



PROGRAM YEAR 2026-2027 ANNUAL ACTION PLAN

COMMUNITY
DEVELOPMENT BLOCK
GRANT (CDBG) PROGRAM
FOR

U.S. DEPARTMENT OF
HOUSING AND URBAN
DEVELOPMENT (HUD)

Final Annual Action Plan
(Adopted April 28, 2026)

Prepared in accordance with the U.S. Department of Housing and Urban Development (HUD) requirements under 24 CFR Part 91.



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Executive Summary

AP-05 Executive Summary - 91.200(c), 91.220(b)

1. Introduction

The City of San Marcos is an entitlement jurisdiction under the Community Development Block Grant (CDBG) program and receives annual federal funding from the U.S. Department of Housing and Urban Development (HUD) to support housing and community development activities that benefit low- and moderate-income residents. The Program Year 2026-2027 Annual Action Plan (PY 2026) describes how the City will allocate available CDBG resources during the program year in accordance with priorities identified in the 2025-2029 Consolidated Plan.

Funding amounts have been updated to reflect HUD's FY2026 CPD formula allocations and are incorporated into this Annual Action Plan accordingly.

For PY 2026, the Annual Action Plan includes \$685,579 in CDBG entitlement funding and approximately \$496,937 in restored repayment funds. These resources will support housing affordability programs, community facility improvements, neighborhood infrastructure improvements in qualifying low- and moderate-income areas, public service programs, and program administration. Restored repayment funds will support capital improvements to neighborhood infrastructure located within qualifying low- and moderate-income areas.

The activities described in this Annual Action Plan are intended to improve housing conditions, enhance neighborhood infrastructure and accessibility, and support services that assist low- and moderate-income residents and vulnerable populations. These activities reflect priorities identified through community outreach conducted during preparation of the 2025–2029 Consolidated Plan, along with ongoing coordination with community partners and consideration of City Council priorities identified during the program year.

The Annual Action Plan identifies representative planned activities for the program year, including owner-occupied rehabilitation, Senior Center resiliency improvements, neighborhood park and lighting projects, and public service activities supporting housing stability, food access, and senior services.

2. Summarize the objectives and outcomes identified in the Plan

The city's CDBG program is guided by priorities identified in the 2025–2029 Consolidated Plan. These priorities were informed through analysis of housing and community development needs as well as public outreach conducted during preparation of the Consolidated Plan.

Primary objectives for the PY 2026 program year include:

- preservation and rehabilitation of affordable housing

- improvements to community facilities serving low- and moderate-income residents and vulnerable populations
- neighborhood-scale infrastructure improvements in qualifying low- and moderate-income areas
- support for nonprofit organizations providing services to vulnerable populations
- promotion of fair housing education and outreach

Through these activities, the City seeks to improve housing stability, enhance accessibility to community resources, and improve neighborhood conditions for low- and moderate-income residents.

3. Evaluation of past performance

The city evaluates CDBG performance annually through the Consolidated Annual Performance and Evaluation Report (CAPER), which documents progress toward Consolidated Plan goals. Recent CDBG accomplishments include improvements to community infrastructure and facilities, fair housing education and counseling, and public service activities assisting low- and moderate-income residents and other vulnerable populations. These outcomes, along with experience from program implementation, informed the city's PY 2026 priorities focused on housing affordability programs, community facility improvements, neighborhood infrastructure improvements in qualifying low- and moderate-income areas, and support for eligible public service activities.

Implementation experience has also reinforced the importance of clearly documenting national objective compliance and prioritizing neighborhood-serving infrastructure improvements within qualifying low- and moderate-income areas.

4. Summary of Citizen Participation Process and consultation process

Citizen participation is a critical component of the city's consolidated planning process and ongoing administration of the CDBG program. The city conducts outreach efforts to gather input from residents, community organizations, service providers, and other stakeholders regarding housing and community development priorities.

During preparation of the 2025–2029 Consolidated Plan, the city conducted community outreach that included stakeholder consultations, public workshops, and a community needs survey. Input gathered through this outreach process continues to guide the city's investment priorities for subsequent Annual Action Plans, including the Program Year 2026 Action Plan. These outreach efforts provided residents and community partners with opportunities to identify local priorities and share feedback regarding housing conditions, infrastructure needs, and service gaps affecting low- and moderate-income residents.

Input received during the outreach process identified several recurring needs, including affordable housing opportunities, housing rehabilitation assistance for homeowners, accessibility improvements, services for seniors and persons with disabilities, and improvements to neighborhood infrastructure such as lighting and pedestrian accessibility.

