, to negotiate, execute, and amend contracts with sub-recipients, developers, contractors, or professional service providers as necessary to implement the CDBG and HOME program activities using funds under the approved projects identified in the 2026-2027 Annual Action Plan, and any projects, funds, and activities identified in prior Annual Action Plans.
- e. Authorize the City Manager, or his designee, to execute, amend, and submit to HUD all plans and documents necessary to administer the 2026-2027 CDBG and HOME projects and activities.
- f. Authorize the City Manager, or his designee, to appropriate any CDBG program income receipts from loan payoffs received by the City to the Residential Rehabilitation Program, Operating and Maintenance Project No. 67133, a CDBG approved project, within the CDBG Fund 431.
- g. Authorize the City Manager, or his designee, to appropriate any HOME program income receipts from loan payoffs received by the City to the Residential Rehabilitation Program, Operating and Maintenance Project No. 67133, a HOME approved project, within the HOME Fund 432.

#### **BACKGROUND & HISTORY:**

The City of Corona receives entitlement grant allocations of CDBG and HOME funds each year from HUD. To continue receiving these funds, HUD requires the City of Corona to prepare and submit an Annual Action Plan (AAP). The AAP serves as the official one-year spending plan and application for these federal resources, detailing how the City will use these Federal funds during the program year to address the housing and community development needs identified in the five-year Consolidated Plan.

On July 2, 2025, the City Council approved the 2025-2029 Five-Year Consolidated Plan and the 2025-2026 AAP for CDBG and HOME funds. The 2025-2029 Consolidated Plan includes a comprehensive assessment of housing, community, and economic development needs in Corona and provides a five-year strategy to address identified needs. Each year, the City Council adopts an AAP that describes how CDBG and HOME funds will be spent in the fiscal year in accordance with the strategies outlined in the Five-Year Consolidated Plan.

HUD regulations allow 20 percent of CDBG funds to be used for administration and 15 percent to be used for public services that would serve and benefit eligible City residents. The remaining balance of CDBG funds may be used on City Capital Improvement Projects. Activities funded by CDBG and HOME funds are to specifically serve persons of low and moderate income. The proposed Fiscal Year 2026-2027 AAP is the second plan under the City Council's approved 2025-2029 Five-Year Consolidated Plan. In keeping with City Council's direction for the Five-Year Consolidated Plan, the projects, providers, and/or activities recommended in the 2026-2027 AAP are the same as the FY 2025-2026 AAP.

## **ANALYSIS:**

### **Public Participation for the CDBG/HOME FY 2026-2027 Annual Action Plan**

As required by HUD, the public must have an opportunity to review and comment on the AAP for 30 days prior to the date of the public hearing. Accordingly, the City published a notice of public review in the Sentinel Weekly on March 27, 2026. The public notice is attached as Exhibit 2. The draft AAP was made available for public review at the City Clerk's Office, the City's Library, and the City's website. Consistent with HUD requirements, the AAP item is a public hearing to also give the public the opportunity to review and comment on the proposed AAP.

### **CDBG Funds**

Established by Congress in 1974, the CDBG program is authorized under Title 1 of the Housing and Community Development Act. It provides annual formula grants to states, counties, and urban cities to develop viable urban communities by:

1. Providing decent, safe, and sanitary housing
2. Providing a suitable living environment
3. Expanding economic opportunities, principally for low- and moderate-income persons

HUD regulations (24 CFR 570) require that all CDBG funded activities meet at least one of three national objectives:

1. Benefit low- and moderate-income (LMI) persons
2. Aid in the prevention or elimination of slums or blight
3. Meet an urgent need (emergency conditions)

The initial funding recommendations used in the Draft 2026-2027 AAP sent out for public comment were based on 2025-26 CDBG and HOME funding levels. On April 10, 2026, HUD sent a letter to the City of Corona confirming the 2026-27 funding allocations (Exhibit 3). The AAP has been revised to reflect a slight increase in the final grant allocations.

The City's CDBG allocation is \$1,134,594 for Fiscal Year 2026-2027. Per HUD guidelines, the City can allocate 20 percent of the funds (\$226,918) to program administration to perform, monitor, and provide annual reporting to HUD on the City's CDBG program and up to 15 percent of the funds to nonprofit service providers. In keeping with prior City Council direction for the five-year plan, \$170,189 will be allocated to previously procured nonprofit service providers that were selected as part of the five-year grant application process. The remaining balance of \$737,487 in CDBG funds will be allocated to Capital Improvements Projects previously approved by City Council.

