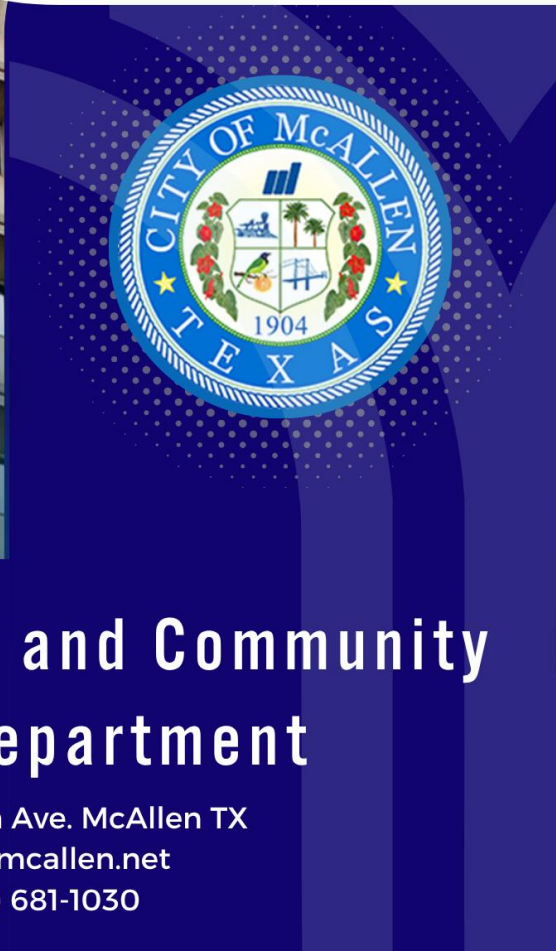




Annual Action Plan

PY2026-2027

DRAFT



Grant Administration and Community Development Department

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Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The City of McAllen, Texas (City) is an entitlement recipient of U.S. Department of Housing and Urban Development (HUD) formula program funding that includes the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME). As such, HUD requires local jurisdictions to undergo a consolidated planning process to assess their affordable housing and community development needs and market conditions, and to make data-driven, place-based investment decisions for their federal entitlement funding. The City is required to compose a 3-5 Year Consolidated Plan and Strategy (CPS) document in order to access HUD-awarded funds. The City composed this CPS in anticipation of an estimated \$12.6 million during the 2023-2027 CPS timeframe. The City will delineate the projects that will be undertaken in the FY 2026-2076 Annual Action Plan (AP).

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

Three national goals/objectives serve as the overall framework for the use of Consolidated Plan funds. The goals (1) to provide decent housing, (2) create a suitable living environment, and (3) expand economic opportunities, to principally benefit extremely-low, low, and moderate-income individuals and families. No FY 2024 HUD-funded programs address expanding economic opportunities; such programs are traditionally funded by local dollars.

To determine benefits for low-income persons, HUD calculates income categories on an annual basis. Extremely low-income households have an income of 0-30% Area Median Income (AMI). Low-income households have an income of 30-50% AMI and moderate income is defined as 50-80% AMI. All income levels are adjusted for family size.

Further, Consolidated Plan funded programs and projects must meet one of the following outcomes: (1) Availability/Accessibility, (2) Sustainability, and (3) Affordability. Most subrecipient, infrastructures, and

public facilities projects address Availability/Accessibility. Most housing construction projects address Affordability. These outcomes were developed by HUD in its Performance Measurement System.

Also, HUD has established a listing of Matrix Codes for projects funded with Consolidated Plan dollars. These Matrix Codes are prioritized at the local level based on the community needs assessment. Matrix Codes are categorized as either "High" or "Low" priorities. Priority designations are referenced throughout this document.

In summary, the following broadly defined activities are designated as "High" priorities:

- Housing - Construction, Counseling, Rehabilitation of Single and Multi-Unit Properties, Homeowner Assistance, and Public Housing Modernization
- Infrastructure - Street Improvements, Water/Sewer Improvements, Sidewalk Construction, Flood/Drain Improvements, and Repayments of Section 108 Loans
- Public Facilities - Youth Centers, Senior Centers, Homeless Facilities/Operating Costs, Neighborhood Facilities, Parks and Recreational Facilities, Fire Stations/Equipment, and Health Centers
- Public Services - Social/Support Services for qualified individuals and families including services for seniors, children, youth, general population, handicapped persons, abused and neglected children, and battered and abused spouses as well as transportation, health services, and subsistence payments
- Economic Development - Financial resources/infrastructure upgrades intended to improve the business community including micro-enterprise loans, revolving loan funds, and/or building acquisition, construction, or rehabilitation

It is the intent of the City of McAllen to limit HUD resources to projects identified as "High" Priorities.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The City recognizes the need to achieve as many of its enumerated goals as financially viable. In order to assess annual performance, the City composes a Consolidated Annual Performance and Evaluation Report (CAPER). The FY 2023-2024 CAPER was the first year annual report related to the FY 2023-2027 CPS.

In summary, the City noted the following accomplishments in the FY 2024-2026 CAPER:

- 42 households were supported through rental assistance and 2 households were supported through housing assistance such as rehabilitation of existing units. A total of 44 supported households.
- 938 persons were provided with medical services
- 9,863 individuals received food assistance
- 72 seniors were provided meals, medication assistance, or medical services
- 33 person with special needs were taught life skills
- 725 children/youth received services

It should be noted that the CAPER showed several slow-moving projects. An evaluation of these projects led to recapturing and reallocation of funds through substantial and non-substantial amendments.

A review of these accomplishments, expenditures and slow-moving projects served as the basis for the development of the goals noted in the current Action Plan. In addition, these accomplishments also served as a basis for funding "High" Priorities.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

As an entitlement community, a Citizen Participation Plan (CPP) has been adopted. Adherence to its particulars is detailed within this document in the section entitled "PR-15 Citizen Participation". Of note, the CPP mandates a minimum 15-day notification prior to holding a public hearing. The City held two public hearings regarding the development of this document.

Consultations with interested parties are detailed in "PR-10 Consultation". In brief, comments and consultations suggested a need for:

- Housing - Construction and Rental Assistance
- Infrastructure - Street Improvements, and Water/Sewer Improvements
- Public Facilities - Homeless Facilities/Operating Costs, Public Facilities and Parks and Recreational Facilities, Fire Station/Equipment
- Public Services - Social/Support Services for seniors, children, youth/children, general population, persons with special needs, abused and neglected children and battered and abused spouses, health, provision of food and subsistence payments

This document was made available for public review for no less than 30-days as mandated by HUD. The City's comment period began on Thursday, May 31, 2026, and expired on Monday, June 30, 2026.

Efforts to broaden citizen participation include the number of public hearings, locations of the hearings, and the varied persons conducting the hearings. Comments received and reasons for not accepting are further detailed in "PR-15 Citizen Participation". Efforts were also made to solicit broad participation through traditional means such as publications in the newspaper as well as less traditional means such as internet postings and notices and online accessibility. The draft document of the Action Plan was made available at four locations: City Hall, the Main Library, Palm View Library, and Lark Library.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

A detailed summary can be found on the citizen participation section of plan.

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

The jurisdiction accepts all comments; however, with limited resources, not all comments/projects can be funded. Nonetheless, no comments were received.

7. Summary

This document represents the fourth year of the FY 2023-2027 Consolidated Plan and Strategy. Submission of this application for funding is anticipated on or about August 15, 2026.

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

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

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role		Name	Department/Agency
Lead Agency		MCALLEN	
CDBG Administrator	MCALLEN		Grant Administration-Community Development Office
HOPWA Administrator			
HOME Administrator	MCALLEN		Grant Administration-Community Development Office
ESG Administrator			
HOPWA-C Administrator	MCALLEN		Community Development

Table 1 – Responsible Agencies

Narrative (optional)

The City of McAllen's Grant Administration Department - Community Development (CD) Division assumed the lead in the development of the FY 2026-2027 Annual Action Plan (OYAP) document. The CD Office administers the housing and community development programs covered by the CPS including those funded by Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME). As the lead agency, staff coordinated the development and implementation of projects in line with the Consolidated Plan and Strategy while considering input from a broad range of stakeholders, including a fourteen-member panel that serves as the Community Development Advisory Council (CDAC). The CDAC is tasked with annually evaluating proposed projects, establishing timelines, conducting public hearings, and broadly reviewing project expenditures. The CD Office and CDAC, in order to obtain input and solicit from interested parties, public agencies, and community organizations, held several public hearings/meetings. Public notices were announced in English and Spanish, posted on the City's notice board (physical and electronic) and the draft of the Action Plan was made available for the minimum 30-day comment period at four locations.

Consolidated Plan Public Contact Information

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AP-10 Consultation – 91.100, 91.200(b), 91.215(I)

1. Introduction

The City of McAllen held two public hearings in order to solicit input from the community regarding its needs. From these consultations and assessments, this document was composed in draft form. Upon the completion of the 30-day comment period and subsequent approval by the City Commission, the final version of this document serves to identify the projects and programs to be funded during the third year of the 2023-2027 Consolidated Plan and Strategy.

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(I))

The City coordinates its activities with a variety of organizations involved in the delivery of housing, homeless, non-homeless special needs, and community development activities. They include a designated Community Housing Development Organization (CHDO), the local Public Housing Authority, and various other community organizations whose fields of interest and services may include: seniors, persons with special needs, health/mental health, domestic violence/prevention, youth/children, persons with HIV/AIDS, homelessness and housing service providers as well as units of local governments that comprise the MSA (cities of Mission and Edinburg) and Hidalgo County.

Staff consulted with these entities to collect information about housing and community development activities and needs. These consultations addressed:

- Housing Needs
- Housing Market Analysis/Substandard Housing
- Public Housing Needs and Strategy
- Continuum of Care (Homelessness)
- Non-Homeless Special Needs
- Lead-Based Paint Hazards
- Community Development

The listing of organizations with whom the City consulted is included in this Section: Question 2 - Agency/Group/Organization.

To enhance the coordination between public and assisted housing providers, the City participates in Affordable Homes of South Texas, Inc.'s monthly board meetings. Further, health and mental health providers were contacted to determine gaps in services including Community HOPE Projects, Inc., a CDBG-supported entity that provides health and mental health services to low-income persons

throughout South Texas. Additional CDBG-funded health service providers include Community HOPE, Dentist Who Care, and Comfort House Services, Inc. McAllen also continues to nurture relationships with various non-profit agencies in an effort to identify and address gaps in essential services. The City often receives requests for letters of support from CDBG-funded agencies in attempts to leverage HUD funds.

