

**Proposed Substantial Amendment**  
**Community Development Block Grant (CDBG)**  
**Program Years 2023-2024 & 2025-2026 Annual Action Plans**  
**Draft for Public Review**

<p><b>Jurisdiction:</b> City of San Marcos, California</p> <p><b>Jurisdiction Web Address:</b> <a href="https://www.sanmarcosca.gov">https://www.sanmarcosca.gov</a></p>	<p><b>CDBG Contact Person:</b> Quinton Hufferd</p> <p><b>Address:</b> 1 Civic Center Drive San Marcos, CA 92069</p> <p><b>Telephone:</b> (760) 744-1050 x4517</p> <p><b>Email:</b> <a href="mailto:cdbg@sanmarcosca.gov">cdbg@sanmarcosca.gov</a></p>
--	---

## Executive Summary

The City of San Marcos proposes a Substantial Amendment to the Program Year (PY) 2023–2024 and PY 2025–2026 Annual Action Plans to adjust project funding allocations, document a repayment installment to the U.S. Department of Housing and Urban Development (HUD), and update project budgets to reflect finalized construction costs.

The amendment reallocates previously allocated funds among capital improvement projects, removes one planning activity, and documents restoration of \$496,937.27 to the City's CDBG line of credit following repayment processing through HUD's Line of Credit Control System (LOCCS).

All amended activities remain consistent with the priorities identified in the City's 2020–2024 and 2025–2029 Consolidated Plans and continue to meet CDBG national objective requirements benefiting low- and moderate-income residents.

## Amendment Threshold Determination

Substantial amendments are conducted in accordance with 24 CFR 91.505(c) and the City's Citizen Participation Plan when changes:

- Reallocate more than 10 percent of the annual CDBG entitlement, or
- Add or remove previously approved projects.

The changes described in this amendment exceed this threshold and therefore require a Substantial Amendment and 30-day public review period.

## Summary of Proposed Project Adjustments

Project	Amendment Action
Bradley Park Master Plan	Removed from PY 2025–2026 AAP; \$250,000 reprogrammed
Richmar Park Phase 2	Budget increased to support park improvements in an LMI area
Senior Activity Center HVAC Rehabilitation	Budget increased to reflect updated construction costs
Neighborhood Lighting Improvements	No change

## Amendment Reconciliation Table

The following table summarizes the changes to project budgets and funding sources resulting from this Substantial Amendment.

Project	Original Budget	Amended Budget	Change	Funding Sources (Revised)
Bradley Park Master Plan	\$250,000	\$0	-\$250,000	Project removed
Neighborhood Lighting Improvements	\$26,676	\$26,676	—	PY2025 Entitlement
Richmar Park Phase 2	\$839,776	\$1,200,000	+\$360,224	Prior-Year Funds; Restored Funds
Senior Activity Center HVAC Rehabilitation	\$1,156,899	\$1,500,000	+\$343,101	PY2025 Entitlement; Prior-Year Funds
Program Administration	\$140,729	\$140,729	—	PY2025 Entitlement; Prior-Year Funds

Restored funds reflect repayment of \$496,937.27 to HUD and reinstatement to the City's CDBG Line of Credit Control System (LOCCS).

## Program Year 2023-2024 Amendment

The City reallocates \$359,095.87 in previously allocated but unexpended PY 2023 CDBG funds from:

## **Richmar Park Phase 2**

to:

### **Senior Activity Center HVAC Rehabilitation**

These funds were previously allocated but have not been drawn.

The reallocation supports completion of the HVAC rehabilitation project serving low- and moderate-income seniors.

## **Program Year 2025-2026 Amendment**

### **HUD Repayment Installment**

The City will remit \$496,937.27 to HUD during Program Year 2025. Upon receipt and processing, HUD will restore these funds to the City's Program Year 2021 CDBG line of credit in LOCCS.

This repayment represents a financial adjustment within the City's CDBG line of credit and does not reduce the total amount of CDBG funds available for eligible activities.