The following provides an overview of the projects and activities recommended for funding in the 2026-2027 AAP, including CDBG Capital Improvements Projects, CDBG Public Service activities, and HOME projects and activities:

## **CDBG Capital Improvement Projects**

During the City's Notice of Funding Availability (NOFA) process conducted as part of the first year AAP for 2025-2026, City departments implementing housing and community development activities were requested to submit funding applications for programs or projects that would benefit low- and moderate-income residents, including those located within the CDBG target areas. Staff received two grant applications from City Departments for Code Compliance and Community Facilities & Infrastructure. These activities are described below:

Proposed CDBG CIP Projects	Funding Recommendations:
Code Compliance	\$100,000
<u>Community Facilities &amp; Infrastructure</u>	<u>\$637,487</u>
Total Amount Requested	\$737,487

### Code Compliance Program

The Code Compliance Program, managed by the Planning and Development Department, uses CDBG funds for City Code Compliance personnel to focus efforts in the CDBG residential target areas. The contribution of funds is a cost savings to the General Fund. Grant funding ensures the City can dedicate resources for residential dwellings inspection and enforcement to ensure safe and sanitary housing and to preserve aging housing units occupied by low- and moderate-income persons. This program also results in residential rehabilitation loan and grant referrals to the City's Housing and Homeless Solutions Division.

### Community Facilities & Infrastructure: ADA Compliance

The Public Works Department will utilize CDBG funds to support completion of the citywide ADA compliance project to address existing barriers to the mobility or accessibility of elderly persons and/or adults meeting the Bureau of the Census' Current Populations Reports definition of "severely disabled" by removing material and architectural barriers in public rights-of-way and public facilities at locations throughout the City of Corona. Proposed activities include:

- ✓ Sidewalk Reconstruction: Installation of new ADA-compliant sidewalks, sidewalks with truncated domes, and repair of broken concrete barriers
- ✓ Curb Ramp Installation: Replacing noncompliant curb ramps with compliant, detectable warning-surface ramps at key intersections and pedestrian crossings
- ✓ Accessible Routes: Creating connectivity between residential areas, public transportation stops, and neighborhood amenities

This project is part of a multi-year effort under the approved 2025-2029 Consolidated Plan and is expected to be bid-ready by September 2026, with construction beginning in January 2027.

### CDBG Public Service Grant Activities and Funding

During the 2025-2029 five-year Consolidated Plan and FY 2025-2026 AAP process, the City issued a Notice of Funding Availability (NOFA) and competitively selected qualified public service providers. The NOFA was distributed to approximately 200 nonprofit public service providers, advertised in the Sentinel Weekly, and posted on the City’s social media platforms. The five nonprofits listed below represent the highest-scoring applications that were awarded a five-year commitment of funds based, contingent upon performance. Each nonprofit continues to perform in accordance with the contract requirements. Therefore, in keeping with prior City Council action, the 2026-2027 AAP will renew CDBG Public Service grant funding with the nonprofits outlined below:

<u>CDBG Public Service Grants</u>	<u>Amount Recommended</u>
Big Brothers Big Sisters: Bigs with Badges Mentoring Program	\$ 33,505
Fair Housing Council of Riverside County: Fair Housing	\$ 36,169
Starting Over, Inc.: Path to SEED	\$ 33,505
Voices for Children: Court-Appointed Special Advocate Program	\$ 33,505
<u>Inspire Life Skills Training: Inspiring Hope, Corona</u>	<u>\$ 33,505</u>
Total Public Service Grants	\$170,189

The following is a brief description of the public service grant programs and performance assessments:

Big Brothers Big Sisters: Bigs with Badges Mentoring Program

This program provides high school students with mentors in law enforcement from the Corona Police Department to focus on career exploration and life skills development. This mentorship program seeks to transform police and community relations while providing life-changing opportunities for youth dealing with incarcerated parents, poverty, and gangs. This program aims to assist approximately 17 Corona residents this Fiscal Year. They are on track to exceed their proposed goal and meet spending obligations outlined in their contract.

Fair Housing Council of Riverside County: Fair Housing

Fair Housing Council of Riverside County is the City’s current provider of fair housing services. Fair housing assistance is a mandatory HUD requirement under CDBG programs to ensure funds affirmatively further fair housing choices. The program includes landlord-tenant mediation services, anti-discrimination services, workshops, seminars, presentations, and enforcement actions in partnership with HUD, the Department of Fair Employment and Housing, or private attorneys. The Fair Housing Council aims to serve 2,000 Corona residents this Fiscal Year. They are on track to exceed their proposed goal and meet spending obligations outlined in their contract.

