

Community Development Block Grant (CDBG)  
2026-2029 Funding Cycle  
Public Service Application Workshop

October 29, 2025



## Program Contacts:

Janine Hernandez  
Senior Management Assistant  
(714) 573-3133  
[JHernandez@tustinca.org](mailto:JHernandez@tustinca.org)

Priscila Davila  
CDBG Consultant  
(562) 673-3388  
[pdavila@tustinca.org](mailto:pdavila@tustinca.org)

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# Agenda

- CDBG Program Overview
- Eligible Applicants
- Eligible Activities
- National Objectives
- 5-Year Goals
- Grant Application
- Post Award Requirements
- Q & A

# CDBG Program Overview

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# CDBG Program Overview

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- The CDBG program is a federal program that began operation in 1975;
- Administered by the U.S. Department of Housing and Urban Development (HUD);
- The primary objective of the CDBG program is the development of viable urban communities by:
  - Providing decent housing
  - A suitable living environment
  - Expanding economic opportunities

All objectives listed above are principally to benefit low-moderate income persons. To meet the primary objective, the CDBG regulations require that grantees expend not less than 70 percent of CDBG funds for activities that benefit low-moderate income persons.



# What Qualifies as Low-Income?

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
FY 2025 INCOME LIMITS

(Based Upon 2025 HUD Income Data for Orange County Effective June 1, 2025)

- **Extremely Low-Income**
  - 0-30% Area Median Income
  
- **Very Low-Income**
  - 31-50% AMI
  
- **Low-Income**
  - 51-80% AMI

Median income households earn 100% of AMI

Established by HUD annually

Household Size	Maximum Income		
	Extremely Low Income (up to 30% of MFI*)	Very Low Income (up to 50% of MFI*)	Low Income (up to 80% of MFI*)
1	\$35,550	\$59,250	\$94,750
2	\$40,600	\$67,700	\$108,300
3	\$45,700	\$76,150	\$121,850
4	\$50,750	\$84,600	\$135,350
5	\$54,850	\$91,400	\$146,200
6	\$58,950	\$98,150	\$157,050
7	\$62,950	\$104,950	\$167,850
8	\$67,000	\$111,700	\$178,700



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# Estimated CDBG Funds Available 2026-27 (Year 1 of 3-year Cycle)

The City anticipates receiving approximately **\$700,000** in CDBG funds for fiscal year 2026-2027 (July 1, 2026 – June 30, 2027).

The City may use up to 15% of its grant allocation, or approximately **\$105,000** for eligible Public Services.

Up to 20% is allowed for Program Administration.

Balance (65%) for other Non-Public Service activities (i.e. code enforcement, infrastructure improvements and park improvements).



# Funding Cycle for Public Service Activities

- The City of Tustin offers a three-year funding cycle for public service activities.
- The funding cycle you are applying for is 2026-27, 2027-28, & 2028-29
- Organizations who qualify for funding in year one, are eligible to continue to receive funds in years two and three, pending a successful evaluation of performance and meeting all reporting and requirements of the program.



# Eligible Public Service Applicants

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# What Types of Public Service Organizations are Eligible for Funding?

- This Public Service application period is open to public or private non-profit agencies or organizations only.
- Faith-based organizations are allowed to apply for CDBG funds on the same basis as other non-profits; however, funds cannot be used to support worship, religious instruction.
- Organizations are encouraged to apply for funds **only if they fully understand the eligibility requirements and are ready to implement the activity proposed for funding.**



# Overview of Eligible Activities

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# Overview of Eligible Activities

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In order for a project or program to qualify for the use of CDBG funds you must meet three program requirements:

- 1.) Have an eligible activity; and
- 2.) Meet a national objective; and
- 3.) Must align with the City of Tustin's established five-year strategic priorities, needs or goals.
  - Can be found within the Draft 2025-2029 Consolidated Plan [linked here.](#)



# Eligible Public Service Activities



# Eligible Public Service Activities

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The **CDBG regulations** allow the use of grant funds for a wide range of public service activities, including, but not limited to:

- Employment Services (i.e. job training)
- Crime Prevention & Public Safety
- Child Care/Youth Services
- Health Care Services
- Substance Abuse Services (i.e. counseling & treatment)
- Education Programs
- Energy Conservation
- Services for Senior Citizens
- Services for Homeless Persons
- Welfare Services (excluding income payment)
- Recreational Services



# Ineligible Activities

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- Building(s) for the General Conduct of Government (unless to remove architectural barriers)
- General Government Expenses
- Political Activities
- Furnishings & Personal Property
- Income Payments (direct cash payments, stipends)
- New Housing Construction (except by Community Based Development Organizations)
- Operating and Maintenance Expenses
- Religious Activities
- Equipment (unless affixed to the facility grounds)



# National Objectives

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# National Objectives Requirement

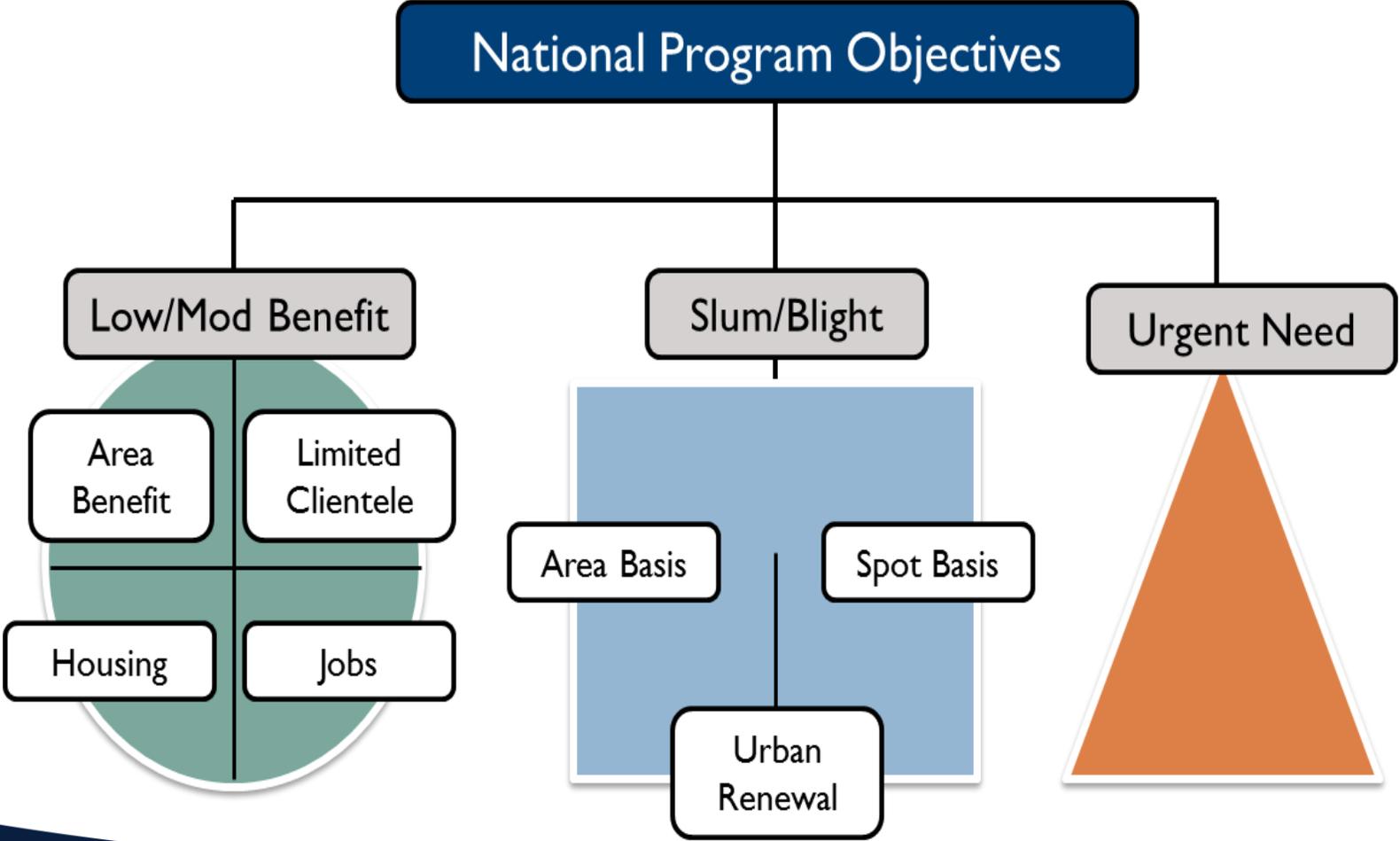
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CDBG grant activity (or project) must meet one of the three National Objectives specified in the CDBG guidelines and regulations established by the US Department of Housing and Urban Development (HUD).

