

State of California 2026-2027 Annual Action Plan One Year Use of Federal Funds

Public Hearing

Virtual and In-Person

March 19, 2026 at 2:00 P.M.

California Department of Housing and Community Development (HCD)
Division of Federal Financial Assistance (DFFA)
Funding from - U.S. Department of Housing and Urban Development (HUD)





Welcome to the 2026-2027 Annual Action Plan Public Hearing



Department of Housing and Community Development
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(916) 776-7525



Presenters

Hosts

HUD Reporting Team:

Samantha Brumbaugh, *HCD Supervisor I*

Luke Gladstein, *HCD Representative II*

Alexis Navarro, *HCD Analyst II*

Presenters

Program Teams:

CDBG: Shannon Burge, *HCD Specialist I*

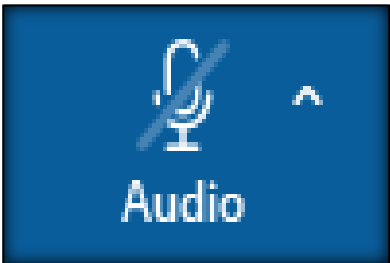
ESG: Anthony Zepeda, *HCD Specialist I*

HOME/NHTF: Jason L. Bradley, *HCD Manager II*

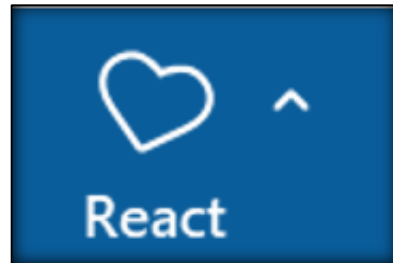
HOPWA: Hillary Chigi-Garcia, *CDPH Unit Chief*



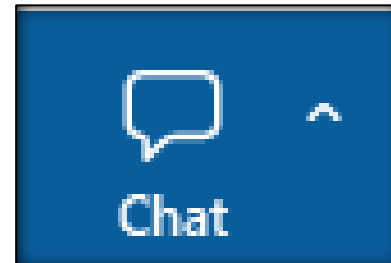
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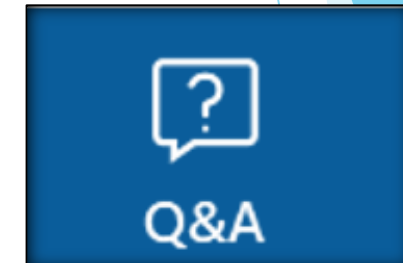
All Participant
Lines Muted
Upon Entry



Use "Raise
Hand" Feature



Use Chat for
comments



Use Q&A for
Questions



Use Captions
if needed



Agenda

- ✓ Background
- ✓ Introduction
- ✓ The Annual Action Plan
- ✓ Programs Overview
- ✓ Closing
- ✓ Questions





Background

- ▶ On July 1, 2025, HCD implemented the 2025-2029 Consolidated Plan (Con Plan).
- ▶ The Con Plan is HCD's outline for the next 5 years. The HUD reporting team developed the Con Plan using:
 - Market Analysis
 - Needs Assessment
 - Strategic Planning
 - One-year Annual Action Plan

Note: This plan covers only HUD programs administered by HCD.



Introduction

- ▶ The 2026-27 Annual Action Plan is the second-year of the five-year 2025-2029 Con Plan
- ▶ The One-Year Action Plan outlines HCD's main priorities for fiscal year 2026-2027 (FY26).
- ▶ Programs included in this AAP:
 - CDBG-Community Development Block Grant
 - ESG- Emergency Solutions Grant
 - HOME- HOME Investment Partnerships
 - NHTF- National Housing Trust Fund
 - HOPWA- Housing Opportunities for Person with AIDS



Overview

Executive
Summary: AP-05
through AP-12

Expected
Resources: AP-15

Annual Goals and
Objectives: AP-20
through AP-25

Methods of
Distribution - AP-30
through AP-38

Affordable Housing:
AP-55 through AP-
85

Program Specific
Requirements: AP-
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Appendix A, B, and
C: Program Income,
HOME Policy, HOME
& NHTF Standards



AP-15 Expected Resources

(Page 32)

- ▶ AP-15 explains the resources we expect to have for FY 2026-2027.
- ▶ Includes annual HUD allocations, program income, and prior-year resources.
- ▶ Covers five HUD programs administered by HCD:
CDBG, HOME, ESG, NHTF and HOPWA
- ▶ These resources support the goals in the 2025–2029 Consolidated Plan.

Note: Funding amounts are estimates and will be updated before submission to HUD.



Expected Resources

(Page 33 - 38)

This example highlights how AP-15 is structured in the AAP.