These priorities continue to guide the city's investment decisions under the CDBG program and inform the activities included in this Annual Action Plan.

In addition to outreach conducted during preparation of the Consolidated Plan, the city conducted supplemental outreach during the public comment period for the PY 2026 Annual Action Plan. Printed surveys were distributed at community events in predominantly low- and moderate-income neighborhoods to gather input on funding priorities.

Survey responses indicated strong community preference for affordable housing and housing stability programs, as well as essential services such as food assistance, reinforcing the city's prioritization of these activities in the proposed funding allocations.

5. Summary of public comments

The draft PY 2026 Annual Action Plan was available for public review and comment in accordance with the city's Citizen Participation Plan. Public hearings provided residents and stakeholders with an opportunity to comment on proposed activities and funding allocations.

Comments received during the public review period have been summarized and incorporated into the final Annual Action Plan as appropriate.

6. Summary of comments or views not accepted and the reasons for not accepting them

Any comments received that are not incorporated into the final Action Plan will be documented along with an explanation of the reasons for not accepting them. Reasons may include conflicts with federal eligibility requirements, inconsistency with Consolidated Plan priorities, or funding limitations.

7. Summary

The PY 2026 Annual Action Plan reflects the city's continued commitment to addressing housing and community development needs identified through community outreach and planning efforts. Through the strategic use of CDBG funding, including the PY 2026 entitlement allocation and restored repayment funds, the city will support housing preservation, community facility improvements, neighborhood infrastructure projects, and public service programs benefiting low- and moderate-income residents.

The plan aligns actual FY2026 allocations with identifiable activities and implementation priorities to support effective program delivery and HUD compliance.

PR-05 Lead & Responsible Agencies - 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	SAN MARCOS	Housing & Neighborhood Services

Table 1 – Responsible Agencies

Narrative

The City of San Marcos is the lead agency responsible for the preparation and administration of the ConPlan, corresponding Annual Plans, CAPERs, and the execution of the CDBG program. The County of San Diego is the lead agency for HOME funding and the city is a member of the County of San Diego’s HOME consortium. The Housing Authority of the County of San Diego (HASCD) serves as the City’s public housing agency and administers the Section 8 rental assistance program for San Marcos residents. The implementation of activities funded by the CDBG program may include consultation with City Administration, Community Services, Economic Development, and Public Works.

Consolidated Plan Public Contact Information

Quinton Hufferd
Sr. Management Analyst
City of San Marcos
1 Civic Center Drive
San Marcos, CA 92069-2918
(760) 744-1050 x4517
cdbg@sanmarcosca.gov

AP-10 Consultation - 91.100, 91.200(b), 91.215(l)

1. Introduction

The City of San Marcos consults with public agencies, nonprofit organizations, housing providers, and community stakeholders regarding housing and community development needs affecting local residents. Many of the consultations reflected in this section occurred during preparation of the 2025–2029 Consolidated Plan and continue to inform the City’s Annual Action Plans.

Provide a concise summary of the jurisdiction’s activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).

The Housing Authority of the County of San Diego (HACSD) serves as the City’s public housing agency. The City of San Marcos does not operate its own public housing agency. The HACSD is committed to enhancing coordination among housing providers, private and governmental health agencies, and the business and nonprofit communities. This is evidenced by the many boards, commissions, and committees that serve in an advisory capacity to the County, assist in planning decisions, and often benefit from County representation and resources. County staff participates in and/or supports standing and special citizen boards, commissions, committees and task forces formed to advise the Board of Supervisors on issues and policies and to serve as links to the community. County committees are created as a result of state and federal legislation, agreements with public or private agencies and local needs. Boards, commissions and committees advise the Board of Supervisors on issues related to community needs throughout the county. HACSD is a department within the County’s Health and Human Services Agency (HHS), which provides vital health and social services to over 3.3 million residents. As matrix organization, the Agency is made up of Service Departments that develop services and policies governing HHS programs and Regional Operations (Regions) that deploy customer service processes throughout the county and convene community leaders. Service Departments include Aging and Independent Services, Behavioral Health Services, Child Welfare Services, Public Health Services, and Self-Sufficiency Services.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The Housing Authority of the County of San Diego (HACSD) serves as the City’s public housing agency. In January 2017, the Regional Task Force on the Homeless (RTFH) merged with the San Diego Regional Continuum of Care Council (RCCC) to become the region’s Continuum of Care. The retooled RTFH is a major stakeholder in addressing homelessness throughout the region and its relationship with the County and other jurisdictions in the region. The County is an active member of the RTFH, with a Board Supervisor currently serving as the RTFH Governance Board Vice-Chair. The RTFH meets on a monthly basis to identify gaps in homeless services, establish funding priorities, and to pursue an overall