Starting Over, Inc.: Employment Readiness and Training / Certifications

Starting Over assists formerly incarcerated and convicted people to find employment, which is an essential first step to reentering society, maintaining housing, and remaining out of jail or prison. Studies show that work reduces reoffending, and the sooner ex-offenders are employed the less likely they will commit future crimes. The Employment

Readiness and Training / Certifications program helps participants address typical barriers like background checks, employer policies and practices, discrimination, and lack of employment skills. Starting Over provides pre-employment readiness training and other resources through agreements maintained with employers, employment agencies, local businesses, consultants, and other community stakeholders. This program aims to assist approximately 20 Corona residents this fiscal Year. They are on track to exceed their proposed goal and meet spending obligations outlined in their contract.

#### Voices for Children: Court-Appointed Special Advocate Program (CASA)

This program recruits volunteers who advocate for children in foster care (ages birth to 21) in court, at school, and throughout the community to ensure their needs are best represented in an overburdened foster care system. CASA commits to serving an individual child or sibling group for a minimum of 18 months and will spend 10-15 hours per month getting to know foster children, identifying necessary services and resources, and advocating on their behalf in court, at school and in the community. This program aims to serve approximately 32 Corona residents this Fiscal Year. They are on track to exceed their proposed goal and meet spending obligations outlined in their contract.

#### Inspire Life Skills Training: Inspiring Hope, Corona

The program provides stable housing in local community settings, and its primary objective is to mitigate the high rates of homelessness and unemployment among youth aging out of the foster care system. This stable environment is paired with essential life skills training, professional counseling, and financial literacy. A key operational component is the one-on-one mentorship model, which pairs each youth with a volunteer to provide goal accountability and social guidance. This program aims to serve approximately 7 Corona residents this Fiscal Year. They are on track to exceed their proposed goal and meet spending obligations outlined in their contract.

#### HOME Funds

The Cranston-Gonzalez National Affordable Housing Act created the HOME program to provide states and local governments with a flexible funding source to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income households. HOME is a federal block grant to local governments with the sole purpose of creating affordable housing opportunities for low-income households.

#### HOME Project Activities and Funding

The City's allocation of HOME funds for Fiscal Year 2026-2027 is \$413,756. 10 percent (\$41,375) will be set aside for administrative costs, and 15 percent (\$62,063) will be set aside per HUD mandates to support projects to be undertaken by Community Housing Development Organizations (CHDOs). The remaining 75% of the HOME allocation is recommended for the City's Tenant-Based Rental Assistance Program (TBRA) which supports Homeless Strategic Plan goals to permanently house the homeless and prevent homelessness for at-risk households.

Due to the high cost of housing, residents regularly call the City to request rental assistance. Unfortunately, the Mercy House TBRA Program has been at capacity for the past few months. Due to the demand for TBRA assistance, it is recommended that \$350,000 of prior year(s) unspent HOME funds be allocated to HOME TBRA activities. When combined with the FY 26/27 TBRA allocation of \$310,317, the AAP reflects a total allocation of \$660,317 for TBRA activities. Mercy House is on track to meet their proposed goal of serving 100 households and meet spending obligations outlined in their current contract. The \$660,317 allocation to the HOME TBRA program will continue to support permanent housing placements for shelter graduates and homeless prevention rental assistance to prevent additional residents from falling into homelessness.

The 2026-2027 Action Plan will allocate HOME funding as follows:

<u>Proposed HOME Activities</u>	<u>Amount Recommended</u>
Tenant-Based Rental Assistance	\$ 660,317
CHDO Reserve (HUD requirement)	\$ 62,063
<u>HOME Program Planning and Administration</u>	<u>\$ 41,375</u>
Total FY 26/27 HOME Allocation	\$ 763,755

**FINANCIAL IMPACT:**

There is no impact on the General Fund as a result of the planned projects to be funded with HUD CDBG and HOME grants.

**ENVIRONMENTAL ANALYSIS:**

The creation, modification, or update of required Annual Action Plans and the allocation of CDBG and HOME funds is an administrative activity exempt under 24 CFR Part 58, Section 58.34 of the National Environmental Policy Act of 1969 (“NEPA”), as amended. Additionally, these activities are not considered to be a “project” under the California Environmental Quality Act (“CEQA”).

**PREPARED BY:** KAREN ROPER, HOUSING & HOMELESS SOLUTIONS MANAGER

**REVIEWED BY:** JACOB ELLIS, CITY MANAGER

**ATTACHMENTS:**

1. Exhibit 1 - Fiscal Year 26/27 Annual Action Plan
2. Exhibit 2 - Public Notice
3. Exhibit 3 – Fiscal Year 26/27 CDBG and HOME Formula Allocation Letter for Corona