Program	Annual Allocation	Program Income	Prior Year Resources	Total (Expected Available FY26)	Expected Remainder of Con Plan
HUD program names (e.g., CDBG, HOME, etc.)	Estimated HUD funding for FY 2026–2027	Money earned from HUD-funded projects (<i>examples: rent, loan repayments</i>)	Unspent funds carried over from previous years	Sum of allocation, income, and prior-year funds	Projected resources for remaining 3 years of the 5-year plan



AP-20 Annual Goals and Objectives

(Page 42)

Purpose: Outlines the priority goals for the 2026–2027 program year, aligned with the Consolidated Plan.

1. Increase supply of affordable housing
2. Preserve existing housing
3. Improve access
4. Prevent homelessness
5. Address homelessness
6. Invest in infrastructure
7. Support public services
8. Increase economic opportunity



AP-20 Annual Goals and Objectives

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This example highlights how AP-20 is structured in the AAP.

Sort Order	Goal Name	Description	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator (Cumulative of all programs)
The sequence in which goals are listed in the Action Plan	Increase Supply of Affordable Housing	Development of new rental and homeownership housing opportunities to increase the supply of affordable housing	2026	2027	Affordable Housing	Statewide	Which needs from the Consolidated Plan this goal responds to.	The programs and resources that will support this goal (e.g., HOME, HTF).	How success will be measured (e.g., number of housing units constructed or rehabilitated).



AP-25 Allocation Priorities

(Page 46)

- ▶ Simplified Table
- ▶ How expected funding amounts are divided among priority goals for each HUD program.
- ▶ It shows the percentage of funds allocated to goals such as affordable housing, homelessness prevention, infrastructure, and economic development.



Allocation Priorities

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Programs	Increase Supply of Affordable Housing (%)	Preserve Existing Affordable Housing (%)	Improve Access to Affordable Housing (%)	Prevent Homelessness (%)	Address Homelessness (%)	Invest in Community and Public Infrastructure (%)	Provide Community Based Public Services (%)	Increase Economic Development Opportunities (%)	Colonias Set-Aside (%)	Total (%)
CDBG	0	19	0			76	0	0	5	100
HOME	72	12	16							100
HOPWA				63	37					100
ESG				5	95					100
HTF	90	10								100



AP-30 Methods of Distribution

(Page 52 – 86)

- ▶ Methods of Distribution is a detailed outline of how funds will be awarded to carry out eligible activities.
- ▶ HUD Requirement: Must describe allocation priorities, distribution process, and obstacles.
- ▶ Each program will explain its own details in the following slides.



CDBG Program

- ▶ **Purpose:** The primary federal objective of the CDBG program is the development of viable urban communities by providing decent housing and a suitable living environment and through expanding economic opportunities, principally, for persons of low-and moderate-income.
- ▶ **Serves:** HCD serves smaller cities and counties, mostly rural, that do not receive funds directly from HUD, with a focus on equitably benefiting Californians with low and moderate incomes.
- ▶ **Eligible Applicants:** Non-entitlement jurisdictions [cities <50,000 and counties with populations under 200,000 in unincorporated areas that do not participate in HUD's CDBG entitlement program]. Non-federally recognized Native American communities and Colonia, as defined by the National Affordable Housing Act of 1990, may apply as partners with eligible jurisdictions.



Distribution of CDBG Funds to Eligible Jurisdictions

Award Method

- ▶ Strategic focus for 2026-2027. Returning Over-the-Counter (OTC), First-come, first-served for shovel ready projects. Funding will prioritize Infrastructure, community facilities and housing project activities.
- ▶ Pausing Housing, Economic Development programs, Planning & Public Services in 2026–2027 only
- ▶ Housing and Economic Development Programs, Planning and Public Services activities will be available competitively in 2028

Set-asides

- ▶ 5% for Colonias – planning, infrastructure or housing activities
- ▶ 1.25% for non-federally recognized tribes

Guidelines Changes

- ▶ Guideline amendment will make 50% Rule applicable to Over-the-Counter and Competitive applications



ESG Program

- ▶ **Purpose:** Provides funds for a variety of activities to address homelessness as authorized under the federal Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009.
- ▶ **Serves:** Homeless individuals and families living on the street or in shelters, individuals and families at risk of becoming homeless.
- ▶ **Eligible Applicants:** Local governments, nonprofit service providers, including Continuums of Care (CoC).



ESG Annual Allocation Process

Annual Allocation Process:

- ▶ NOFAs will be released every 3 years – multi-year Standard Agreements.
- ▶ HCD funding based on HUD grant agreement

Current Funding Cycle Update:

- ▶ Currently in the second year of the three-year 2024 NOFA cycle and is in the process of amending the Standard Agreements to add FY25 funding.
- ▶ The next ESG Annual Funding Cycle will begin with the release of the 2027 ESG NOFA.