systematic approach to address homelessness. During these meetings, jurisdictions consult with the RTFH to develop cooperative plans and strategies that leverage resources to provide emergency shelter and rapid re-housing services. The County’s participation in this forum ensures that its efforts to address homelessness using HUD entitlement funds and other resources are aligned with the region’s priorities and respond to the most critical needs.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction’s area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The Housing Authority of the County of San Diego (HACSD) serves as the City’s public housing agency. The City of San Marcos does not receive ESG funds. According to the County of San Diego, ESG is designed to support the first steps in preventing homelessness and to help people experiencing homelessness move toward safe and healthy living. ESG funds can be used by emergency shelter operators and other service providers for activities such as street outreach, homelessness prevention, rapid re-housing and data collection. Each year, the County receives ESG funding from HUD. There are four types of programs in San Diego County currently funded with ESG funds: Rapid Re-housing, Homeless Prevention, Emergency Shelter, and Street Outreach. The County, as the Administrative Entity for the Continuum of Care Allocation, also receives funding from the State of California to carry out the State ESG program in the San Diego region.

2. Agencies, groups, organizations and others who participated in the process and consultations

1	Agency/Group/Organization	SAN MARCOS
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Lead-based Paint Strategy Public Housing Needs Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Non-Homeless Special Needs Economic Development Market Analysis Anti-poverty Strategy

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Provided local data on housing needs and economic development for ConPlan development.
2	Agency/Group/Organization	SAN DIEGO COUNTY
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Lead-based Paint Strategy Public Housing Needs Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Non-Homeless Special Needs Economic Development Market Analysis Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Provided localized data for needs assessment, housing needs, broadband needs and hazard mitigation for ConPlan development.
3	Agency/Group/Organization	San Marcos Mobile Home Resident Association
	Agency/Group/Organization Type	Housing Services - Housing Services-Elderly Persons
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Provided insights on needs for mobile and manufactured home residents.
4	Agency/Group/Organization	Boys and Girls Club of San Marcos
	Agency/Group/Organization Type	Services-Children

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Families with children
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Provided insights on needs for youth services and childcare.
5	Agency/Group/Organization	San Marcos Community Foundation
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Families with children
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Provided local data on non-profit needs related to children and youth, education, seniors, and health and well-being.
6	Agency/Group/Organization	Upwards
	Agency/Group/Organization Type	Services-Children
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Families with children
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Provided insights on needs for youth services and childcare.
7	Agency/Group/Organization	TrueCare
	Agency/Group/Organization Type	Services-Health
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Provided local knowledge on needs for health care services.
8	Agency/Group/Organization	Susan Bower Consulting
	Agency/Group/Organization Type	Services-homeless

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Provided local knowledge on needs for unhoused populations.
9	Agency/Group/Organization	Project Next
	Agency/Group/Organization Type	Services-Education
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Provided insights on educational attainment needs for youth.
10	Agency/Group/Organization	Community Resource Center
	Agency/Group/Organization Type	Services-homeless
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Provided local knowledge on needs for unhoused populations including victims of domestic violence.
11	Agency/Group/Organization	Casa de Amparo
	Agency/Group/Organization Type	Services-Children
	What section of the Plan was addressed by Consultation?	Housing Need Assessment

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Provided local knowledge on needs for victims of child abuse and neglect.
12	Agency/Group/Organization	HOPE THROUGH HOUSING FOUNDATION
	Agency/Group/Organization Type	Housing Services - Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Provided local insights on housing needs for low-income households.

Table 2 – Agencies, groups, organizations who participated

Identify any Agency Types not consulted and provide rationale for not consulting

All applicable agency types were consulted when possible.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	San Diego County	Regional Taskforce on the Homeless (RTFH) , www.rtfhsd.org , engages stakeholders in a community-based process that works to:(1) End homelessness for all individuals and families throughout the region (2) Address the underlying causes of homelessness (3) Lessen the negative impact of homelessness on individuals, families and communities. The RTFH is made up of representatives from the County of San Diego, non-profit service providers, religious organizations, law enforcement and other interested parties.
San Marcos 2021-2029 Housing Element	City of San Marcos	Provided housing-related data, and policy direction on housing-related issues.
San Marcos Draft General Plan and Existing Conditions	City of San Marcos	Provided information on hazard management, environmental justice, and other community development issues.

Table 3 - Other local / regional / federal planning efforts

Narrative

AP-12 Participation - 91.401, 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

The city of San Marcos encourages public participation in the planning and implementation of Community Development Block Grant (CDBG) activities. The city's Citizen Participation Plan establishes procedures to ensure that residents, community organizations, and other stakeholders have opportunities to participate in the development of the Consolidated Plan and Annual Action Plans.

