



Board Agenda Item 8

DATE: May 19, 2026

TO: Board of Supervisors

SUBMITTED BY: Paul Nerland, County Administrative Officer
Steven E. White, Director
Department of Public Works and Planning

SUBJECT: 2026-27 Annual Action Plan for Community Development Block Grant, HOME Investment Partnerships Grant, and Emergency Solutions Grants Programs

RECOMMENDED ACTION(S):

- 1. Conduct public hearing to receive testimony on proposed County community development, housing, and homeless program activities that will be funded by Federal grants;**
- 2. Approve the 2026-27 Annual Action Plan, including use of Community Development Block Grant, HOME Investment Partnerships Grant, and Emergency Solutions Grants;**
- 3. Authorize the Director of the Department of Public Works and Planning to execute Standard Form 424 (Application for Federal Assistance), Certifications, and Entitlement Grant Agreements for the Community Development Block Grant and the HOME Investment Partnerships Grant; and**
- 4. Authorize the County Administrative Officer to execute Standard Form 424 (Application for Federal Assistance), Certification, and Entitlement Grant Agreement for the Emergency Solutions Grants.**

Approval of the recommended actions are necessary to allow the County's participation in the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG), HOME Investment Partnerships Grant (HOME), and Emergency Solutions Grants (ESG) entitlement programs and permit staff from the Department of Public Works and Planning (PWP) and the County Administrative Office (CAO) to submit the required planning document and applications for funds to HUD. The County's Urban County Area project jurisdiction (PJ) for Program Year (PY) 2026-27 will consist of unincorporated County areas and eight participating cities (Fowler, Kerman, Kingsburg, Mendota, Orange Cove, Reedley, Sanger, and Selma). This item is countywide.

ALTERNATIVE ACTION(S):

Your Board may approve the Annual Action Plan (AAP) as proposed or make any changes as appropriate, consistent with the Federal regulations governing each of these grant programs.

FISCAL IMPACT:

There is no anticipated increase in Net County Cost associated with the recommended actions. However, in

the event Federal funds for the HOME program are discontinued, the County is obligated by current Federal regulations and previously executed grant agreements to perform compliance monitoring activities for up to 20 years after the new construction or remodeling of HOME-funded housing units which may result in increased Net County Cost.

The AAP serves as the planning document for the County of Fresno for the actual Federal FY 2026 new allocations (utilized July 1, 2026, to June 30, 2027) of CDBG (\$3,116,754), HOME (\$1,137,340), and ESG (\$278,809) funds. HUD released the allocation amounts on April 3, 2026.

The Departments anticipate receiving the grant agreements after submitting the AAP and documents discussed in the third and fourth recommended actions, upon receiving HUD's approval. Sufficient appropriations are included in the respective FY 2026-27 Proposed Budgets for CDBG (PWP Org 7205), HOME (PWP Org 55122008), HOME-ARP (PWP Org 55122035), and ESG (Housing and Homelessness Org 5428).

CDBG funding does not require matching funds. HOME funding requires 25% in matching funds, which can be met with waived local taxes and fees on assisted properties, but are currently being met with carryover match funds which totaled \$27,953,832 on June 30, 2025. ESG funding requires a 100% match and will be met with Homeless Housing, Assistance and Prevention (HHAP) funding, awarded to the County of Fresno and the Fresno Madera Continuum of Care (FMCoC), from the California Department of Housing and Community Development.

An overview of CDBG funding levels is included as Attachment A. Funding for unincorporated area public facility and infrastructure improvement projects will be \$1,071,589, and includes reprogrammed funds from activities not completed during PY 2025-2026. The eight participating cities will receive proportional allocations of PY 2026-27 CDBG entitlement funds totaling \$1,542,523 in accordance with a population-based formula prescribed by HUD. The breakdown of how these funds will be utilized is included as Attachment B. An additional \$271,151 in reprogrammed funds from previous activities and program income for other cities is also included in the amounts shown in Attachments A and B.

A list of Unincorporated Area projects is included as Attachment C. Any recommended loans for owner-occupied home rehabilitation will be presented to the Community Development Finance Committee for approval. The Finance Committee is subject to the Brown Act, holds public meetings, and consists of one representative each from the PWP Financial Services Division, General Services, and the Revenue Reimbursement Division of the Auditor-Controller/Treasurer-Tax Collector.

For PY 2026-27, \$135,000 of CDBG Public Services funds will support various public services. Selection of specific activities is currently in process, and an item will return to your Board later this year for consideration of one or more subrecipient agreements to provide public services. The Sheriff's Area-Based Policing crime prevention, community education, neighborhood watch, and Cops in School intervention activities will be funded at \$300,000. CDBG funds for public services programs are capped at 15% of the annual allocation and are summarized in Attachment D.