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.

City of McAllen collaborates with the Texas Homeless Network's (THN) Balance of State (BoS) for Continuum of Care (CoC). THN has a subcommittee designed to review CoC activities for the areas served under the BoS. Annually, the City participates in the Point-in-Time study which is coordinated by the THN. THN's statistical analysis of the PIT project results is one method of coordination and project implementation aimed at addressing the needs of homeless persons.

With regards to the CPS, the City of McAllen participated in a teleconference with the other jurisdictions and THN staff regarding outreach the City undertook in order to gauge and address homelessness/prevent homelessness. Although the City coordinates with Hidalgo County-Urban County Program and the Continuum of Care in efforts to identify the needs of the homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons who are at risk of becoming homeless, the City also makes funding available for homeless assistance and prevention programs. Services for chronically homeless individuals and families are provided by The Salvation Army with its emergency shelter located within the City limits. Services for families with children, particularly those fleeing domestic violence, are served by Women Together Foundation, Inc. Women Together operates an emergency shelter and a transitional housing complex for female victims of domestic violence and their children; both are also found within the City's limits. Persons threatened with homelessness are often assisted by The Salvation Army. This data remains the basis of funding projects related to homelessness and/or homelessness prevention.

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 City of McAllen did not receive ESG funds for PY 2026 - 2027. However, if funds were awarded, a Standard Operating Procedures governing the award of HUD-awarded grants would require staff to prepare an application and publish a Notice of Funding Availability. Applications would be presented to the Community Development Advisory Committee (CDAC). The CDAC is composed of fourteen residents who make recommendations to the City Commission regarding CDBG/HOME/ESG.

As with the other HUD programs, the City has established a process for evaluation of performance and outcomes. The City allows for a 25% range in expected versus actual outcomes and expenditures in order to determine the success of a project. Along with this evaluation, reviewers consider the amount leveraged, monitoring/auditing reports, and the project's impact to determine future funding.

The Homeless Management Information System (HMIS) is operated by the THN. This system provided the most accurate assessment of unduplicated homeless persons/families and persons threatened with homelessness to date. While not all homeless service providers have access to the system or are required to use the system, the City of McAllen requires the use of HMIS for homeless service providers using ESG, excluding those serving victims of domestic violence. Costs allocated with maintaining HMIS will be eligible for reimbursement with ESG funds to the extent that they are available.

Because the oversight of HMIS falls on THN, the City will implement THN's policies and procedures for the use of HMIS. In particular, City staff will execute user agreements that outline rules of behavior. HMIS will remain the primary means to maintain client and agency-level data regarding homeless issues. Information will be extracted and reported in HUD's Integrated Disbursement and Information System (IDIS) either at the project level or as part of the CAPER narrative.

Additionally, City staff will confer with several THN members to discuss and review the City's written standards, how to actively engage partners, strategize on effective project implementation, and use other HUD-awarded funds to address homelessness.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	AFFORDABLE HOMES OF SOUTH TEXAS, INC.
	Agency/Group/Organization Type	Housing Services - Housing Services-Elderly Persons Services-Persons with Disabilities Service-Fair Housing Regional organization Community Development Financial Institution Neighborhood Organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Market Analysis Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency provided input during public meeting. Outcomes: Construction of Housing - High Priority; provide decent affordable housing by increasing availability/accessibility of affordable housing stock; two projects recommended for funding.
2	Agency/Group/Organization	McAllen Public Utilities
	Agency/Group/Organization Type	Agency - Management of Public Land or Water Resources Agency - Emergency Management Other government - Local Grantee Department
	What section of the Plan was addressed by Consultation?	Infrastructure Needs

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Municipal Public Utilities Office provided input during public meeting. Outcomes: Water/Sewer Improvements - High Priority; provide a suitable living environment by increasing availability/accessibility of water/sewer improvements; one project recommended for funding.
3	Agency/Group/Organization	City of McAllen - Engineering Department
	Agency/Group/Organization Type	Agency - Managing Flood Prone Areas Agency - Management of Public Land or Water Resources Agency - Emergency Management Other government - Local Grantee Department
	What section of the Plan was addressed by Consultation?	Infrastructure Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Municipal Department provided input on Street Improvements and drainage. Outcomes: Drainage Improvements - High Priority; provide a suitable living environment by increasing availability/accessibility of quality streets; one project recommended for funding
4	Agency/Group/Organization	City of McAllen - Fire Department
	Agency/Group/Organization Type	Services-Health Services - Victims Agency - Emergency Management Other government - Local Grantee Department
	What section of the Plan was addressed by Consultation?	Emergency Services (Health/Wellbeing)

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Municipal Department provided input during public meeting. Outcomes: Fire Station/Equipment - High Priority; provide a suitable living environment by increasing availability /accessibility of public facilities; two projects recommended for funding.
5	Agency/Group/Organization	McAllen ISD
	Agency/Group/Organization Type	Services-Children Services-Persons with Disabilities Services-homeless Services-Health Services-Education Services - Victims Services - Narrowing the Digital Divide Agency - Management of Public Land or Water Resources Agency - Emergency Management Other government - Local Independent School District Major Employer
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-poverty Strategy Public Service Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency provided input during public meeting. Outcome: Parks and Recreational Facilities - High Priority; provide a suitable living environment by increasing availability/accessibility of parks and recreational facilities; one project recommended for funding.

6	Agency/Group/Organization	City of McAllen - Parks and Recreation Department
	Agency/Group/Organization Type	Services-Children Services-Persons with Disabilities Services-Health Agency - Managing Flood Prone Areas Agency - Management of Public Land or Water Resources Agency - Emergency Management Other government - Local Grantee Department
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Parks and Recreation/Open (Green) Space
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Municipal Department provided input during public meeting. Outcome: Parks and Recreational Facilities - High Priority; provide a suitable living environment by increasing availability/accessibility of parks and recreational facilities; two projects recommended for funding.
7	Agency/Group/Organization	Women Together Foundation, Inc.
	Agency/Group/Organization Type	Housing Services - Housing Services-Children Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services - Victims Child Welfare Agency

	What section of the Plan was addressed by Consultation?	Homeless Needs - Families with children Homelessness Strategy Non-Homeless Special Needs Anti-poverty Strategy Public Service Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency provided input during public meeting. Outcomes: Housing (homeless facilities), Operating Costs of Homeless and HIV/AIDS Facilities, Homeless Services (prevention and subsistence payments), Services for Battered and Abused Spouses - High Priorities; provide decent housing by increasing availability /accessibility, and sustainability of emergency and transitional housing for battered and abused spouses; project not recommended for funding
8	Agency/Group/Organization	Access Esperanza Clinics, Inc.
	Agency/Group/Organization Type	Services-Persons with HIV/AIDS Services-homeless Services-Health Services-Education Health Agency
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-poverty Strategy Public Needs Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency provided input during public meeting. Outcomes: Health Services - High Priority; provide a suitable living environment by increasing availability/accessibility of health services; one project was recommended for funding

9	Agency/Group/Organization	BOYS AND GIRLS CLUB OF MCALLEN
	Agency/Group/Organization Type	Services-Children Services-Health Services-Education Services - Narrowing the Digital Divide Neighborhood Organization
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-poverty Strategy Public Service Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency provided input during public meeting. Outcomes: Child and Youth Services - High Priorities; provide a suitable living environment by increasing availability/accessibility of child and youth services; one project recommended for funding
10	Agency/Group/Organization	C.A.M.P. University
	Agency/Group/Organization Type	Services-Persons with Disabilities Services-Health Services-Employment
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-poverty Strategy Public Service Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency provided input during public meeting. Outcomes: Services for Persons with Disabilities - High Priority; provide a suitable living environment by increasing availability/accessibility of handicapped services/services for persons with special needs; one project was recommended for funding.

12	Agency/Group/Organization	COMFORT HOUSE SERVICES, INC.
	Agency/Group/Organization Type	Housing Services - Housing Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-homeless Services-Health Health Agency
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Anti-poverty Strategy Public Service Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency provided input during public meeting. Outcome: Health Services - High Priority; provide a suitable living environment by increasing availability /accessibility of health services, particularly for terminally ill patients; one project was recommended for funding.
13	Agency/Group/Organization	Community Hope Projects, Inc. dba Hope Family Health Center
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-homeless Services-Health Health Agency

	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Anti-poverty Strategy Public Service Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency provided input during public meeting. Outcomes: Health Services - High Priority; provide a suitable living environment by increasing availability/accessibility of health services; one project was recommended for funding.
14	Agency/Group/Organization	COURT APPOINTED SPECIAL ADVOCATES (CASA) OF HIDALGO COUNTY
	Agency/Group/Organization Type	Services-Children Services-Victims of Domestic Violence Services-homeless Services - Victims Child Welfare Agency Publicly Funded Institution/System of Care
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Non-Homeless Special Needs Anti-poverty Strategy Public Service Assessment

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency provided input during public meeting. Outcomes: Services for Abused and Neglected Children - High Priority; provide a suitable living environment by increasing availability/ accessibility of services for abused and neglected children; one project recommended for funding.
15	Agency/Group/Organization	EASTER SEALS RGV
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Health Health Agency Regional organization
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Public Service Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency provided input during public meeting. Outcomes: Child Care Services - High Priority; provide a suitable living environment by increasing availability/accessibility for child care services; one project was recommended for funding.
16	Agency/Group/Organization	First United Methodist Church Shoe Bank
	Agency/Group/Organization Type	Services-Children
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Public Service Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency provided input during public meeting. Outcomes: Childcare Services - High Priority; provide a suitable living environment by increasing accessibility/availability of childcare services; one project was recommended for funding.