During preparation of the 2025–2029 Consolidated Plan, the city conducted several outreach efforts designed to gather input from residents and community stakeholders. These outreach activities included community workshops, stakeholder consultations, and a community needs survey.

Input received during the Consolidated Plan outreach process identified several priority needs affecting low- and moderate-income residents. Residents and stakeholders emphasized the importance of preserving affordable housing, improving neighborhood infrastructure and accessibility, supporting services for vulnerable populations, and maintaining community facilities that serve low- and moderate-income residents.

These priorities continue to guide the city's investment decisions under the CDBG program and inform the activities included in the Program Year 2026 Annual Action Plan, including housing affordability programs, neighborhood infrastructure improvements, community facility improvements, and public service programs.

In addition to outreach conducted during preparation of the Consolidated Plan, the city continues to coordinate with local service providers, nonprofit organizations, and regional partners throughout the year to monitor community needs and inform program implementation.

During the public comment period, the city expanded outreach efforts through in-person engagement at community events located in predominantly low- and moderate-income areas. Participants were invited to complete a brief survey identifying priority community development needs.

The most frequently identified priorities included:

- Affordable housing and housing stability
- Essential services, including food assistance

This additional outreach was used to validate and refine final funding recommendations presented for adoption, particularly within the public services category.

The outreach activities summarized below were conducted during preparation of the 2025–2029 Consolidated Plan and continue to inform the city's CDBG investment priorities.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons
1	Public Meeting	San Marcos Residents	9 attendees	The most common comment was regarding the need for more affordable housing opportunities. Other important issues included services for persons with disabilities, assistance for unhoused populations, home rehabilitation programs, and fair housing services such as tenant/landlord mediation.	All comments accepted.
2	Public Meeting	San Marcos Residents	12 attendees	Participants emphasized the need for affordable housing, including housing for first-time homebuyers, families, and seniors. Residents also mentioned a need for improved bicycle infrastructure and street lighting. Residents indicated there is a need for temporary shelter, services for victims of domestic violence, and improvements for persons with disabilities.	All comments accepted.
3	Public Meeting	Stakeholders/ Service Providers	13 attendees	New affordable housing opportunities tended to be the top priority for most participants. Participants indicated there is a need for home rehabilitation services and services for persons experiencing homelessness in San Marcos. Other needs included mobility and transportation improvements and senior services.	All comments accepted.
4	Outreach Events	San Marcos Residents	141 participants	Staff shared a brief survey at multiple outreach events in LMI communities. 141 responses were received with 72% of respondents identifying housing stability/ rental assistance and essential basic needs like food security as highest priorities.	All comments accepted.

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)

Introduction

The City of San Marcos will receive \$685,579 in Community Development Block Grant (CDBG) entitlement funding for Program Year 2026. This amount reflects HUD’s final FY2026 CPD formula allocation.

The plan also includes approximately \$496,937 in restored CDBG repayment funds, which are expected to be available through HUD’s Line of Credit Control System for eligible neighborhood infrastructure activities.

Restored repayment funds will primarily support construction-ready neighborhood infrastructure improvements within qualifying low- and moderate-income areas, including park and public infrastructure projects that advance the city’s CDBG timeliness expenditure plan.

The annual entitlement allocation will support housing affordability programs, community facility improvements, public services, and program administration. Restored repayment funds will support neighborhood infrastructure improvements located within qualifying low- and moderate-income areas. Allocations for public services and program administration comply with applicable CDBG statutory caps.

The city will continue to coordinate CDBG investments with other local, regional, and nonprofit resources to maximize the impact of available funding.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	Federal	Housing, public facility improvements, neighborhood infrastructure improvements, public services, and program administration	\$685,579 Entitlement \$496,937 Repayment Funds	\$0	\$0	\$1,182,516	\$2,110,944	Annual CDBG entitlement and repayment funds available for PY 2026 activities.

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The City coordinates CDBG investments with other public and private funding sources to maximize the impact of available resources. CDBG funding is often used to complement other local and regional programs supporting housing, infrastructure, and community services.

The City collaborates with nonprofit organizations, regional service providers, and public agencies to leverage additional resources and expand service delivery to low- and moderate-income residents. These partnerships help ensure that CDBG funding supports broader community development efforts and enhances the effectiveness of other housing and social service programs.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The City periodically evaluates publicly owned facilities and properties to determine whether improvements or rehabilitation projects may support housing or community development objectives identified in the Consolidated Plan.