An overview of HOME funding levels is included as Attachment E and will support loans and grants for affordable rental housing rehabilitation (\$6,000,000), affordable housing development loans and grants for new construction (\$5,318,870), tenant-based rental assistance (\$300,000), and program administration (\$571,271). These amounts include Community Housing Development Organizations (CHDO) Reserve (\$290,734), which is affordable housing typically sponsored or developed by a non-profit group. The County identified a 25% CHDO set-aside in the 2025-2029 Consolidated Plan, which exceeds the 15% minimum set-aside. Any recommended commitments for CHDO-sponsored or developer-sponsored activities will be brought to the Board for approval. An overview of HOME-ARP funding is included as Attachment F and represents carryover on previously planned funding. A listing of Affordable Housing Project Reservations, for both HOME and HOME-ARP funds, is shown in Attachment G.

The ESG funding will be used in conjunction with other State funding, as part of the homeless response system, to provide street outreach, short and medium-term rental subsidies, case management, and supportive services to households experiencing a housing crisis. ESG funding is summarized in Attachment H.

DISCUSSION:

The AAP is prepared yearly and serves as the County's planning document and application for its allocation of entitlement funds from HUD. The PY 2026-27 AAP is the second annual plan within the five-year Consolidated Plan approved by your Board on August 5, 2025, and identifies specific goals the County will strive to achieve in the coming year. The AAP is required by HUD for the County to receive CDBG, HOME, and ESG funds. PWP and CAO collaborate to prepare the Consolidated Plan and each AAP and administer the CDBG, HOME, and ESG programs as directed by the Board. Projects supported with CDBG and HOME funds are limited to unincorporated areas of the County and those cities participating in the County's Joint Powers Agreement (JPA) for HUD's Urban County Program, which was most recently authorized by the Board on August 8, 2023.

A description of CDBG programs for unincorporated areas of the County and HOME Programs for the unincorporated areas of the County and cities participating in the JPA are included as Attachments A and E. CDBG will be used for public facility and infrastructure enhancements, public services, housing rehabilitation, and program administration; HOME will be used for Tenant-Based Rental Assistance, rental housing rehabilitation, development of new single/multifamily housing, and program administration. HOME and HOME-ARP funding recommendations are substantially similar to those presented during last year's AAP, as none of the five projects selected to receive funding reservations were able to secure all funding necessary to begin the projects.

The Housing and Community Development Citizens Advisory Committee (CAC) has completed its review and ranking of five eligible proposed public facility and infrastructure improvement projects for the unincorporated areas; one of these projects (Fire Station 94 Water Tender) was moved from the 2026-27 Unincorporated Area project list to the revised 2025-26 Unincorporated Area Project List approved by your Board on March 17, 2026 and was then fully funded. The Del Rey Water Valve Improvements project was also added to the 2025-26 Unincorporated Area Project list and has been selected for funding of the Design Phase. The remaining three eligible submitted projects are identified as New Projects on the 2026-27 Unincorporated Area project list. The recommended amount of CDBG funds for unincorporated area public facility and improvement projects, in accordance with established Board policy, enables funding for Construction Phase of two projects and Design Phase of two additional projects. Additional projects may be funded for Design and/or Construction based on funding availability and project readiness.

ESG funds may be used for the following five program components: street outreach/emergency shelter, homelessness prevention, rapid re-housing, Homeless Management Information System (HMIS), and administrative activities (up to 7.5% of the allocation). In compliance with HUD requirements, The CAO, through the Office of Housing and Homelessness, consults with the Fresno Madera Continuum of Care (FMCoC) regarding recommendations for ESG allocations. Recommendations are integrated with the goals and other funding plans throughout the FMCoC to ensure the most effective use of State and Federal funding. PY 2026-27 ESG funds will be used for rural-focused street outreach, overnight emergency shelter, rapid-rehousing, database expenses, and program administration. Together, the funding will serve chronically homeless individuals in need of housing and disability advocacy to end their homelessness. Funding for ESG activities is summarized in Attachment H.

The AAP includes certifications assuring HUD that the County has complied with all applicable Federal regulations and requirements. These include conducting two public hearings, maintaining a drug-free workplace, limiting lobbying, and ensuring that the HUD-funded activities will principally benefit persons at or below 80% AMI. The County has complied with all of these requirements.

Federal regulations at 24 CFR Part 91 require public review of the draft Consolidated Plan, which has been available for public comment on the County's website at www.fresnocountyca.gov/grants and the PWP Community Development Division office since April 17, 2026.

OTHER REVIEWING AGENCIES:

The Consolidated Plan Committee (CPC) conducted a noticed public hearing on housing and community development needs during its meeting on November 19, 2025. The CPC includes CAC members from unincorporated area communities and neighborhoods (appointed by your Board), and representatives from the eight participating cities.

REFERENCE MATERIAL:

BAI #39, March 17, 2026
BAI #16, August 5, 2025
BAI #40, August 8, 2023

ATTACHMENTS INCLUDED AND/OR ON FILE:

Attachments A-H
On file with Clerk - 2026-27 Annual Action Plan

CAO ANALYST:

Dylan McCully