17	Agency/Group/Organization	LRGVDC - Area Agency on Aging
	Agency/Group/Organization Type	Housing Services - Housing Services-Elderly Persons Services-Persons with Disabilities Services-homeless Services-Health Health Agency Agency - Emergency Management Other government - Local Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Market Analysis Public Service Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency provided input during public meeting. Outcomes: Senior Services - High Priority; provide a suitable living environment by increasing accessibility/availability of senior services; one project was recommended for funding
18	Agency/Group/Organization	MCALLEN FOOD PANTRY
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-homeless

	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Strategy Non-Homeless Special Needs Anti-poverty Strategy Public Service Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency provided input during public meeting. Outcomes: Public Services (General) and Food Banks - High Priorities; provide a suitable living environment by increasing availability/accessibility of general public services and food distribution services; one project was recommended for funding.
19	Agency/Group/Organization	Silver Ribbon Community Partners
	Agency/Group/Organization Type	Housing Services - Housing Services-Elderly Persons Services-Persons with Disabilities Services-Victims of Domestic Violence Services-homeless Services-Health Services - Victims Health Agency Publicly Funded Institution/System of Care

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homelessness Needs - Veterans Homelessness Strategy Non-Homeless Special Needs Anti-poverty Strategy Public Service Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency provided input during public meeting. Outcomes: Homeless Services (prevention and subsistence payments), Health Services, and Senior Services - High Priorities; provide decent housing by increasing availability/accessibility, affordability and sustainability of housing stock and provide a suitable living environment by increasing availability/accessibility of public services, health services, and senior services; project was not recommended for funding.
20	Agency/Group/Organization	THE SALVATION ARMY
	Agency/Group/Organization Type	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-homeless Services-Health Services-Education Services-Employment Agency - Emergency Management Regional organization

<p>What section of the Plan was addressed by Consultation?</p>	<p>Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Anti-poverty Strategy Public Service Assessment</p>
<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>Agency provided input during public meeting. Outcomes: Housing (homeless facilities) operating costs of homeless and HIV/AIDS facilities, homeless services (prevention and subsistence payments), and other public services - High Priorities; provide decent housing by increasing availability/accessibility, affordability and sustainability of housing stock and provide a suitable living environment by increasing availability/accessibility of operational costs and general public services; one project was recommended for funding.</p>

21	Agency/Group/Organization	Catholic Charities of RGV
	Agency/Group/Organization Type	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Employment Services - Victims Health Agency Agency - Emergency Management Regional organization Business and Civic Leaders
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Anti-poverty Strategy Public Service Assessment

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency provided input during public meeting. Outcomes: Homeless Services (prevention and subsistence payments) - High Priorities; provided decent housing by increasing affordability of housing stock and provide a suitable living environment by increasing availability/accessibility of public services; project was not recommended for funding.
22	Agency/Group/Organization	MCALLEN HOUSING AUTHORITY
	Agency/Group/Organization Type	Housing PHA Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-homeless Services-Education Services - Narrowing the Digital Divide Publicly Funded Institution/System of Care Other government - Local
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homelessness Strategy Anti-poverty Strategy Public Services and Public Housing Assessments

	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>Agency provided information on public housing/services for the McAllen Housing Authority/Finance Corp., Public Housing Units/Section 8 portfolio and waitlist, LIHTC projects. Outcomes: Housing (multi-family, public housing modernization), Employment Training Services and Public Services - High Priorities; provide decent housing by increasing availability/accessibility and sustainability of housing/public housing and provide a suitable living environment by increasing availability /accessibility of other public services and employment training services. Support for categories noted in Fair Housing Plan (Analysis of Impediment). No funding was requested.</p>
23	<p>Agency/Group/Organization</p>	<p>City of McAllen</p>

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Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Health Services-Education Services-Employment Services - Narrowing the Digital Divide Health Agency Agency - Managing Flood Prone Areas Agency - Management of Public Land or Water Resources Agency - Emergency Management Other government - Local Planning organization Business Leaders Civic Leaders Business and Civic Leaders Grantee Department Major Employer
What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs Market Analysis Anti-poverty Strategy

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Municipal Departments including Office of City Manager, Emergency Management, Information Technology Department, Office of Management and Budget, Finance Department, Office of the Mayor, Purchasing and Contracting Department, Library System, International Bridge System, Code Enforcement and Environmental Health, Police Department and Office of Communications regularly convene with Grant Administration/CD staff to discuss needs, ongoing or upcoming situations, and accomplishments. Topics of discussion may also include activities which may be addressed by HUD-funded programs, which would have an outcome that would result in identification of a new "High" Priority activity, affect the day-to-day management and operations of the Department and/or revisions to enacted Action Plans.
24	Agency/Group/Organization	Children's Advocacy Center of Hidalgo County -Estrella's House
	Agency/Group/Organization Type	Services-Children Services-Victims of Domestic Violence Services - Victims Child Welfare Agency
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Public Service Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency provided input during meeting. Outcomes: Abused and Neglected Children Services - High Priority; provide suitable living environment by increasing availability/accessibility of services for abused and neglected children; No funding was requested.
25	Agency/Group/Organization	Capable Kids Foundation
	Agency/Group/Organization Type	Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Public Service Assessment

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency provided input during public meeting. Outcomes: Services for Person with Disabilities - High Priority; provide a suitable living environment by increasing availability/accessibility of handicapped services/services for persons with special needs; one project was recommended for funding.
26	Agency/Group/Organization	TEAM MARIO
	Agency/Group/Organization Type	Services-Children Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Public Service Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency provided input during public meeting. Outcomes: Services for Person with Disabilities - High Priority; provide a suitable living environment by increasing availability/accessibility of handicapped services/services for persons with special needs; one project was recommended for funding.
27	Agency/Group/Organization	Make-A-Wish Foundation of the Rio Grande Valley
	Agency/Group/Organization Type	Services-Children
	What section of the Plan was addressed by Consultation?	Public Service Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency provided input during public meeting. Outcomes: Health Services - High Priority; provide a suitable living environment by increasing availability/accessibility of health services; one project was recommended for funding.

28	Agency/Group/Organization	South Texas Juvenile Diabetes Association
	Agency/Group/Organization Type	Services-Children Services-Health Services-Education
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Public Service Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency provided input during public meeting. Outcomes: Health Services - High Priority; provide a suitable living environment by increasing availability/accessibility of health services; one project was recommended for funding.

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

To compile the contact list, the staff utilized listings of organizations that had previously been funded or had inquired about funding. Furthermore, public notices were posted on the City's social media platform as well as the City of McAllen's website soliciting comments from interested parties and the general public.

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	Texas Balance of State Continuum of Care	Provision of homeless prevention programs and additional of affordable housing units throughout the community.

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

The McAllen Public Utilities manages water and sewer infrastructure, focusing on addressing leaks, breaks, and outdated pipes. The department aims to replace older clay lines containing asbestos and 2) The McAllen Fire Department deals with addressing fires, arson investigations, rescues, and medical emergencies in the community. Urgent needs include rescue equipment to meet demand. 3) City of McAllen Parks and Recreation: Needs amenities/trails/parks/playground/light (including all-inclusive equipment) and lighting. 4) City of McAllen Engineering Department has oversight of flood prone areas, traffic, drainage, streets and streetscapes including sidewalks. Their priorities include a need for adequately sized storm sewer (drainage) lines, and other street and sidewalk improvements.

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AP-12 Participation – 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 McAllen adopted a Citizen Participation Plan which will:

- Provide for and encourage citizen participation, with particular emphasis on participation by persons of low and moderate-income, residents of slum and blight areas, and/or residents of low and moderate-income neighborhoods;
- Provide citizens with reasonable and timely access to local meetings, information, and records relating to the grantee's proposed use of HUD funds;
- Provide technical assistance to groups or persons of low and moderate-income that request assistance in developing proposals;
- Provide for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program;
- Provide timely written responses to written complaints; and
- Identify how the needs of the non-English speaking residents will be met where a significant number of non-English speaking residents can be reasonably expected to participate.

During the composition of the One-Year Action Plan, two public hearings, and a 30-day comment period were instituted to solicit comments. Comments included the need for:

- Child Care Services
- Fire Station/Equipment
- Food Banks
- Handicapped Services/Services for the Disabled
- Health Services
- Homeless Facilities/Services
- Housing - Construction, Rehabilitation, and Rental Assistance
- Other Public Facilities and Improvements

- Other Public Services
- Parks and Recreational Facilities
- Senior Services
- Services for Abused and Neglected Children
- Subsistence Payments
- Water/Sewer and Street Improvements
- Services for Battered and Abused Spouses
- Youth Services

The above-listed activities impacted goal-setting through their identification as "High" priorities.

Efforts made to broaden citizen participation include the use of the 14-member Community Development Advisory Council, notices placed online, draft documents available at the main library and two branch libraries/community centers, as well as traditional means of announcement/notices such as the use of the external bulletin board, advertisements through social media posts via the City of McAllen's Facebook page and the City of McAllen website. Public Hearing notices appear at least 15-days prior to said hearing (unless exempted by exigent circumstances).

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	URL (If applicable)
1	Internet Outreach	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	February 3, 2026 published NOFA on the City of McAllen's website.	No comments were received	No comments were received	https://www.mcallen.net/docs/default-source/news-files/nofa-2025.pdf?sfvrsn=2

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Public Meeting	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	CDAC held a Public Meeting on March 13, 2026; 20 persons attended	Need for services, support and housing for battered spouses, construction of housing, infrastructure improvements, fire safety equipment	No comments were rejected.	https://www.mcallen.net/departments/grants/cdbg/documents

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Public Meeting	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	CDAC held a Public Meeting on March 26, 2026; 43 persons attended	Need for health/medical services, services for homeless individuals and families, general public services, senior services, provision of food, services for persons with special needs, youth/childcare services, subsistence payments, and services for abused and neglected children	No comments were rejected.	https://www.mcallen.net/departments/grants/cdbg/documents

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
4	Internet Outreach	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	Notification of 30-day Comment Period was published on the City of McAllen website and the City of McAllen Facebook page on May 29, 2026.	No comments were received.	N/A	https://www.mcallen.net/departments/grants/cdbg/documents

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
5	Public Hearing	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	Public hearing held on June 25, 2026 at the McAllen Public Library	No comments were received.	N/A	www.mcallen.net

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
6	Public Hearing	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	Public hearing will be held on June 18, 2026 at Las Palmas Community Center.	No comments were received	N/A	www.mcallen.net

Table 4 – Citizen Participation Outreach

Expected Resources

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

Introduction

The City of McAllen anticipates an estimated \$12.6 million during the 2023-2027 Consolidated Plan. In addition, HUD has announced an allocation of \$2,050,863.56 in federal funding for the 2026 Program Year (October 1, 2026 to September 30, 2027). 2026 Program Year allocations are outlined below:

CDBG-\$1,546,480.00

HOME-\$504,383.56

The City has allocated \$1,005,212.00 or 65% of its CDBG allocation for Public Facility and Infrastructure Improvements that align with Priority 1: Provide Neighborhood Revitalization Efforts; HOME funding in the amount of \$453,945.20 or 90% for homeowner housing new housing development that aligns with Priority 2: Provide Decent Safe Affordable Housing; \$231,972.00 or 15% of its CDBG allocation for Public Services that align with Priority 3: Provide for Special Needs Populations; and Priority 4: Provide Housing and Supportive Services for Homeless Populations; and \$309,296.00 or 20% for CDBG Program Administration which is within the CDBG Program Administrative Cap; \$50,438.36 or

10% for HOME Program Administration which is within the HOME Program Administrative Cap.