Public facilities serving low- and moderate-income residents, including community centers, parks, and other public buildings, may be considered for improvements using CDBG funding when such improvements enhance accessibility, safety, or service delivery to eligible populations.

Discussion

The city will utilize a combination of annual entitlement funding and restored repayment funds to support capital improvements and housing-related activities benefiting low- and moderate-income residents.

Because repayment funds may be restored to the City's CDBG line of credit at various times during the program year, the City structures its CDBG program to maintain flexibility in allocating resources among eligible activities consistent with Consolidated Plan priorities.

This approach allows the City to respond to emerging opportunities for eligible projects while maintaining compliance with federal program requirements and the City's Citizen Participation Plan.

The City prioritizes implementation of construction-ready infrastructure projects to support timely expenditure of CDBG funds and maintain compliance with HUD timeliness requirements.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Housing Affordability Programs	2026	2027	Housing	Citywide	Owner-occupied rehabilitation, accessibility improvements, and housing preservation assistance	CDBG: \$100,000	Housing Units Rehabilitated: 4-6
2	Public Facility Improvements	2026	2027	Non-Housing Community Development	Citywide / LMI Areas	Improvements to community facilities serving low- and moderate-income residents and vulnerable populations	CDBG: \$346,079	Public Facility Improvements: 1
3	Neighborhood Infrastructure Improvements	2026	2027	Non-Housing Community Development	LMI Areas	Neighborhood-scale infrastructure improvements located within qualifying low- and moderate-income areas, including park improvements, pedestrian lighting, accessibility upgrades, and related neighborhood infrastructure improvements.	CDBG: \$496,937	Public Infrastructure Improvements: 2
4	Public Services	2026	2027	Public Services	Citywide	Housing stability, food access, senior services, and other supportive services for low- and moderate-income residents and vulnerable populations.	CDBG: \$102,500	Persons Assisted: 200
5	Program Administration	2026	2027	Administration	Citywide	Administration and oversight of the City's CDBG program.	CDBG: \$137,000	N/A

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Affordable Housing Preservation
	Goal Description	Provide housing rehabilitation, accessibility improvements, and preservation assistance to support safe, stable, and affordable housing for low- and moderate-income homeowners.
2	Goal Name	Public Facility Improvements
	Goal Description	Improve public facilities serving low- and moderate-income residents and vulnerable populations through upgrades that enhance safety, accessibility, and operational resilience.
3	Goal Name	Neighborhood Infrastructure Improvements
	Goal Description	Enhance neighborhood infrastructure in qualifying low- and moderate-income areas through improvements that increase safety, accessibility, and overall quality of life.
4	Goal Name	Public Services
	Goal Description	Provide public service programs that prioritize housing stability and essential needs, including food access and senior services, for low- and moderate-income residents and vulnerable populations.
5	Goal Name	Program Administration
	Goal Description	Ensure effective administration and compliance of the CDBG program through oversight, monitoring, financial management, and fair housing activities.

AP-35 Projects - 91.420, 91.220(d)

Introduction

The following projects represent the city of San Marcos' planned use of Community Development Block Grant (CDBG) funds for Program Year 2026. These projects address priority needs identified in the 2025–2029 Consolidated Plan and are intended to benefit low- and moderate-income residents.

Projects are structured as programmatic funding categories that support the implementation of specific eligible activities and improvements, including owner-occupied housing rehabilitation, community facility upgrades, neighborhood infrastructure improvements, and public service activities.

The project descriptions include both ongoing programs and representative examples of anticipated activities for Program Year 2026, such as resiliency upgrades at the Senior Center, park and lighting improvements within qualifying low- and moderate-income areas, and housing stability services delivered by nonprofit providers.

Public service funding recommendations were developed through a competitive application and scoring process and are presented for City Council approval as part of Annual Action Plan adoption.

While funding allocations are shown by project category, individual activities and scopes may be refined during the program year based on eligibility review, environmental clearance, cost estimates, and project readiness, consistent with Consolidated Plan priorities and HUD requirements.

The city prioritizes construction-ready projects and activities to support timely expenditure of CDBG funds and maintain compliance with HUD timeliness requirements. Capital activities will proceed subject to applicable environmental review and other federal requirements.

#	Project Name
1	Housing Affordability Programs
2	Community Facility Improvements
3	Neighborhood Infrastructure Improvements
4	Public Services – Community Assistance Programs
5	Program Administration

Table 7 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The City of San Marcos allocates CDBG funds based on priorities identified in the 2025–2029 Consolidated Plan, recent community outreach, and current program implementation considerations.