ESG Annual Allocation Priorities & Method of Distribution

ESG funds can be used for the following program components:

- ▶ Rapid Rehousing – 40% minimum
- ▶ Emergency Shelter – 60% maximum
- ▶ Street Outreach – 60% maximum
- ▶ Homelessness Prevention – 10% maximum
- ▶ Homeless Management Information System
- ▶ Administrative Costs – 1% maximum

Method of Distribution

- ▶ Funding is based on the formula allocation established in the ESG Guidelines:
 - Point-in-Time count
 - Number of extremely low-income renter households that are paying more than 50 percent of their income for rent
 - Number of persons below the federal poverty line divided by the total population



ESG-Rapid Unsheltered Survivor Housing (RUSH) Program

ESG-RUSH funds are focused on:

- ▶ Disaster relief – LA Wildfires of 2025
- ▶ Assists individuals and families experiencing homelessness or at risk of homelessness
- ▶ Geographically restricted for use within disaster declared areas – allocation process in ESG Guidelines does not apply

ESG-RUSH Funding:

- ▶ HUD awarded \$3,000,000 in ESG-RUSH Funding to HCD

esgnofa@hcd.ca.gov



HOME Program

- ▶ **Purpose:** Increase supply of housing affordable to Californians priced out of the rental and purchase markets and rehabilitate or reconstruct substandard homes.
- ▶ **Serves:** Low- and Very Low-Income households (incomes at or below 80% and 50% Area Median Income).
- ▶ **Eligible Applicants:** HOME non-entitlement/affiliated jurisdictions, developers, Community Housing Development Organizations (CHDOs), and Tribal entities.



HOME Program Method of Distribution

- ▶ Project Activities: Awarded on the *Competitive* Basis
 - Rental New Construction/Rehabilitation/Acquisition
- ▶ Program Activities: Awarded on the *Over The Counter* (OTC) basis
 - Owner-Occupied Rehabilitation
 - Tenant-Based Rental Assistance
- ▶ HOME allowing Tribal entities to apply for both Program Activities and Project Activities under certain requirements:
 - Only federally recognized Tribes are eligible to apply for Program Activities.
 - Non-federally recognized Tribes and federally recognized Tribes are eligible to
- ▶ Twenty percent (20%) of the 2022/2023 HOME NOFA is targeted for Tribal entities.



NHTF Program Method of Distribution

- ▶ **Purpose:** To increase and preserve the supply of affordable housing for Californians with the lowest incomes.
- ▶ **Serves:** Extremely low-income households at or below 30 percent of the Area Median Income (AMI) with a specific focus on Permanent Supportive Housing for people experiencing homelessness, to the extent that a sufficient number of projects exist.
- ▶ **Eligible Applicants:** For-profit and nonprofit developers, Public Housing Agencies (PHAs), Organizations or entities with: Demonstrated capacity, Site control, Experience in affordable multifamily housing development



NHTF Method of Distribution

NHTF funding will be awarded on the Over The Counter (OTC) basis to previously awarded NHTF projects that need additional gap financing due to cost increases and/or lack of securing anticipated funding sources

- ▶ Eligible Applicants/Recipients: Organizations, agencies, or other entities that are owners and/or developers, including: Native American Entity, Public Housing Agencies, For-Profit and Non-Profit Entities
- ▶ Eligible Uses: Acquisition, New Construction, Rehabilitation and Permanent Loans (and related eligible soft costs), Grants and Loans for Tribal Entities
- ▶ Project Type: Multifamily Rental Housing, targeted at ELI households (30% AMI), Permanent Supportive Housing for people exiting homelessness, to the extent that a sufficient number of projects exist.



HOPWA Program

- ▶ **Purpose:** The Housing Opportunities for Persons With AIDS (HOPWA) program provides housing assistance and supportive services to prevent or reduce homelessness for persons living with HIV/AIDS (PLWH).
- ▶ **Serves:** PLWH who are experiencing homelessness or who are at-risk of homelessness.
- ▶ **Eligible Applicants:** State HOPWA serves counties that do not qualify to receive HOPWA grant funds directly from HUD.

Note: California Department of Public Health, Office of AIDS, administers the HOPWA program.

For more information, contact Hillary Chigi-Garcia at hillary.chiginsky@cdph.ca.gov or (279) 732-2401.