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	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	1,546,480.00	0.00	0.00	1,546,480.00	1,670,700	Funds will be used for housing, infrastructure, economic development, and a wide array of public service projects.

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: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	504,383.56	0.00	0.00	504,383.56	1,004,085.00	Funds will be used to provide housing services within the City. The total allocation was \$504,383.56, with an expected remaining available amount of \$1,004,085.10 in the Consolidated Plan.

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: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	0.00	0.00	0.00	0.00	0.00	

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 of McAllen encourages non-profit subrecipients and municipal departments to leverage HUD funds with other resources. For the 2026 Program Year, CDBG funds are expected to leverage approximately \$4.79 for every HUD dollar awarded to the City. The largest source of leverage is expected from federal programs, including other HUD funds.

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

Publicly-owned land, specifically parks and McAllen ISD properties may be rehabilitated for improvements/increased use as green or open space. It is not anticipated that any other publicly owned land or property will be used to address community development needs. Nonetheless, public property may be used to house public service activities such as using the library or community centers for educational programs, recruitment, fairs, distribution centers, etc. For the 2026 Program Year, three city/school park projects are scheduled to be improved with CDBG funds.

Discussion

n/a

DRAFT

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	03F: Parks and Recreational Facilities	2023	2027	Non-Housing Community Development	CDBG ELIGIBLE CENSUS TRACTS	Public Facilities	CDBG: \$132,157.22	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 2550 Persons Assisted
2	03I: Flood Drainage Improvements	2023	2027	Non-Housing Community Development	CDBG ELIGIBLE CENSUS TRACTS		CDBG: \$195,517.00	
2	03J: Water/Sewer Improvements	2023	2027	Non-Housing Community Development	CDBG ELIGIBLE CENSUS TRACTS	Infrastructure	CDBG: \$200,000.00	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 3780 Persons Assisted
4	03K: Street Improvements	2023	2027				CDBG: \$252,007.78	
5	03M: Child Care Centers	2023	2027				CDBG: \$50,400.00	

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	05Z: Other Public Services	2023	2027	Non-Housing Community Development	City-Wide	Public Services including Homeless Needs	CDBG: \$11,568.16	Public service activities other than Low/Moderate Income Housing Benefit: 2 Persons Assisted Public service activities for Low/Moderate Income Housing Benefit: 12 Households Assisted
4	05A: Senior Services	2023	2027	Non-Housing Community Development	City-Wide	Public Services including Homeless Needs	CDBG: \$15,000.00	Public service activities other than Low/Moderate Income
5	05B: Handicapped Services	2023	2027	Non-Homeless Special Needs	City-Wide	Public Services including Homeless Needs	CDBG: \$34,500.00	Public service activities other than Low/Moderate Income
6	05D: Youth Services	2023	2027	Non-Housing Community Development	City-Wide	Public Services including Homeless Needs	CDBG: \$15,000.00	Public service activities other than Low/Moderate Income
6	05L: Child Care Services	2023	2027	Non-Housing Community Development	City-Wide	Public Services including Homeless Needs	CDBG: \$58,406.00	Public service activities other than Low/Moderate Income
7	05M: Health Services	2023	2027	Non-Housing Community Development	City-Wide	Public Services including Homeless Needs	CDBG: \$71,500.00	Public service activities other than Low/Moderate Income

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
8	05N: Services for Abused and Neglected Children	2023	2027	Homeless Non-Homeless Special Needs Non-Housing Community Development	City-Wide	Public Services including Homeless Needs	CDBG: \$20,000.00	Public service activities other than Low/Moderate Income
9	05W: Food Banks	2023	2027	Homeless Non-Homeless Special Needs Non-Housing Community Development	City-Wide	Public Services including Homeless Needs	CDBG: \$10,000.00	Public service activities other than Low/Moderate Income
10	Construction of Housing	2023	2027	Proyecto Azteca	City-Wide	Housing	HOME: \$453,945.20	Homeowner Housing Added: 2 Household Housing Unit
11	Program Administration	2023	2027	Administration	City-Wide	Administration	CDBG: \$309,296.00 HOME: \$50,438.36	Other: 8 Other
12	03O: Fire Stations/Equipment	2023	2027	Non-Homeless Special Needs Non-Housing Community Development	CDBG ELIGIBLE CENSUS TRACTS	Public Facilities	CDBG: \$175,130.00	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 28490 Persons Assisted

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	03F: Parks and Recreational Facilities
	Goal Description	<ul style="list-style-type: none"> • PARD - Roosevelt - \$195,517
2	Goal Name	03J: Water/Sewer Improvements
	Goal Description	<ul style="list-style-type: none"> • McAllen PU - Balboa Acres Manhole Rehabilitation Phase I - \$200,000 • C.O.M. - Engineering – Olga Ave. at S. 28th St. Drainage - \$252,007.78
3	Goal Name	05D: Youth Services
	Goal Description	<ul style="list-style-type: none"> • Communities in Schools - \$22,566
4	Goal Name	05A: Senior Services
	Goal Description	<ul style="list-style-type: none"> • Bright Nutrition - \$15,000
5	Goal Name	05B: Handicapped Services
	Goal Description	<ul style="list-style-type: none"> • CAMP University - \$20,000 • Make A Wish - \$6,500 • Silver Ribbon Community Partners - \$3,000 • Team Mario - \$5,000
6	Goal Name	05L: Child Care Services
	Goal Description	<ul style="list-style-type: none"> • Boys and Girls Club of McAllen- Scholarship Program -\$36,566. • Easter Seals RGV - \$21,840

7	Goal Name	05M: Health Services
	Goal Description	<ul style="list-style-type: none"> • Comfort House Services, Inc. - \$48,500 • Community HOPE Projects, Inc./ HOPE Family Health Center - \$20,000 • Make-A-Wish of the RGV - \$6,500 • Dentist Who Care - \$3,000
8	Goal Name	05N: Services for Abused and Neglected Children
	Goal Description	<ul style="list-style-type: none"> • Court Appointed Special Advocates of Hidalgo County - \$5,000.00 • Children's Advocacy Center - \$15,000
9	Goal Name	05W: Food Banks
	Goal Description	<ul style="list-style-type: none"> • McAllen Food Pantry- \$10,000
10	Goal Name	Construction of Housing
	Goal Description	<ul style="list-style-type: none"> • Proyecto Azteca - \$453,945.20
11	Goal Name	Program Administration
	Goal Description	<ul style="list-style-type: none"> • CDBG Administration - \$309,296 • HOME Administration - \$50,438.36
12	Goal Name	03O: Fire Stations/Equipment
	Goal Description	<ul style="list-style-type: none"> • McAllen Fire Dept. – Fire Equipment - \$94,300 • McAllen Fire Dept. – Breathing Air Compressor - \$56,907 • McAllen Fire Dept. – Bunker Gear Extractor - \$23,923
13	Goal Name	05M: Child Care Center
	Goal Description	<ul style="list-style-type: none"> • Boys and Girls Club – Bonham Internet Infrastructure - \$50,400

Projects

AP-35 Projects – 91.220(d)

Introduction

The City of McAllen encourages non-profit subrecipients and municipal departments to leverage HUD funds with other resources. For FY 2026-2027, CDBG projects will leverage approximately \$4.79 for every HUD dollar.

With the HOME program, the City will use no other forms of investment other than those described in 24 CFR 92.205(b). As an economically distressed area, the City has been waived (100%) from its HOME matching requirement due to meeting HUD criteria and being an area affected by a Presidentially-declared disaster.

Projects

#	Project Name
1	2026 C.O.M. - Engineering Dept. - Olga Ave. at S. 28 th St. Drainage Improvements
2	2026 C.O.M. - Engineering Dept. - Idela Park Subdivision Pavement Improvements
3	2026 C.O.M. - P.A.R.D. - Roosevelt Elem. City/School Park Improvements
4	2026 McAllen Fire Dept. - Fire Equipment
5	2026 McAllen Fire Dept. - Breathing Air Compressor
6	2026 McAllen Fire Dept. - Bunker-Gear Extractor
7	2026 McAllen Public Utility - Balboa Acres Manhole Rehabilitation Phase I
8	2026 Boys and Girls Club of McAllen - Bonham Internet Infrastructure
9	2026 Bright Nutrition
10	2026 Boys and Girls Club of McAllen
11	2026 C.A.M.P. University
12	2026 Children's Advocacy Center
13	2026 Comfort House Services, Inc.
14	2026 Communities in Schools
15	2026 Community HOPE Projects, Inc.
16	2026 Court Appointed Special Advocates (CASA) of Hidalgo County
17	2026 Dentist Who Care
18	2026 Easter Seals - Rio Grande Valley
19	2026 Make-A-Wish RGV
20	2026 McAllen Food Pantry
21	2026 Silver Ribbon Community Partners
22	2026 Team Mario