- The three national objectives are:
  - ▶ Benefit low- and moderate-income persons
  - ▶ Aid in the prevention or elimination of slum and blight
  - ▶ Meet community development needs having a particular urgency



# What is Eligible for Funding?



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# Benefits to Low and Moderate Income Persons or Household

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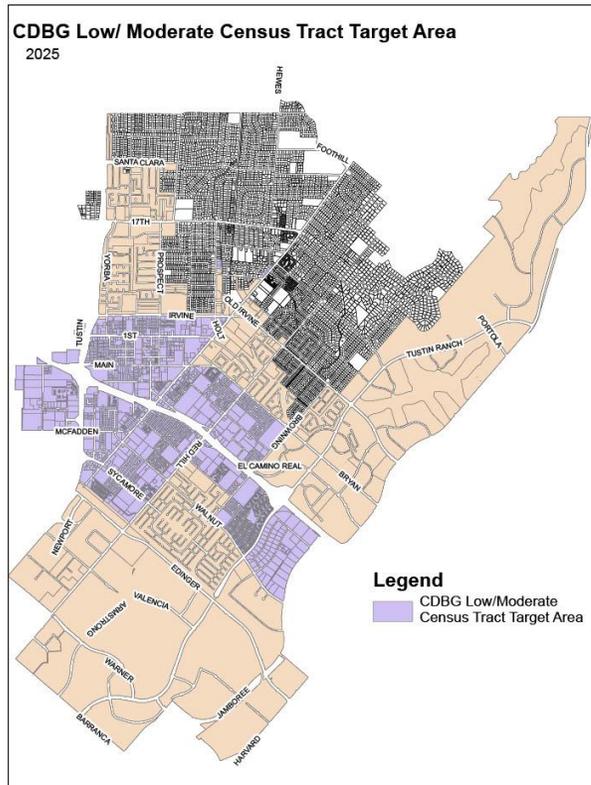
The LMI national objective is often referred to as the “primary” national objective because the statute requires that recipients expend 70 percent of their CDBG funds to benefit LMI persons.

This section covers the four categories that can be used to meet the LMI national objective:

- Area benefit activities;
- Limited clientele activities;
- Housing activities; or
- Job creation or retention activities



# Area Benefit Activities (LMA)



- Available to all residents of a particular area – delineate boundaries of service area; and
- At least 51% of the residents of the particular area are low- and moderate-income persons using officially recognized data; and
- Particular area is primarily residential in character.
- Projects should be designed to provide assistance to the broader community rather than individuals.
- View the full LMA Census Tract Map [here](#).

# Limited Clientele Activities (LMC)

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## **\*\*Most Non-Profit Applicants qualify under this criteria\*\***

Benefits a limited clientele, at least 51% of whom are low- or moderate-income persons. To qualify under this requirement, the activity must meet one of the following:

- The following groups are presumed by HUD to be principally low- and moderate-income persons (LMI): 1) abused children; 2) battered spouses; 3) elderly persons; 4) handicapped adults; 5) homeless persons; 6) illiterate persons; 7) migrant farm workers; or
- The activity requires information on family size and income to document that at least 51% of clientele are persons whose family income does not exceed HUD's low- and moderate-income criteria; or
- The activity has income eligibility requirements which limit the activity exclusively to low- and moderate-income persons; or
- Be of such a nature and be in such a location that it may be concluded that the activity's clientele will primarily be low- and moderate-income persons.