Funding priorities for Program Year 2026 emphasize:

- housing stability and food assistance as validated by supplemental outreach
- construction-ready capital activities

- alignment with actual funding levels
- compliance with national objectives and expenditure timeliness

Additional outreach conducted during the public comment period, including engagement in low- and moderate-income neighborhoods, identified housing stability and food assistance as the highest community priorities. These findings further informed the City’s allocation of public service funding.

The City also prioritizes projects that are feasible, eligible, and ready to proceed, particularly for capital improvements, to ensure timely use of funds and compliance with HUD expenditure requirements.

The primary obstacle to addressing underserved needs remains the limited level of available CDBG funding relative to the scale of community needs. Federal eligibility requirements and national objective criteria further influence which activities may be funded.

To address these constraints, the City maintains flexibility within project categories to support eligible activities that align with community priorities while ensuring compliance with HUD requirements. Funding amounts reflect final HUD allocations and updated capital programming consistent with the City’s timeliness strategy.

AP-38 Project Summary

Project Summary Information

1	Project Name	Housing Affordability Programs
	Target Area	Citywide
	Goals Supported	Affordable Housing Preservation
	Needs Addressed	Preservation of safe and habitable housing for low- and moderate-income homeowners.
	Funding	CDBG: \$100,000
	Description	Housing Affordability Programs provide financial assistance to low- and moderate-income homeowners to support rehabilitation, accessibility improvements, and preservation of safe and habitable housing conditions. These programs address health and safety issues, improve accessibility, and help maintain the city’s existing housing stock.
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 4–6 low- and moderate-income households are expected to benefit from housing assistance.

	Location Description	Housing affordability activities may occur throughout the City of San Marcos at owner-occupied housing units occupied by low- and moderate-income households.
	Planned Activities	Planned activities include owner-occupied housing rehabilitation, accessibility improvements, and housing preservation assistance that address health and safety issues and preserve the city’s existing housing stock. Activities may include rehabilitation of residential units, accessibility modifications such as ramps and bathroom improvements, and other housing preservation assistance necessary to maintain safe and habitable living conditions for low- and moderate-income homeowners.
2	Project Name	Community Facility Improvements
	Target Area	Citywide / LMI Areas
	Goals Supported	Public Facility Improvements
	Needs Addressed	Improvements to community facilities serving low- and moderate-income residents and vulnerable populations.
	Funding	CDBG: \$346,079
	Description	This project supports improvements to public facilities that serve low- and moderate-income residents and vulnerable populations. Activities focus on enhancing facility safety, accessibility, and operational resilience to support continued delivery of essential services.
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 1,200–1,400 low- and moderate-income seniors and community facility users are expected to benefit from improvements to community facilities.
	Location Description	Community facility improvements may occur at public facilities serving low- and moderate-income residents, including the City’s Senior Center located at 111 Richmar Avenue, San Marcos, CA.
	Planned Activities	Planned activities include facility upgrades and resiliency improvements at public facilities serving low- and moderate-income residents and vulnerable populations. Improvements may include HVAC system upgrades at the city’s Senior Center, installation of an emergency generator to support cooling center operations, and other building system, accessibility, and resiliency enhancements that improve safety, accessibility, and operational continuity.

3	Project Name	Neighborhood Infrastructure Improvements
	Target Area	Low- and Moderate-Income Areas
	Goals Supported	Neighborhood Infrastructure Improvements
	Needs Addressed	Infrastructure and public facility improvements that enhance safety, accessibility, and quality of life for residents of qualifying low- and moderate-income areas.
	Funding	CDBG: \$496,937
	Description	This project supports improvements to neighborhood infrastructure located within or primarily serving qualifying low- and moderate-income areas. Activities are intended to enhance safety, accessibility, and quality of life through improvements to public spaces and public infrastructure.
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 2,000–3,000 low- and moderate-income residents living within or served by qualifying low- and moderate-income areas are expected to benefit from these infrastructure improvements.
	Location Description	Infrastructure improvements may occur within or serving qualifying low- and moderate-income census tracts throughout the City of San Marcos, including neighborhood parks and other public infrastructure located within these areas.
	Planned Activities	Planned activities include park and pedestrian infrastructure improvements, lighting installation and rehabilitation, ADA accessibility upgrades, and recreational facility improvements within qualifying low- and moderate-income areas. Anticipated projects may include improvements at Richmar Park (Phase 2), Bradley Park, and neighborhood lighting enhancements, as well as related accessibility and pedestrian improvements. Funding will prioritize construction-ready projects to support timely expenditure of CDBG funds and maintain compliance with HUD timeliness requirements.
4	Project Name	Public Services – Community Assistance Programs
	Target Area	Citywide
	Goals Supported	Public Services