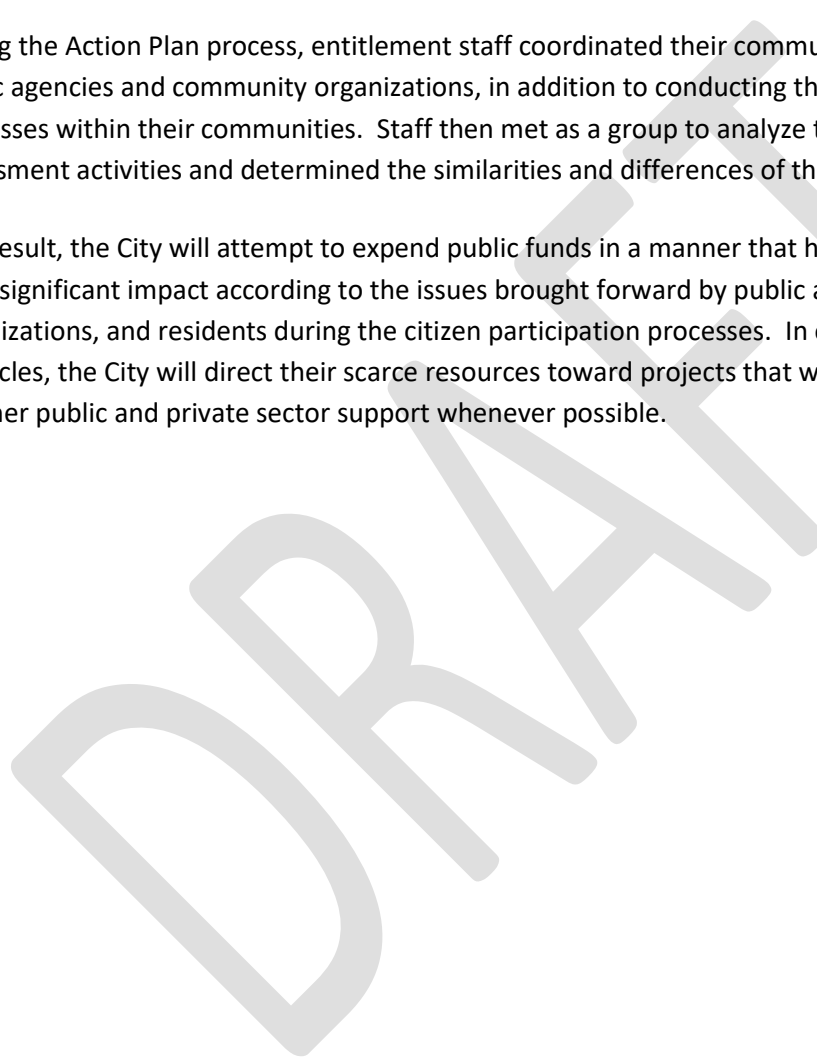
#	Project Name
23	2026 CDBG Administration
24	2026 Proyecto Azteca
25	2026 HOME Administration

Table 7 - Project Information

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

During the Action Plan process, entitlement staff coordinated their community-wide consultations with public agencies and community organizations, in addition to conducting the citizen participation processes within their communities. Staff then met as a group to analyze the results from these needs assessment activities and determined the similarities and differences of their resulting priorities.

As a result, the City will attempt to expend public funds in a manner that helps ensure funds make the most significant impact according to the issues brought forward by public agencies, community organizations, and residents during the citizen participation processes. In order to address financial obstacles, the City will direct their scarce resources toward projects that will leverage the commitment of other public and private sector support whenever possible.



AP-38 Project Summary
Project Summary Information

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1	Project Name	2026 Eng. Dept. - Olga Ave. at S. 28 th St. Drainage Improvements
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	\$195,517.00
	Description	
	Target Date	9/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	Olga Ave. at St. 28 th St.
	Planned Activities	
2	Project Name	2026 Eng. Dept. – Idela Park Sub. Drainage Improvements
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$252,007.78
	Description	
	Target Date	9/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	.
	Location Description	
	Planned Activities	
3	Project Name	2026 C.O.M. - P.A.R.D. – Roosevelt Elem. City/School Park Improvements
	Target Area	CDBG ELIGIBLE CENSUS TRACTS
	Goals Supported	03F: Parks and Recreational Facilities
	Needs Addressed	
	Funding	CDBG: \$132,157.22
	Description	

	Target Date	9/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
4	Project Name	2026 McAllen Fire Dept. – Fire Equipment
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$94,300.00
	Description	
	Target Date	9/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
5	Project Name	2026 McAllen Fire Dept. Breathing Air Compressor
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$56,907.00
	Description	
	Target Date	9/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
6	Project Name	2026 McAllen Fire Dept. – Bunker Gear Extractor
	Target Area	

	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$123,923.00
	Description	
	Target Date	9/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
7	Project Name	2026 McAllen Public Utility – Balboa Acres Manhole Rehabilitation Phase I
	Target Area	City-Wide
	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$200,000.00
	Description	
	Target Date	9/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
8	Project Name	2026 Boys and Girls Club of McAllen – Bonham Internet Infrastructure
	Target Area	City-Wide
	Goals Supported	
	Needs Addressed	Public Services to children
	Funding	CDBG: \$50,400.00
	Description	
	Target Date	9/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	

	Location Description	
	Planned Activities	
9	Project Name	2026 Bright Nutrition
	Target Area	City-Wide
	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$15,000.00
	Description	
	Target Date	9/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
10	Project Name	2026 Boys and Girls Club of McAllen
	Target Area	City-Wide
	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$36,566.00
	Description	
	Target Date	9/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
11	Project Name	2026 C.A.M.P. University
	Target Area	City-Wide
	Goals Supported	
	Needs Addressed	Public Services including Homeless Needs
	Funding	CDBG: \$20,000.00
	Description	
	Target Date	9/30/2027

	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
12	Project Name	2026 Children’s Advocacy Center
	Target Area	City-Wide
	Goals Supported	05N: Services for Abused and Neglected Children
	Needs Addressed	
	Funding	CDBG: \$15,000.00
	Description	
	Target Date	9/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
13	Project Name	2026 Comfort House Services, Inc.
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$48,500.00
	Description	
	Target Date	9/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
14	Project Name	2026 Communities in Schools
	Target Area	
	Goals Supported	
	Needs Addressed	

	Funding	CDBG: \$22,566.00
	Description	
	Target Date	9/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
15	Project Name	2026 Community HOPE Projects, Inc.
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$20,000.00
	Description	
	Target Date	9/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
16	Project Name	2026 Court Appointed Special Advocates (CASA) of Hidalgo County
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$5,000.00
	Description	
	Target Date	9/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
	Project Name	2026 Dentists Who Care

17	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG: \$3,000.00
	Description	
	Target Date	9/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
18	Project Name	2026 Easter Seals – Rio Grande Valley
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG - \$21,840.00
	Description	
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
Planned Activities		
19	Project Name	2026 Make-A-Wish RGV
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG - \$6,500.00
	Description	
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	

	Planned Activities	
20	Project Name	2026 McAllen Food Pantry
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG - \$10,000.00
	Description	
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
21	Project Name	2026 Silver Ribbon Community Partners
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG - \$3,000.00
	Description	
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
22		
	Project Name	2026 Team Mario
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG - \$5,000.00
	Description	
	Target Date	

	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
23	Project Name	2026 CDBG Administration
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	CDBG - \$309,296.00
	Description	
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
24	Project Name	2026 Proyecto Azteca
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	HOME - \$600,000.00
	Description	
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	
25	Project Name	2026 HOME Administration
	Target Area	
	Goals Supported	
	Needs Addressed	
	Funding	HOME - \$50,438.36

	Description	
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	

AP-50 Geographic Distribution – 91.220(f)

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

The City of McAllen undertakes a request for applications process for CDBG and HOME funding. All Census Tracts within the City contain a preponderance of minorities. Nonetheless, CDBG resources are more narrowly focused on low-income areas within the City, particularly south of Pecan Blvd.

Geographic Distribution

Target Area	Percentage of Funds
CDBG ELIGIBLE CENSUS TRACTS	65

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

By focusing improvements in CDBG-eligible target areas, the City is aiming to enhance living conditions, stimulate economic development, and address infrastructure deficits in these communities. This approach helps ensure that the benefits of public investments are directed towards areas that need them most.

Discussion

CDBG funds are specifically allocated to qualified Census Tracts or Block Groups where more than 51% of residents have low to moderate incomes. Many non-profit organizations are based in or have satellite offices within these eligible areas, providing vital services to the community. Since the American Community Survey updates its data annually, there is a possibility that some currently eligible Census Tracts or Block Groups may lose their qualification status. However, it is anticipated that area benefit projects will continue to be eligible for funding throughout the current funding period, despite any potential changes in eligibility.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

The City of McAllen has prioritized affordable housing across its jurisdiction. To address the housing needs of low-income households, individuals with special needs, the elderly, and homeless individuals and families, the City utilizes funding from CDBG and HOME grants. The strategy for ensuring decent and safe affordable housing throughout McAllen includes rehabilitating existing housing, developing new affordable housing, and providing rental assistance. Of note, any ESG funds provided to the homeless services provides will be on behalf of Hidalgo County-Urban County Program as the City of McAllen did not receive ESG funds for PY 2026- 2027.

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	30
Special-Needs	0
Total	30

Table 9 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	12
The Production of New Units	2
Rehab of Existing Units	0
Acquisition of Existing Units	0
Total	14

Table 10 - One Year Goals for Affordable Housing by Support Type

Discussion

Proyecto Azteca Inc. will spearhead permanent housing projects, aiming to construct two new homes through Community Housing Development Organization (CHDO) HOME activities.

AP-60 Public Housing – 91.220(h)

Introduction

During the development of the PY 2026-2027 Annual Action Plan, the McAllen Housing Authority (MHA) was consulted. MHA provided a detailed overview of their current portfolio, including information on waiting lists, accessible units, and the status of waitlists for both traditional and handicap-compliant units within the public housing and Section 8 programs.

Actions planned during the next year to address the needs to public housing

CDBG or HOME funds will not be allocated directly to the McAllen Housing Authority; however, other HUD funds will be used to help residents maintain decent, safe, and sanitary housing. The City also supports the McAllen Housing Authority by assisting with the preparation of environmental reviews as needed for federal funding. The City's involvement in public housing issues is ongoing, with the Mayor appointing members to the McAllen Housing Authority Board of Directors.

Furthermore, the City continues to collaborate with the McAllen Housing Authority to enhance facilities and support resident initiatives.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

The management of the McAllen Public Housing Authority organizes meetings with residents to review the operations of the authority. The Housing Authority Resident Advisory Board meets monthly to address resident initiatives and implement policies. Since 2004, the MHA and Affordable Homes of South Texas, Inc. have successfully operated a program that uses Section 8 vouchers for homeownership. Information on acquiring or purchasing affordable homes through Affordable Homes of South Texas Inc. is readily available at the Housing Authority. Additionally, the City's HOME funds may be used to support Section 8 Homeownership Recipients in their transition to homeownership.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

The City of McAllen is pleased to report that the Housing Authority is not classified as troubled by HUD and is recognized as a high-performing agency. The City remains committed to exploring opportunities to leverage its housing and community development activities in collaboration with the local McAllen Public Housing Authority (PHA) to enhance opportunities for public housing residents.

