



## CITY OF BANNING STAFF REPORT

**TO:** CITY COUNCIL

**FROM:** Arturo Vela, Interim City Manager

**PREPARED BY:** Marisol Lopez, Economic Development Manager  
Ralph Wright, Parks and Recreation Director

**MEETING DATE:** December 9, 2025

**SUBJECT:** Consideration of Resolution 2025-166, Approving Community Development Block Grant (CDBG) Applications for Fiscal year 2026/2027

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### **RECOMMENDATION:**

Adopt Resolution 2025-166.

### **BACKGROUND:**

The City of Banning is a cooperating City in the Community Development Block Grant (CDBG) Program. The CDBG program is a flexible program that provides communities with resources to address a wide range of unique community development needs. Beginning in 1974, the CDBG program is one of the longest-running programs at HUD. The CDBG entitlement program allocates annual grants to larger cities and urban counties to develop viable communities by providing decent housing, a suitable living environment, and expanding economic opportunities, primarily for low- and moderate-income individuals.

The CDBG program is a federally funded program administered through the U.S. Department of Housing and Urban Development (HUD). As an Urban County in the Entitlement CDBG program, the County receives an annual formula allocation of CDBG funds from HUD. HUD determines the amount of each grant using a formula that incorporates several measures of community need, including the extent of poverty, population, housing overcrowding, the age of housing, and population growth lag in relation to other metropolitan areas.

The program works to ensure decent, affordable housing, provides services to the most vulnerable in our communities, and creates jobs through the expansion and retention of businesses. CDBG is a vital tool for helping local governments address the serious challenges facing their communities. The CDBG program has made a difference in the lives of millions of people and their communities across the Nation. CDBG was authorized under the Housing and Community Development Act of 1974, as amended, and is listed under the Catalog of Federal Domestic Assistance (CFDA) as 14.218. Applicable CDBG regulations can be found at 24 CFR Part 570 and 24 CFR Part 91. CDBG funding has been used by the County, its cooperating cities, and other subrecipients for a wide variety of community, economic, and social development activities. Activities include public facilities such as fire stations, parks, community centers, senior centers, homeless shelters, health clinics, water and sewer improvements, and street and sidewalk improvements. CDBG also provides public service activities such as childcare, health care, after school, programs, senior programs, food and clothing distribution, job training, recreation, and many more.

As part of the Federal CDBG guidelines, proposed projects/public service activities must meet the following criteria:

1. The project or activity must primarily benefit the low and moderate income community;
2. The project or activity must aid in the prevention or elimination of slums and blight areas;
3. The project or activity must be designed to meet the Community's Development needs and have a particular urgency.

Notice of Funding Availability (NOFA) for the County of Riverside's 2026-2027 Urban County CDBG program for Cooperating Cities. The estimated City of Banning allocation for 2026/2027 is \$156,000.

The County opened the 2026-2027 CDBG application cycle starting September 29, 2025. The City of Banning, through HWS, has accepted applications for both City projects and from interested Non-profits, annually with each CDBG Funding cycle. This year, the City accepted applications through, November 14th, 2025, at 4pm. Notifications of the CDBG application period in English and Spanish were published on the City's Website and press releases were transmitted to the Record Gazette.

Two applications were submitted within the application period: The City of Banning applied for the Sylvan park Improvement project in the amount of \$160,000 and the Boys and Girl's Club of the San Gorgonio Pass submitted an application for their Teens Continue to Lead program in the amount of \$30,000.

On October 14, 2025, the City Council appointed an Ad-Hoc committee comprised of two Council Members, Mayor Pro Tem, Richard Royce and Council Member, Leroy Miller, to review and recommend approval of selected applications of FY 2026/2027 CDBG funding cycle. The committee met on December 3, 2025, and recommended the City's \$156,000 entitlement be allocated to the City of Banning's Sylvan Park improvement Project in the amount of \$150,000 and to the Boy's and Girl's Club of the San Gorgonio Pass' Teen Continue to Lead program in the amount of \$6,000.

#### **JUSTIFICATION:**

In response to the 2026/2027 CDBG application period, two applications were submitted within the application acceptance window: One application was submitted by the City of Banning for their Sylvan Park Improvement Project in the amount of \$160,000 and one non-profit public service related project was submitted by the Boys and Girls Club of the San Gorgonio Pass for their Teens Continue to Lead Program in the amount of \$30,000. There was one additional non-profit public service related project that was submitted ten days after the application window closed.

As set forth in the guidelines for utilization of the CDBG funding, the City Council may designate up to 15% of the City's allocation to service oriented non-profit agencies for public services projects but is not required to do so. The FY 2026/2027 estimated allocation is \$156,000 of which a maximum of \$23,400.00 can be awarded to non-profit service related organizations.

The Ad-Hoc committee recommended the following:

Public Service Project - The Boys and Girls Club of the San Gorgonio Pass in the amount of \$6,000 and the City of Banning Sylvan Park Improvement Project in the amount of \$150,000.

#### **FISCAL IMPACT:**

The estimated funding under the CDBG Fiscal Year 2026/2027 program is approximately \$156,000. There is no match requirement for approved projects with this funding. Upon approval of the City Council, the recommended City selected and approved projects will be submitted to the HWS for review and consideration. It is anticipated that the final funding approval will be provided to the City by October of 2026.

#### **ALTERNATIVES:**

1. Approve Resolution 2025-166 as recommended
2. Approve Resolution 2025-166 with modifications
3. Do not approve Resolution 2025-166 and provide alternate direction

**BUDGETED?:**

No

**CONTRACT/AGREEMENT:**

No

**ATTACHMENTS:**

1. [Resolution2025-166.docx](#)
2. [Notice of Funding CDBG Grant, png](#)
3. [City of Banning NOFA Cover Letter.pdf](#)
4. [POP - Record Gazette - NOFA English 26-27.pdf](#)
5. [POP - Record Gazette - NOFA Spanish 26-27.pdf](#)
6. [CDBG 2026-2027 City of Banning Application.pdf](#)
7. [CDBG 2026-2027 Boys & Girls Club of the San G Application.pdf](#)