	Needs Addressed	Support for programs that address basic needs and provide supportive services for low- and moderate-income residents and vulnerable populations, including seniors, persons with disabilities, and households experiencing housing instability.
	Funding	CDBG: \$102,500
	Description	This project provides funding for eligible public service activities that assist low- and moderate-income residents and vulnerable populations. Programs focus on housing stability, essential needs, and supportive services that improve quality of life and promote self-sufficiency.
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 500–700 low- and moderate-income residents are expected to benefit from public service programs.
	Location Description	Services may be provided throughout the City of San Marcos.
	Planned Activities	Planned activities include public service programs serving low- and moderate-income residents and vulnerable populations, including housing stability services, senior services, food assistance programs, and youth services. Specific funded activities will include rental assistance and housing stabilization services, food distribution programs, and services supporting seniors and vulnerable households, delivered by nonprofit providers evaluated through the city’s competitive application process. Funding recommendations prioritize programs addressing housing stability and essential needs, consistent with community input gathered during the public comment period, which identified housing stability and food assistance as top priorities among surveyed residents in low- and moderate-income areas. Due to limited funding and the HUD public services cap, not all eligible applications were recommended for funding. Final awards are subject to City Council approval.
5	Project Name	Program Administration
	Target Area	Citywide
	Goals Supported	Program Administration
	Needs Addressed	Administration and oversight of the City’s CDBG program.
	Funding	CDBG: \$137,000

Description	This project supports administration and oversight of the city's CDBG program, including activities necessary to ensure compliance with federal requirements and effective program delivery.
Target Date	6/30/2027
Estimate the number and type of families that will benefit from the proposed activities	Not applicable
Location Description	Citywide
Planned Activities	Planned activities include program administration, compliance and monitoring, financial management, reporting, and fair housing services necessary to ensure effective delivery of the city's CDBG program in accordance with HUD requirements.

AP-50 Geographic Distribution - 91.420, 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

Low- and moderate-income areas in San Marcos are generally concentrated in the central and northern portions of the city, as identified through HUD census tract data and shown in Figure 1. These areas include neighborhoods surrounding Richmar Avenue and other areas meeting HUD’s Low- and Moderate-Income Area (LMA) thresholds.

CDBG investments are directed toward activities that primarily benefit low- and moderate-income residents. Neighborhood infrastructure improvements are generally prioritized within qualifying LMA areas, while housing affordability programs and public service activities may be implemented citywide but are restricted to households that meet HUD low- and moderate-income eligibility requirements.

Public service and housing-related activities may be implemented citywide but are limited to households that meet applicable low- and moderate-income eligibility requirements.

Neighborhood infrastructure and public facility activities are prioritized in qualifying low- and moderate-income areas where investments can achieve area benefit and improve neighborhood conditions.

Geographic Distribution

Target Area	Percentage of Funds
CDBG Low- and Moderate-Income Target Areas	100%

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The city prioritizes investments that primarily benefit low- and moderate-income residents consistent with HUD national objective requirements. Infrastructure improvements are generally targeted toward qualifying low- and moderate-income areas where neighborhood conditions can be improved through park improvements, accessibility upgrades, lighting improvements, and other safety enhancements. Other activities, including housing affordability programs and public service programs, are implemented citywide but are limited to eligible low- and moderate-income households.

This geographic approach allows the city to prioritize investments in areas with higher concentrations of low- and moderate-income households while ensuring that eligible residents throughout the community may benefit from housing and public service programs.

Discussion

See above.

AP-75 Barriers to affordable housing -91.420, 91.220(j)

Introduction

The City of San Marcos recognizes that a variety of public and private factors can affect the availability and affordability of housing. These factors may include land use regulations, development costs, market conditions, and limited availability of land suitable for residential development. The city evaluates these factors through its Consolidated Plan, Housing Element, and other housing planning efforts to identify potential barriers to the production and preservation of affordable housing.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The city works to reduce barriers to affordable housing through ongoing evaluation of local policies and coordination with state and regional housing programs. Efforts include maintaining development standards that support a range of housing types, implementing programs identified in the Housing Element, and coordinating with regional agencies to expand housing opportunities for low- and moderate-income households. The city also supports housing preservation efforts through programs such as housing affordability programs funded through the Community Development Block Grant program.

Discussion

The city continues to implement policies and programs intended to reduce barriers to affordable housing and support the preservation of existing housing opportunities for low- and moderate-income households. Actions may include maintaining development standards that support a range of housing types, coordinating housing planning efforts with regional and state housing requirements, and supporting programs that assist low- and moderate-income homeowners.