Discussion

The McAllen Housing Authority oversees 89 Public Housing units and 1,384 Section 8/Housing Choice

Vouchers. Beyond these federal programs, the McAllen Housing Authority, through its affiliates, owns and manages six housing developments that provide additional affordable rental units within the community.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

The City of McAllen did not receive Emergency Solutions Grant (ESG) funds for PY 2026- 2027. ESG funds are the primary mechanism to provide services for homeless individuals and families as well as prevent homelessness. As previously mentioned, the sole ESG recipient in the area is Hidalgo County - Urban County Program. However, Community Development Block Grant (CDBG) funds will be used to assist homeless individuals and families and prevent households from becoming homeless. Services to benefit persons with special needs also utilize CDBG program funds.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The City will continue to serve as a referral service to agencies funded by CDBG. The agency will undertake the majority of services provided to homeless individuals using CDBG awarded funds:

Addressing the emergency shelter and transitional housing needs of homeless persons

CDBG funds will not be used to fund the single emergency shelter for the general population in Hidalgo County. It is operated by The Salvation Army and located within the City of McAllen. An emergency shelter and a transitional housing complex exists for victims of domestic violence. They are operated by Women Together Foundation, Inc. and are both found within the City's limits.

These shelters and transitional housing will likely be funded through Hidalgo County-Urban County Program, as the sole recipient of ESG.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The City received funding from HOME-American Rescue Plan which is currently providing tenant based rental assistance, which can provide up to twelve months of assistance to qualifying populations including homeless, at-risk, domestic violence survivors, and other populations whose income does not

exceed 30% area median-income.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

A portion of CDBG funds have been targeted towards precariously housed populations, those threatened with homelessness.

The City continues to rely on non-profit and other governmental agencies to provide homeless prevention and homeless service activities.

As indicated above, one of the closely monitored tools to address the needs of homeless individuals and families or precariously housed persons is the use of HMIS. HMIS allows users to monitor the number and length of times assistance was provided by the various homeless providers as well as review case notes regarding mainstream benefits, goals or other concerns.

While the City has not been the primary contact for persons discharging from publicly funded institutions, CDBG-funded subrecipients are often points of contact. In many instances, however, case notes and/or files requesting reimbursement may provide summary of individual's situation and how the social service agency assuaged housing and support service needs.

Discussion

Homelessness continues to be a growing issue due to factors such as a lack of affordable housing, stagnant wages, and post-pandemic inflation. The City of McAllen is committed to addressing these challenges by focusing on rental assistance, medical aid, rent deposits, social services, food and clothing, and emergency housing to prevent future instances of homelessness.

Addressing the needs of the homeless and those at risk of homelessness is a top priority. As having both emergency shelters and a transitional housing complex within city limits, McAllen is dedicated to ensuring that high-quality services are provided by homeless service providers. The City will use a portion of its HOME-ARP allocation to maximize benefits for homeless individuals and those at risk of losing their housing.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

The City of McAllen identifies barriers to affordable housing through its Analysis of Impediments (AI). This document, developed to meet HUD requirements, provides a detailed examination of actions and activities that restrict access to affordable housing. It also outlines strategies to overcome these obstacles. The AI is available for review at the City of McAllen’s Grant Administration Office. The City will continue to review and update the AI regularly to ensure its accuracy and relevance.

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

In order to address the barriers, the City will:

1. Provide funding for housing rehabilitation and reconstruction services
2. Encourage and support affordable housing developments
3. Consider practices to increase transportation services, particularly to low-moderate income areas
4. Continue to encourage concentration of low-income housing and support a mixed type and varied styles of affordable housing
5. Participate in programs that provide access to equitable financial services
6. Assist persons to access fair housing resources, including the completion of forms and provision of pamphlets
7. Continue the partnership with McAllen ISD
8. Utilize municipal departments and resources to ensure quality construction and developments within the City

The City does not believe that planning requirements and code enforcement actions constitute barriers to fair and affordable housing. The majority of these policies or regulations cannot be considered excessive, exclusionary, discriminatory, or duplicative. It is not unreasonable for cities with jurisdictional authority to charge fees for development, especially pertaining to land preparation costs. However, it does need to be acknowledged that for the development of affordable housing these costs can be

potentially prohibitive. In order to remove or ameliorate barriers to affordable housing, the City may waive or lower fees for the development of affordable housing. This may serve as an additional incentive to develop affordable housing. Through the inclusion of other federal and non-federal sources of funding, affordable housing may be more easily provided, particularly for extremely-low income households.

Discussion:

The City of McAllen faces significant challenges to affordable housing and community development, including a high percentage of households living below the poverty line, elevated unemployment rates, and low levels of educational attainment (specifically, those holding a bachelor's degree). To address these issues, the City has prioritized social services, housing and infrastructure, public facilities, and economic development. It will continue to fund projects that expand housing options and related services for non-homeless individuals, including those with special needs.

To raise awareness of barriers to affordable housing, the City will declare April as "Fair Housing Month." During this time, the Mayor or a City Commissioner will provide information about different types of discrimination and outline the actions that renters or homebuyers can take.

Affordable housing remains a top priority and will be addressed through PY 2026 - 2027 HOME funds. The City is committed to mitigating, as much as possible, any conditions that hinder the construction, maintenance, development, or sustainability of affordable housing units.

AP-85 Other Actions – 91.220(k)

Introduction:

The City's rapid growth requires ongoing attention to balancing competing needs in housing and community development. McAllen acknowledges the importance of addressing obstacles to meeting underserved needs, fostering and maintaining affordable housing, reducing lead-based paint hazards, alleviating poverty, and improving coordination among public and private housing and social service agencies. Despite these efforts, current needs significantly exceed the federal, state, and local funding available to address them.

Actions planned to address obstacles to meeting underserved needs

Actions planned to foster and maintain affordable housing

Barriers to affordable housing in McAllen are intensified by several factors, including rents that rise faster than wages, high levels of unemployment and underemployment, and post-pandemic inflation. Local governments have limited control over many of the factors affecting housing supply, such as land costs, construction expenses, financing rates, and land availability. The combination of increasing market values, rising construction costs, limited financing options, aging housing stock, and high demand for scarce land has constrained housing production, especially for low and moderate-income individuals.

To address these challenges, the City is actively exploring financing tools and resources that can be combined with CDBG and HOME funding to enhance the development of affordable and accessible housing.

Actions planned to reduce lead-based paint hazards

All units receiving assistance through the housing rehabilitation and tenant-based rental assistance programs are inspected for lead-based paint hazards. The Environmental Protection Agency (EPA) issued the Renovation, Repair, and Painting (RRP) Rule in April 2008, which introduced new measures to prevent lead poisoning and took effect on April 22, 2010. The Office of Healthy Homes and Lead Hazard Control has since provided guidance to comply with both the EPA's RRP and the Lead Safe Housing Rule (LSHR). Notably, the LSHR includes requirements for clearance examinations, a key difference from the RRP Rule.

The City of McAllen follows the requirements outlined in the LSHR's "Protect Your Family from Lead in Your Home" and the EPA's "Renovate Right: Important Lead Hazard Information for Families, Child Care Providers, and Schools" pamphlets, as mandated by the Lead Disclosure Rule. The City has also reviewed

its housing rehabilitation programs to ensure compliance with these updated regulations and uses federal funds to assess and address lead-based paint hazards appropriately. In line with HUD and EPA guidelines, the City will continue to conduct inspections and testing on homes built before 1978 and will stay updated with any changes or interpretations of the program rules.

Actions planned to reduce the number of poverty-level families

There is a county wide effort, the Anti-Poverty Plan, which targets the region's most vulnerable populations—primarily low and moderate-income households earning between 0 and 80 percent of the median family income, individuals and families in public or assisted housing, and homeless individuals and families. The most at-risk groups are those who are dependent on public subsidies to maintain their residences, including the lowest-income households who are often on the brink of homelessness. These households will benefit most directly from increased housing and community development efforts in the region.

The City's development vision focuses on providing decent housing and suitable living environments while expanding economic opportunities for low and moderate-income individuals. To effectively promote economic development and job creation, the City must address several barriers, including a lack of education and skilled labor, insufficient capital, and inadequate information. Strategies to overcome these challenges include:

- Providing support services to reduce barriers to job training and permanent employment
- Offering literacy and life skills programs
- Identifying job opportunities and implementing training programs to meet employment requirements
- Initiating regional business development efforts to expand existing businesses and stimulate entrepreneurial activity

Actions planned to develop institutional structure

The City of McAllen's municipal government, consisting of the Mayor and six Commissioners, serves as the legislative body for the City. The Grant Administration Department oversees the management of housing and community development funds from the U.S. Department of Housing and Urban Development (HUD). Aside from administrative costs, all CDBG and HOME funds are contracted to social service agencies and municipal departments for eligible project implementation. The City utilizes the following departments for project execution:

- McAllen Public Utilities: Provides treated water in compliance with SDWA and U.S. EPA standards.
- Fire Department: Responds to emergencies with mitigation, control systems, and support services.
- Engineering Department: Manages design and construction of infrastructure and public facilities.
- Parks and Recreation Department: Analyzes green and open space as well as recreation programs.
- Finance Department: Handles payments and acts as a liaison with external auditors.
- Internal Auditing Department: Monitors procedures of subrecipients and departments.

- Purchasing and Contracting Department: Offers technical assistance related to purchasing policies for municipal and subrecipient agencies.
- Office of Management and Budget: Conducts budget analysis, reconciliation, and confirms federal financial accounting systems.

The broader Hidalgo County institutional structure includes a network of public agencies and community organizations across South Texas, all dedicated to providing affordable housing, supportive services, and community development for low- and moderate-income individuals and families. Coordination among local agencies, community-based organizations, and social service providers is crucial to addressing the region's urgent needs.

