



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Arturo Vela, Interim City Manager

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

MEETING DATE: October 14, 2025

SUBJECT: Consideration of Appointment of Two Council Members to the Community Development Block Grant(CDBG) Ad-Hoc Committee for the FY 2026/2027

RECOMMENDATION:

Staff recommends the City Council appoint a committee at the October 14, 2024 meeting, consisting of two members from the City Council as well as the Economic Development Manager, to review and recommend FY 2026/2027 Community Development Block Grant (CDBG) program applications.

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.

Notice of Funding Availability (NOFA) for the County of Riverside's 2026-2027 Urban County CDBG program for Cooperating Cities. The County opened the 2026-2027 CDBG application cycle starting September 29, 2025. The estimated City of Banning allocation for 2026/2027 is \$156,000.

The CDBG program works to ensure decent affordable housing, to provide services to the most vulnerable in our communities, and to create jobs through the expansion and retention of businesses. CDBG is an important tool for helping local governments tackle 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.

Eligible Activities:

- Economic Development
- Job Development
- Youth Services
- Senior Programs
- Health Services
- Public Safety Programs
- Neighborhood Revitalization
- Municipal Services
- Code Enforcement
- Transportation Services
- Housing Assistance/First Time Buyers

CDBG-funded projects must satisfy one of three national program objectives:

- Provide a benefit to low- and moderate-income persons,
- Prevent or eliminate slums and blight, or
- Meet other urgent community development needs due to natural disasters or other emergencies.
- Community Centers
- Workforce Development Centers
- Child Care Centers
- Senior Centers
- Health Facilities
- Sheriff/Fire Stations
- Flood and Drainage Facilities
- Water/Sewer Improvements
- Demolition
- Street Improvements/Sidewalks
- Homeless Centers

Of the City's estimated allocation, a maximum of 15% of the \$156,000 or \$23,400 can be used for Public Service projects.

JUSTIFICATION:

Riverside County Housing and Workforce Solutions will make the final determination of a project's eligibility.

Below is a schedule of important dates that are necessary to ensure that the City meets Riverside County Housing and Workforce Solutions Agency's application deadline.

10/13/2025 Application Period Opens to The Public.

11/14/2025 Applications due at 4:00 PM (hard copy only)

No later than

11/24/2025 Ad-Hoc meeting to review applications and make recommendation.
12/09/2025 City Council to approve applications for submission to Riverside County
12/18/2025 Approved Applications due to Riverside County

FISCAL IMPACT:

There is no fiscal impact associated with the selection of the Ad-Hoc Committee members.

ALTERNATIVES:

Do not appoint any members. However, failure to appoint committee members in a timely manner could result in a missed deadline for submitting applications to Riverside County, which could result in a lost funding opportunity of approximately \$156,000 in CDBG funds.

BUDGETED?:

No

CONTRACT/AGREEMENT:

No