Through the Community Development Block Grant program, the city supports housing affordability programs that help preserve existing housing stock and improve housing conditions for low- and moderate-income households. The city will continue to evaluate public policies and programs to ensure they do not unduly constrain the availability of affordable housing while maintaining health, safety, and community development objectives.

AP-85 Other Actions - 91.420, 91.220(k)

Introduction

The city will continue to work with private developers, nonprofit organizations, regional partners, and other public agencies to address underserved needs among low- and moderate-income residents. Through these partnerships, the city seeks to improve housing opportunities, expand access to supportive services, and coordinate community development efforts throughout the region.

Actions planned to address obstacles to meeting underserved needs

The city will continue to support programs and partnerships that address the needs of low- and moderate-income residents, including affordable housing development, housing preservation, public services, and improvements to community facilities. The city coordinates with regional partners, including the Alliance for Regional Solutions and other service providers, to support programs addressing homelessness and housing instability.

The city also works with nonprofit organizations and community partners to provide services addressing basic needs such as housing stability, food assistance, and supportive services for vulnerable populations. Limited federal, state, and local funding remains a primary obstacle to meeting the full range of community development and housing needs.

The city will continue to prioritize programs that address housing stability and access to essential services, consistent with community input gathered through outreach efforts and identified needs among low- and moderate-income residents.

The city will continue to convene meetings with local social service providers to discuss community needs and improve coordination among agencies serving San Marcos residents.

Actions planned to foster and maintain affordable housing

The city supports policies and programs intended to preserve and expand affordable housing opportunities. The Inclusionary Housing Ordinance requires residential developers to provide affordable housing units or contribute in-lieu fees to support affordable housing development.

The city also monitors income-restricted affordable housing units developed through regulatory agreements to ensure compliance with affordability requirements and maintain safe housing conditions. The city's Housing Element provides long-range policy direction to support housing production, housing preservation, and affordability for residents of varying income levels.

Actions planned to reduce lead-based paint hazards

The city is committed to reducing hazards associated with lead-based paint in accordance with the Residential Lead-Based Paint Hazard Reduction Act and HUD's Lead Safe Housing Rule (24 CFR Part 35). Housing activities funded through the CDBG program include procedures to identify and address lead-

based paint hazards in homes constructed prior to 1978.

City building inspectors review properties undergoing rehabilitation or construction to ensure compliance with applicable health and safety standards. When lead hazards are identified, appropriate mitigation or abatement measures are implemented in accordance with federal requirements.

Actions planned to reduce the number of poverty-level families

The city supports efforts to reduce poverty through housing stability assistance, food access, senior services, and other supportive programs that help low- and moderate-income households maintain stability and improve economic opportunities.

Actions planned to develop institutional structure

The city participates in regional partnerships and working groups to coordinate housing and community development efforts. These include the Alliance for Regional Solutions, the San Diego Regional Alliance for Fair Housing, the San Diego Regional Continuum of Care Council, and other regional planning and coordination groups.

City staff also participate in regional meetings with other CDBG entitlement jurisdictions and attend HUD training opportunities to remain current with program requirements. These efforts support effective administration of the CDBG program and improve coordination among agencies serving low- and moderate-income residents.

The city will also continue to support fair housing education and related services as part of its broader strategy to expand access to housing opportunities and affirmatively further fair housing.

Actions planned to enhance coordination between public and private housing and social service agencies

The County of San Diego Housing and Community Development Services Department serves as the public housing agency for the city and plays an important role in addressing regional housing and homelessness issues. The city coordinates with the County and other regional partners through participation in the Continuum of Care and other regional initiatives addressing housing stability and homelessness.

The city also works closely with nonprofit organizations and social service providers that deliver services to low- and moderate-income residents. Staff regularly engage with these organizations to share information, coordinate programs, and identify opportunities to improve service delivery.

Discussion

See above.

Program Specific Requirements

AP-90 Program Specific Requirements - 91.420, 91.220(I)(1,2,4)

Introduction

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	\$0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	\$0
3. The amount of surplus funds from urban renewal settlements	\$0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	\$0
5. The amount of income from float-funded activities	\$0
Total Program Income	\$0

Other CDBG Requirements

1. The amount of urgent need activities	\$0
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Discussion

The city does not anticipate receiving program income during Program Year 2026. Activities funded under the Annual Action Plan will primarily address low- and moderate-income national objectives consistent with HUD CDBG requirements. As described in AP-15, the plan also includes restored repayment funds intended to support eligible neighborhood infrastructure activities.