Additionally, McAllen has developed its HOME-ARP Allocation Plan to provide permanent housing and stability for various populations, including those experiencing long-term or chronic homelessness, victims of domestic violence, and individuals fleeing human trafficking. The plan also targets populations at risk of homelessness, veterans, and families including veterans. Providing Tenant Based Rental Assistance combined with Supportive Services, addresses the needs of these vulnerable groups and fosters greater collaboration across agencies dedicated to affordable housing and community development.

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

The City of McAllen collaborates with a diverse range of organizations involved in housing, homeless assistance, special needs services, and community development. Key partners include the Public Housing Authority (PHA), Community Housing Development Organization (CHDO), and various community organizations that focus on social services, youth programs, elderly care, services for individuals with disabilities, abused children, health services, homeless assistance, and domestic violence support.

Commitment and coordination among local government, community organizations, and the public have been crucial in effectively deploying HUD funds across the County. Additionally, the City Commission has established a fourteen-member advisory council to review and recommend the allocation of HUD-awarded funds for both non-profit and City department projects. This advisory council conducts several public hearings, tours proposed construction sites, and engages with applicants before making funding recommendations.

The Advisory Council's review process includes evaluating applications from non-profits and helps members gain a comprehensive understanding of City needs. This thorough review process enhances their ability to assess applications and provide well-considered recommendations for HUD fund utilization. These procedures are intended to continue as the City develops programs using CDBG and

HOME funds.

Discussion:

The City faces significant challenges in securing affordable housing, programs for special needs residents, and ensuring community safety and development. These obstacles are intensified by the rapid population growth within McAllen. Despite these difficulties, the City is dedicated to addressing these issues through improved coordination with neighboring communities and by strengthening collaboration across public and private housing and social service agencies throughout the County.

Program Specific Requirements

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

Introduction:

HUD has announced an allocation of \$2,050,863.56 in federal funding for the 2026 Program Year. Allocations are outlined below:

CDBG-\$1,546,480.00

HOME-\$504,383.56

In the Action Plan, the City describes the programs and services that it will undertake during the period beginning October 1, 2026, until September 30, 2027. The Action Plan details the populations that will be served, projects to be undertaken, and resources that will be used over the next year to address the third of the five years covered by the Consolidated Plan and Strategy.

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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2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. 100.00%

**HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.220(I)(2)**

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

With the HOME program, the City will use no other forms of investment other than those described in 24 CFR 92.205(b). As an economically distressed area, the City has been waived (100%) from its HOME matching requirement.

The City will utilize the HOME affordable homeownership limits for the area and will not independently determine the 95% median area purchase price for its HOME Program.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

The City has adopted a recapture and resale policy that serves to address the continued affordability of housing units acquired and/or constructed with HOME funds. When HOME funds are used, restrictions will be placed on the unit to ensure compliance with the recapture requirements described in 24 CFR 92.254(a)(5)(ii). The amount subject to recapture option is limited to the direct subsidy.

The City has selected the "Owner Investment Returned First" recapture option for its HOME Program. If net proceeds are available, the owner will receive their investment before the HOME note is repaid. An equal amount (based on length of affordability) will be reduced on the anniversary of closing. The difference between the HOME investment and any reduction is due to the City to the extent net proceeds are available. Such is outlined in the Homebuyer Assistance Contract. The City will maintain the original Homebuyer Contracts and will subsequently receive the City's executed original note and deed of trust for its investment in the HOME-built units.

Resale Policy will be enforced, for CHDO activities including development cost. If the homebuyer sells before the affordability period ends, the property must be sold to another low-

income household.

The City has also opted to allow for the presumption of affordability, an effort to allow secondary homebuyers the opportunity to assume the mandatory HOME period of affordability if no additional HOME funds are invested.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

As detailed above, the City has adopted a recapture policy to address the continued affordability of housing units acquired and/or constructed with HOME funds. In summary, the City has selected the "Owner Investment Returned First" recapture option for its HOME Program. If net proceeds are available, the owner will receive their investment before the HOME note is repaid. An equal amount (based on length of affordability) will be reduced on the anniversary of closing. The difference between the HOME investment and any reduction is due the City to the extent net proceeds are available. Nonetheless, the City has also included the provision to allow a second borrow to continue the period of affordability should no additional HOME assistance be necessary and the subsequent buyer qualifies as low-income. Furthermore, the Resale Policy will be enforced, for CHDO activities including development cost. If the homebuyer sells before the affordability period ends, the property must be sold to another low income household.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

The City does not intend to refinance any existing debt secured by multi-family housing that is or has been rehabilitated with HOME funds under 24 CFR 92.206(b).

5. If applicable to a planned HOME TBRA activity, a description of the preference for persons with special needs or disabilities. (See 24 CFR 92.209(c)(2)(i) and CFR 91.220(l)(2)(vii)).

The City's HOME TBRA will not implement a preference for persons.

6. If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will narrow the gap in benefits and the preference is needed to narrow the gap in benefits and services

received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(l)(2)(vii)).

Not Applicable.

7. If applicable, a description of any preference or limitation for rental housing projects. (See 24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)). Note: Preferences cannot be administered in a manner that limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).

Not Applicable.

**Emergency Solutions Grant (ESG)
Reference 91.220(l)(4)**

1. Include written standards for providing ESG assistance (may include as attachment)

N/A

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The Texas Homeless Network's (THN) Balance of State (BoS) Continuum of Care (CoC) has begun a coordinated assessment system for communities.

THN, as the collaborative applicant, invites interested parties to the monthly BoS CoC board meetings. Along with this invite is the agenda and the Board Committee Co-chairs' initiatives as discussed during committee meetings held throughout the month.

Hidalgo County participates with the Texas Homeless Network "Continuum of Care Program". Hidalgo County also funds the HMIS category to ESG subrecipients. The City may endeavor to become more active in THN Committees.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

The City is not a recipient of ESG funds for PY 2026 - 2027.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions

regarding facilities and services funded under ESG.

The City is not a recipient of ESG funds for PY 2026 - 2027.

5. Describe performance standards for evaluating ESG.

The City is not a recipient of ESG funds for PY 2026 - 2027.

The City of McAllen will attempt to expend public funds in a manner that best meets local needs- particularly among low and moderate-income families and individuals while addressing "High" priorities. This process helps ensure that McAllen makes the most significant impact according to the issues brought forward by public agencies, community organizations, residents, and citizen participation processes.

Attachments

Citizen Participation Comments

FY 2025-2026 Annual Action Plan

SUMMARY OF COMMENTS

The following summarizes the comments received during the solicitation of public input and during the thirty-day comment period following the announcement of proposed projects.

Solicitation of Public Comment

The City of McAllen held the first public hearing regarding the FY 2025-2026 Annual Action Plan on June 12, 2025. Although solicited through the City of McAllen's official website as well as the City of McAllen's Facebook page, no one appeared for comment.

The second public hearing occurred on June 18, 2025. Although solicited through the City of McAllen's official website as well as the City of McAllen's Facebook page, no written comments were received.

Thirty-Day Comment Period

The thirty-day comment period regarding the draft document began on May 29, 2025, and ended on June 30, 2025. The notice announcing the availability of draft document for review was made available through the City of McAllen's official website as well as the City of McAllen's Facebook page on May 28, 2025. No written comments were received during the solicitation period.

Grantee's Unique Appendices

- HOME Recapture Provision
- Public Notices

HOME Recapture Provision

HOME INVESTMENT PARTNERSHIPS PROGRAM

City Of McAllen

Recapture Policy

The City of McAllen has adopted a Recapture Policy that serves to address the continued affordability for homebuyer activities with HOME funds. When HOME funds are used, restrictions will be placed on the unit to ensure compliance with the recapture requirements described in 24 CFR 92.254(a)(5)(ii). The City has selected the "Owner Investment Returned First" recapture option for its CHDO Program. The Owner Investment Returned First option allows the homebuyer to recover the homebuyer's entire investment (down payment and capital improvements made by the owner since purchase) before the City recaptures the HOME investment.

City of McAllen annually awards HOME funds to Community Housing Development Organizations (CHDO), a private nonprofit, through a Request for Proposals (RFP) process, to develop single-family housing units. The CHDO's use the HOME funding to assist potential homebuyers to purchase homes otherwise available for sale in the private market.

Units are sold exclusively to moderate- to low-income eligible buyers with direct homebuyer subsidy, such as down payment assistance, closing costs, interest subsidies and/or other HOME eligible assistance that is provided directly to the homebuyer through the City of McAllen HOME Buyer Assistance Program.

During the intake and eligibility of the homebuyer, the level of HOME assistance provided to a buyer is determined by the CHDO's underwriting process that includes the homebuyer's income, debt, and assets to acquire and sustain homeownership. The CHDO's underwriting criteria is in accordance with Manual of HOME Policies & Procedures. The underwriting process determines if HOME financial assistance is needed. The CHDO shall submit the homebuyer's application and underwriting to the City for review and approval.

Depending on the level of homebuyer assistance provided, the homebuyer will be under obligation to comply with a regulatory requirement defined as an affordability period. The affordability period is the minimum period of time during which income-eligible households must occupy the property and comply with the HOME rules and regulations. The affordability period will be determined by the amount buyer assistance as follow:

Direct Homebuyer Subsidy Amount per unit	Period of Affordability
Under \$15,000	5 years
Between \$15,000 to \$40,000	10 years
Over \$40,000	15 years

During the period of affordability the homebuyer is required to occupy the property as their principal residence. A lien will be recorded in the amount of the direct homebuyer subsidy for the affordability period to ensure full compliance with all HOME requirements. The CHDO will have 1st lien position followed by the City taking a 2nd lien position.

All homebuyers will sign a HOME written homebuyer agreement with the CHDO outlining the affordability period and recapture provisions. During the housing construction, the homebuyer must attend an 8 hour HUD-certified counseling class where the recapture and refinancing provisions are described. After the housing construction has been completed, the CHDO will perform the loan closeout for the homebuyer.

If during the affordability period, the CHDO becomes aware that the homebuyer intends to sell the home, the CHDO must notify the City, as triggered by the recorded instrument, the mortgage/lien document filed as part of the recapture provisions. The homebuyer may sell the property to any willing buyer at the market price. Any net proceeds recovered after the sale of the property must be distributed in accordance with the terms described herein.