### **Allocation of Restored Funds**

Upon restoration, the funds will be allocated to:

#### **Richmar Park Phase 2**

The project provides park improvements located within a qualifying Low- and Moderate-Income Area (LMA).

## **Updated Project Budgets**

### **Richmar Park Phase 2**

Current IDIS Budget: \$839,776

Amended Budget: \$1,200,000

Additional funding supports park infrastructure improvements located within an eligible LMI neighborhood.

National Objective: LMA

## Senior Activity Center HVAC Rehabilitation

Current IDIS Budget: \$1,156,899

Amended Budget: \$1,500,000

Funding supports replacement of the facility HVAC system serving low-income seniors.

National Objective: LMC

## Consistency with Consolidated Plan

The amended projects remain consistent with the priorities identified in the City's:

- 2020–2024 Consolidated Plan, and
- 2025–2029 Consolidated Plan

Both plans identify public facility improvements and neighborhood infrastructure investments as priority needs in low- and moderate-income areas.

## National Objective Compliance

All amended activities qualify under 24 CFR 570.208(a) as activities benefiting low- and moderate-income persons.

The City will continue to meet the statutory requirement that at least 70 percent of CDBG expenditures benefit LMI persons.

## Citizen Participation

In accordance with the City's Citizen Participation Plan:

<b>Requirement</b>	<b>Action</b>
Public Notice	Published March 13, 2026
Public Comment Period	March 20 – April 22, 2026
Public Hearing	March 24, 2026
City Council Adoption	April 28, 2026

# Appendix A

## Technical Revisions to the PY 2025–2026 Annual Action Plan

*(Amended Sections Only)*

Only the sections of the adopted Program Year (PY) 2025–2026 Annual Action Plan affected by this Substantial Amendment are reproduced below. All other sections of the adopted Annual Action Plan remain unchanged.

## AP-15: Expected Resources

### Introduction (Amended)

The City will utilize PY 2025–2026 CDBG entitlement funds together with prior-year CDBG resources to complete eligible activities described in this Annual Action Plan.

In addition, the City will remit \$496,937.27 in CDBG funds to the U.S. Department of Housing and Urban Development (HUD) as a repayment installment. Upon receipt and processing by HUD, these funds will be restored to the City's Program Year 2021 grant line within the Line of Credit Control System (LOCCS) and made available for allocation to eligible CDBG activities.

Restored funds will be allocated to priority public infrastructure improvements consistent with the City's Consolidated Plan priorities.

### Expected Resources Table (Amended)

Program Source	Uses	Annual Allocation	Program Income	Prior-Year Resources	Total
CDBG – Public Federal	Public Facilities & Infrastructure, Public Services, Administration	\$703,648	\$0	\$1,511,796	\$2,215,444

Prior-year resources include reallocated balances supporting:

- Richmar Park Phase 2
- Senior Activity Center HVAC Rehabilitation
- Program Administration

including funds restored following the HUD repayment installment.

## AP-20: Annual Goals and Objectives

### Amended Language

No changes are made to the City's overall goal structure.

Annual goal outcomes have been updated to reflect revised funding levels for public facility improvements. The **Bradley Park Master Plan project has been removed**, and additional improvements are anticipated for:

- Richmar Park Phase 2
- Senior Activity Center HVAC Rehabilitation

## AP-35: Projects

### Removed Project

#### **Bradley Park Master Plan**

Original Allocation: \$250,000

The Bradley Park Master Plan project is removed from the PY 2025–2026 Annual Action Plan. The planning activity is deferred to prioritize construction-ready capital improvements and ensure timely expenditure of CDBG resources.

The \$250,000 originally allocated to this project has been reprogrammed to priority capital improvement activities and to reflect the HUD repayment adjustment.

### Revised Projects

#### Richmar Park Phase 2

Original Budget: \$839,776

Revised Budget: \$1,200,000

Change: +\$360,224

Revised Funding Sources:

- ~~\$156,101 – PY 2025–2026 Entitlement~~
- \$490,861 – Prior-Year Funds
- \$496,937 – Restored Funds Following HUD Repayment

Additional funding supports completion of Phase 2 park improvements within a qualifying low- and moderate-income neighborhood.