# Documenting National Objectives

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## LMI Limited Clientele

One of the following three types of records must be kept:

- Documentation showing that the activity is designed for exclusive use by a segment of the population presumed by HUD to be LMI persons; or
- Documentation describing how the nature and the location of the activity establishes that it will be used predominantly by LMI persons; or
- Data showing the family size and annual income of each person receiving the benefit.



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# 5-year Strategic Priorities, Needs & Goals

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# Projects must align with the City of Tustin's established five-year strategic priorities, needs or goals to be considered for funding

- Promote Fair Housing
- **Support Community Services**
- Enhance Public Facilities and Infrastructure
- Promote Economic Development
- **Support Efforts to Address Homelessness**
- Neighborhood Revitalization
- Support Programs through Program Admin



# Grant Application

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Public Services



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# Application

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- [Click here to view application and apply](#)
- Additional application resources will be made available on our CDBG Applications page, [linked here.](#)



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# Application

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An application is deemed eligible for consideration if each federal requirement is addressed, and the submittal packet is complete in accordance with the requirements listed in the Application.

Each proposed CDBG project must:

- Demonstrate compliance with one (1) of the national objectives; and
- Be located, primarily conducted in, or serving the residents located in the City of Tustin, and
- Be an eligible activity consistent with the provisions of CFR Title 24 Part 570; and
- Targets one (1) of the goals listed in the City of Tustin's 5-Year 2025-2029 Consolidated Plan



# Application, Evaluation Criteria, and Recommendation

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Once the application period has closed, all proposals will go through a preliminary review for completeness and adherence to submittal requirements.

An evaluation team comprised of the Citizen Participation Committee will conduct the evaluation of the proposals.

The Citizen Participation Committee will make their funding recommendations, which will be presented to the City Council for final review and approval.



# Scoring Criteria

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Citizen Participation Committee members will use a scoring sheet to assist in guiding their selection. Categories that will be rated include:

- **General Experience & Capability** (i.e. experience implementing the type of activity being proposed, experience in providing services to the Tustin community, history of complying with Federal grant requirements...etc.)
- **General Program Concepts & Approach** (i.e. does the request meet CDBG objectives, demonstration that goals are realistic and can be accomplished, percentage of program benefitting Tustin residents...etc.)



# Application Submittal Process and Deadlines

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Applications should be submitted electronically; however, paper applications are available upon request.

Applications should be submitted electronically through the City of Tustin's website at <https://cityoftustin.seamlessdocs.com/f/CDBGapp>

Applications must be received **by 5:30 p.m. on Friday, January 9, 2026. Applications will NOT be accepted after 5:30 p.m. on January 9, 2026.**

Applicants who have submitted qualifying applications will be informed of the Citizen Participation Committee hearing, in February, and City Council meeting in April (dates TBD). Applicants are not required but are strongly encouraged to attend.

Applicants will be notified no later than Monday, May 1, 2026, of final funding recommendations.



# Post-Award Requirements

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# Additional Requirements if Awarded

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There are many federal regulations pertaining to CDBG. Below, is a summary, but not all, the documents that will need to be completed as part of the CDBG requirements:

- An agreement with the City of Tustin
- Insurance Requirements
- Procurement Requirements / Retention Requirements
- Regular quarterly reports and reimbursement requests will be required
- Annual Performance Reports
- Annual Monitoring
- Subrecipients must agree to maintain documentation in program files. Records will include: original receipts and copies of program expenditures, income verification documentation, original program contract, chart of accounts and financial records, client files, any other program-related information.
- Spend funds in a timely manner and request all funds prior to June 30, 2026.



# CDBG Funds Build Better Neighborhoods!

- Support non-profit organizations on activities that aim to strengthen communities.
- Funds are used to improve the lives of households and neighborhoods that HUD designates as having "low to moderate" incomes.
- Encourage innovative strategies to address community needs. Fill gaps in funding and services.
- Build community capacity and foster citizen participation.
- Leverage for community investment.





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## Questions?

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