1. Net proceeds will be calculated as the sales price minus superior non HOME loan repayments and any owner-paid closing costs.
2. From net proceeds, the owner (seller) will be allowed first to recover their investment, which includes:
 - a. The owner's original down payment (not including any down payment assistance); plus
 - b. The principal that the owner has amortized on senior debt.
3. Then, to the extent net proceeds are available, the full amount of the homebuyer assistance amount, as recorded in the note, will be repaid. However, in cases where there are no net proceeds or the net proceeds are insufficient to repay the HOME funds as described above, the homeowner is not liable for payment of the HOME note beyond the amount of net proceeds that remain.
4. Finally, if any proceeds remain available after full satisfaction of the buyer assistance amount, these funds may be retained by the owner.

The affordability period will terminate upon transfer of title and payment of any amount due.

Failure to comply with the recapture requirements means that:

1. The original HOME-assisted homebuyer no longer occupies the unit as his or her principal residence (i.e., unit is rented or vacant), or
2. The home was sold during the period of affordability and the applicable recapture provisions were not enforced. If this noncompliance occurs, the City must repay its HOME Investment Trust Fund with non-Federal funds. In cases of noncompliance under the recapture provisions, the City will repay to the HOME Investment Trust Fund, in accordance with §92.503(b), any outstanding HOME funds invested in the housing. The amount subject to repayment is the total amount of HOME funds invested in the housing (i.e., any HOME funded direct homebuyer subsidy provided to the homebuyer and any HOME funds invested in the development of the unit) minus any HOME funds already repaid (i.e., payment of principal on a HOME loan). Any interest paid on the loan is considered program income and cannot be counted against the outstanding HOME investment amount. Receipts received as a result of a sale or transfer, voluntary or involuntary, within the affordability period are recorded as "recaptured funds."

The CHDO is responsible for ensuring that homebuyers maintain the housing as their principal residence for the duration of the affordability period. The CHDO will monitor compliance by conducting annual principal residency verifications (PRV) by sending out a letter to each household that requires their

signature. Other proofs of residency are monthly mortgage statements, tax records, and appraisal district information. Annual PRVs Reporting is due to the City every August.

Owners may not refinance the loans without obtaining the prior written consent of the City, which may withhold such consent in order to preserve affordability or otherwise. In order for a refinance and subordination to be approved, the City will review the terms of the new loan to ensure that the following applies:

1. New loan amount must not exceed the current principal amount due (closing costs may be included in the financing amount provided that the monthly payment is still reduced)
2. Interest rate must fixed and lower than current loan rate
3. Monthly payment must be lower than the current loan payment (including PITI)

The City will review any request for a Refinance or Home Equity loan during the affordability period. The City may accept the following circumstances as a valid reason for this request:

1. Home improvement repairs
2. Education
3. Temporary Emergencies, i.e. medical expenses, loss of employment, funerals etc.

Other unforeseen expenses will be reviewed on a case by case basis.

The HOME Final Rule, 24 CFR 92.300(a)(2), allows City the option of permitting CHDOs to retain any "proceeds" resulting from the CHDO's investment of its CHDO set-aside funds or requiring the CHDO to return these proceeds to the participating jurisdiction – which will be categorized as program income. CHDO Proceeds include, but are not limited to, the permanent financing of a CHDO project which is used to pay off a CHDO financed construction loan; the sale of CHDO developed homeownership housing; the principal and interest payments from a loan to a buyer of CHDO developed homeownership housing. The City has opted to allow the CHDO to retain all CHDO proceeds in order that these funds be re-invested by CHDO and applied towards housing activities for low and moderate income individuals and families. These activities include, but not limited to, acquisition, construction, rehabilitation of home ownership projects, emergency repairs, project operating costs and reserves, housing refinancing costs, and homebuyer counseling.

Proceeds will be calculated on a per unit basis and submitted to the City at the loan closing for the sale of each unit. In addition, an annual CHDO proceeds report will be submitted.

Public Notices



**PUBLIC NOTICE
REQUEST FOR PUBLIC COMMENTS**



**CITY OF MCALLEN
2026/2027 Annual Action Plan
Comment Period: May 31, 2026 – June 30, 2026**

AVISO PUBLICO: SE INVITA AL PUBLICO EN GENERAL A REVISAR Y COMENTAR SOBRE EL DOCUMENTO "2026- 2027 ANNUAL ACTION PLAN" Y REALIZAR SUGERENCIAS CON RESPECTO AL USO Y ASIGNACION DE FONDOS FEDERALES QUE RECIBE McALLEN; SUS SUGERENCIAS Y COMENTARIOS DEBERÁN DE SER ENTREGADAS A PARTIR DEL DIA 30 DE MAYO Y A MAS TARDAR EL 30 DE JUNIO 2026. EL DOCUMENTO ESTARA DISPONIBLE EN VARIAS UBICACIONES DE LA CIUDAD. Para más información en español acerca de este aviso, favor de llamar al teléfono (956) 681-1030.

Notice is hereby given that the City of McAllen has prepared its 2026 - 2027 Annual Action Plan (budget) for CDBG, and HOME programs. The purpose of this notice is to obtain comments on the City of McAllen's proposed 2026-2027 Annual Action Plan (AAP). Available funding is follows:

- Community Development Block Grant (CDBG) \$1,546,480.00
- HOME Investment Partnerships Program (HOME) \$ 504,383.56

TOTAL FUNDS: \$2,050,863.56

The City of McAllen will submit its 2026/2027 Annual Action Plan to the U.S. Department of Housing and Urban Development San Antonio Field Office (HUD), Region VI, Office of Community Planning & Development, H.F. Garcia Federal Building/U.S. Courthouse, 615 E. Houston Street, Suite 347, San Antonio, Texas 78205, on or about August 15, 2026. HUD will review the Annual Action Plan and is expected to approve the Plan by October 1, 2026. **All proposed activities are contingent upon funding availability, eligibility, and environmental clearance, amongst other HUD program requirements.**

2026/ 2027 Program Year (PY) - Annual Action Plan		
Community Development Block		\$ 1,546,480.00
Agency	Activity	Budget
General Administration		
City of McAllen – Grant	21H- General CDBG Administration (20% of PY 2026)	\$ 309,296.00
Administration Total		\$ 309,296.00
Public Services (15% \$231,972.00)		
Bright Nutrition	05A - Provide nutritious meals for seniors	\$ 15,000.00
C.A.M.P. University	05B - Reimburse staff salaries who provide services to special needs adults	\$ 20,000.00
Make-A-Wish RGV	05B - Grant wishes to children with critical illnesses	\$ 6,500.00
Silver Ribbon Community	05B - Provide DME for persons with disabilities	\$ 3,000.00
Team Mario	05B - Provide scholarships for SOAR Academy, Summer Camp and Club	\$ 5,000.00
Communities in Schools of Hidalgo County	05D - Reimburse staff salaries who provide MISD students with mental, behavioral, academic and social well-being support.	\$ 22,566.00
Boys and Girls Club of McAllen	05L - Provide membership, sports and summer camp scholarships	\$ 36,566.00
Easter Seals	05L - Provide short term childcare tuition assistance	\$ 21,840.00
Comfort House Services, Inc.	05M - Reimburse caregiver salaries who provide palliative care	\$ 48,500.00
Community HOPE Projects	05M - Provide medical visits, labs, referrals and counseling to the uninsured	\$ 20,000.00

Dentist Who Care	05M - Provide vouchers for dental treatment	\$ 3,000.00
CASA of Hidalgo County	05N - Reimburse staff salaries who serve cases of abused and neglected children	\$ 5,000.00
Children's Advocacy Center	05N - Reimburse staff salaries who provide services to abused and neglected children	\$ 15,000.00
McAllen Food Pantry	05W - Purchase of Food	\$ 10,000.00
Public Service Total		\$231,972.00

Public Facilities and Improvements		
City of McAllen – Engineering	03I - Olga Ave. at S. 28 th St. Drainage Improvements	\$ 195,517.00
City of McAllen – Engineering	03K - Idela Park Subdivision Pavement Improvements	\$ 252,007.78
City of McAllen – Parks & Recreation	03F - Roosevelt Elem. City/School Park Improvements	\$ 132,157.22
City of McAllen – Fire Dept.	03O - Fire Equipment	\$ 94,300.00
City of McAllen – Fire Dept.	03O - Breathing Air Compressor	\$ 56,907.00
City of McAllen – Fire Dept.	03O - Bunker-Gear Extractor	\$ 23,923.00
McAllen Public Utilities	03J - Balboa Acres Manhole Rehabilitation Phase 1	\$ 200,000.00
Boys and Girls Club of McAllen	03M - Bonham Internet Infrastructure	\$ 50,400.00
Construction Total		\$1,005,212.00
Total CDBG Funding Allocation		\$1,546,480.00

HOME Partnership Program (HOME)		\$504,383.56
Agency	Activity	Budget
Proyecto Azteca	New Construction	\$ 453,945.20
City of McAllen	HOME General Administration (10% of PY 2026)	\$ 50,438.36
HOME Funding Allocation		\$504,383.56
Total Funding Allocation		\$2,050,863.56

Public Notice: 30-Day Comment Period for 2026/2027 Annual Action Plan

The City invites public comment on the 2026/2027 Annual Action Plan during a 30-day comment period from Sunday, May 31 to Tuesday, June 30, 2026. Comments will be accepted Monday through Friday, 8:00 a.m. to 5:00 p.m.

Two public hearings on the proposed projects and budget will be held as part of the Citizen Participation Plan:

📅 Thursday, June 18, 2026
🕒 Starts at 5:00 p.m.
📍 Las Palmas Community Center
1921 N. 25th St., McAllen, TX

📅 Thursday, June 25, 2026
🕒 Starts at 5:00 p.m.
📍 McAllen Public Library
4001 N. 23rd St., McAllen, TX

A draft of the Annual Action Plan will be available throughout the comment period at:

- Grant Administration Office, 1300 Houston Ave., McAllen, TX 78501
- Online at <https://mcallen.net/departments/grants/grants-administration>
- McAllen Public Library, 4001 N. 23rd St., McAllen, TX
- Palm View Branch Library, 3401 Jordan Rd., McAllen, TX
- Lark Branch Library, 2601 Lark Ave., McAllen, TX

✉ Submit comments by email to: cdbg@mcallen.net 📧 Or mail to:

Grant Administration Office c/o Julia Lash, Director
P.O. Box 220, McAllen, Texas 78505

Grantee SF-424's and Certification(s)