HOPWA Method of Distribution

HOPWA services are provided by funded health departments, housing authorities, and community-based organizations in mid-size and rural counties in non-entitlement areas. The availability of services differs from county to county. Services and eligible uses include:

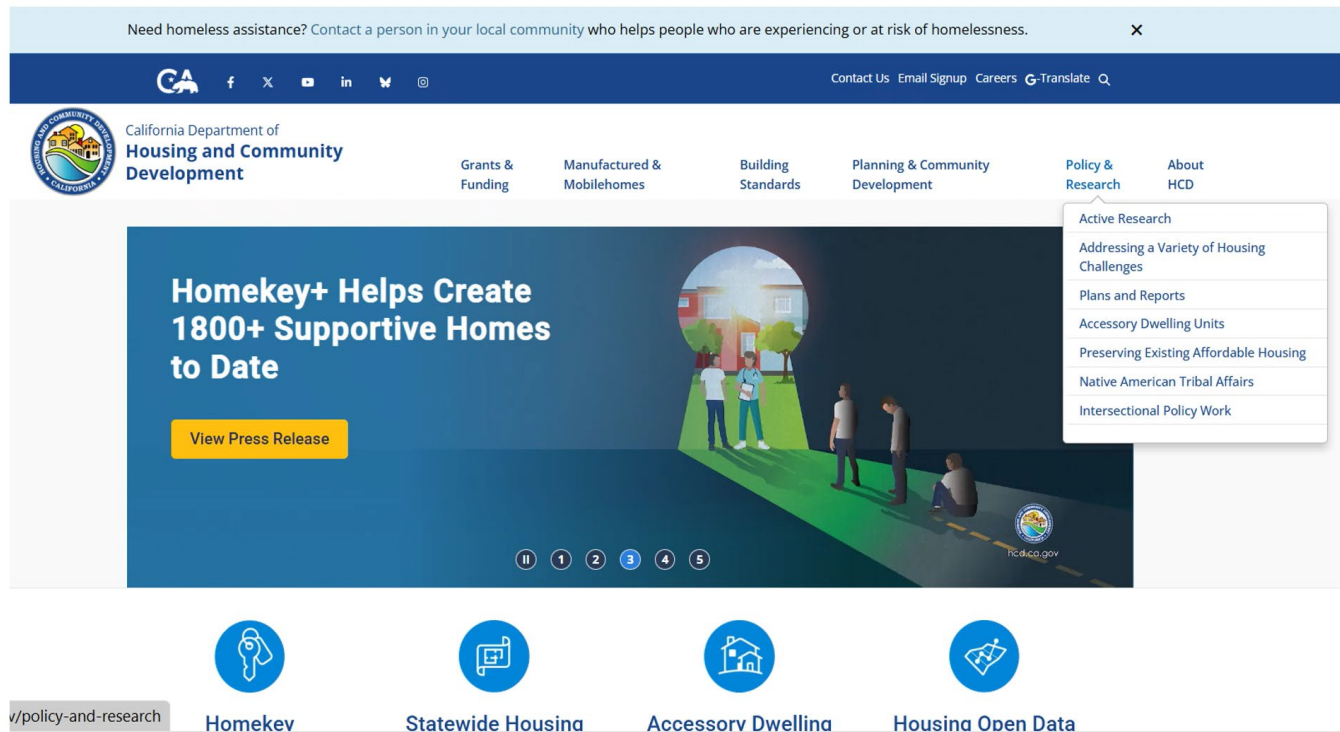
- ▶ Short-term emergency rent
- ▶ Mortgage and utility assistance
- ▶ Housing information
- ▶ Tenant-based or project-based rental assistance
- ▶ Other supportive services

For more information, contact Hillary Chigi-Garcia at hillary.chiginsky@cdph.ca.gov or (279) 732-2401.



Public Comment Period

This amendment can be found on the Federal Plans and Reports webpage located here: [Annual Action Plans and Amendments](#)



The 2026-2027 Annual Action Plan will be available for a 30-day public comment starting February 28 through March 30, 2026.



How to Submit Comments

In writing

California Department of Housing and Community Development
651 Bannon St., Suite 400
Sacramento, CA 95811
Attention: HUD Reporting

Email: FederalReporting@hcd.ca.gov

Phone: (916) 776-7462

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HCD will make every effort to accommodate the needs of non-English-speaking residents and individuals with disabilities. Translation services and auxiliary aids are available upon request. Please submit requests by email to FederalReporting@hcd.ca.gov

March 2026

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
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15	16	17	18	19	20	21
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29	30	31				

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Thank you!

Thank you for your participation. Your feedback helps us in our efforts to promote safe, affordable homes and vibrant, inclusive, sustainable communities for all Californians.

For more information, or to send a comment or question, please email FederalReporting@hcd.ca.gov.





2026-2027 Annual Action Plan Questions, Comments, Feedback?

**Public
Hearing
Questions
Comments
Feedback**





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General Unrecorded Questions, Comments, Feedback?