National Objective: **LMA – Low/Moderate Income Area Benefit**

### Senior Activity Center HVAC Rehabilitation

Original Budget: \$1,156,899

Revised Budget: \$1,500,000

Change: +\$343,101

Funding Sources:

- \$445,425 – PY 2025–2026 Entitlement
- \$1,013,319 – Prior-Year Resources

Additional funding is required to meet updated construction estimates and complete rehabilitation of the facility’s HVAC system serving low-income seniors.

National Objective: **LMC – Limited Clientele (Presumed Benefit – Seniors)**

### Program Administration

Original Budget: \$140,729

Revised Budget: \$140,729 (No change)

Funding Sources:

- \$114,581 – PY 2025–2026 Entitlement
- \$25,878 – Prior-Year Resources

Funding sources have been adjusted to align with available resources. Total funding remains unchanged.

## AP-38: Project Summary (Amended)

Only project summaries affected by this amendment are reproduced below.

### Richmar Park Phase 2 (Updated)

Total CDBG Funding: \$1,200,000

Funding supports completion of park improvements located in a low- and moderate-income neighborhood. Improvements include installation of park amenities, shade structures, site infrastructure, and accessibility improvements.

Funding sources include prior-year reallocated resources and funds restored following the HUD repayment adjustment.

National Objective: **Low/Moderate Income Area Benefit (LMA)**

## Senior Activity Center HVAC Rehabilitation (Updated)

Total CDBG Funding: **\$1,500,000**

Funding supports rehabilitation of the Senior Activity Center through replacement of the building's HVAC system to ensure continued delivery of programs and services for low- and moderate-income seniors.

National Objective: **Low/Moderate Income Limited Clientele (LMC)**

## AP-90: Program-Specific Requirements (CDBG)

The City will remit \$496,937.27 in CDBG funds to HUD as a repayment installment in accordance with 24 CFR 570.912.

Upon receipt and processing by HUD, these funds will be restored to the City's Program Year 2021 line of credit and made available for allocation to eligible CDBG activities.

Restored funds will be applied to eligible public infrastructure improvements consistent with the priorities identified in the City's Consolidated Plan.

## Appendix B

### Technical Revisions to the PY 2023–2024 Annual Action Plan

(Amended Sections Only)

Only the sections of the adopted Program Year (PY) 2023–2024 Annual Action Plan affected by this Substantial Amendment are reproduced below. All other sections remain unchanged.

### AP-35: Projects (Amended Funding Allocation)

The following adjustment reallocates previously allocated but unexpended PY 2023 CDBG funds.

#### Community Facilities – Richmar Park Phase 2

Original Allocation: \$839,776

Amount Reallocated: \$359,095.87

Revised Allocation: \$480,680.13

The adjustment reflects reallocation of previously allocated but unexpended funds to support completion of another eligible public facility improvement project.

Project scope and national objective remain unchanged.

National Objective: **LMA – Low/Moderate Income Area Benefit**

#### Community Facilities – Senior Activity Center HVAC Rehabilitation

Increase in PY 2023 Allocation: \$359,095.87

Funds reallocated from the Richmar Park Phase 2 activity will support rehabilitation of the HVAC system at the Senior Activity Center.

National Objective: **LMC – Limited Clientele (Presumed Benefit – Seniors)**

### AP-38: Project Summary (Amended)

#### Senior Activity Center HVAC Rehabilitation (Updated)

Funding for this activity is increased by \$359,095.87 through reallocation of previously allocated PY 2023 CDBG funds.

The activity supports rehabilitation of the HVAC system serving a public facility providing programs and services to seniors.

National Objective: Low/Moderate Income Limited Clientele (LMC)

### Richmar Park Phase 2 (Updated)

Funding for this activity is reduced by \$359,095.87 reflecting reallocation of unexpended PY 2023 funds to another eligible public facility activity.

Previously completed improvements and project scope remain unchanged.

National Objective: Low/Moderate Income Area Benefit (LMA)