

 DRAFT

City of McAllen



FY 24-25 CAPER

Consolidated Annual Performance And
Evaluation Report



PUBLIC NOTICE
REQUEST FOR PUBLIC COMMENTS



CITY OF MCALLEN
2024/2025 Consolidated Annual Performance and Evaluation Report (CAPER)
Comment Period: December 2, 2025 – December 16, 2025

AVISO PÚBLICO:

Se invita al público en general a revisar y comentar sobre el documento “2024–2025 Informe Anual Consolidado de Evaluación y Desempeño (CAPER)”, que contiene un resumen de los recursos y logros de los cuatro programas de HUD. Sus comentarios deberán ser entregados a partir del día 2 de diciembre y a más tardar el 16 de diciembre de 2025.

El documento estará disponible en varias ubicaciones de la ciudad. Se llevará a cabo una audiencia pública el miércoles 10 de diciembre de 2025 para brindar a los ciudadanos la oportunidad de comentar sobre los logros y el desempeño. La audiencia pública se llevará a cabo en la sucursal de la biblioteca Palm View ubicada en: 3401 Jordan Ave, McAllen TX a las 5:00 P.M.

Para más información en español acerca de este aviso, favor de llamar al teléfono (956) 681-1030.

PUBLIC NOTICE:

Notice is hereby given that the City of McAllen’s draft for Program Year 2024-2025 Consolidated Annual Performance and Evaluation Report (CAPER) will be made available for citizen review and comment on Tuesday, December 2, 2025 to Tuesday, December 16, 2025.

The CAPER is a document that contains a summary of resources and accomplishments of HUD’s four formula programs: Community Development Block Grant (CDBG), HOME investment Partnerships (HOME) Program, Emergency Solutions Grant (ESG) and Housing Opportunities for Persons with AIDS (HOPWA) Programs and CDBG-CV (Coronavirus).

The draft CAPER may be viewed at the Grant Administration Department/Community Development Division, located at 1300 Houston Ave., Monday through Friday, 8:00 A.M. to Noon and 1:00 to 5:00 P.M. This document can also be viewed online at <https://mcallen.net/departments/grants/cdbg/documents>, and at the City of McAllen’s three library facilities. A public hearing will be held on Wednesday, December 10, 2025 to give citizens an opportunity to comment on the accomplishments and performances. The Public hearing will be held at the Palm View Library Branch located at 3401 Jordan Ave., McAllen TX at 5:00 P.M.


The City of McAllen will submit its 2024/2025 CAPER 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 before December 29, 2025.

Public Notice: 15-Day Comment Period for 2024/2025 Consolidated Annual Performance and Evaluation Report (CAPER)

The City invites public comment on the 2024/2025 Consolidated Annual Performance and Evaluation Report (CAPER) during a 15-day comment period from Tuesday, December 2, 2025 to Tuesday, December 16, 2025. Comments will be accepted Monday through Friday, 8:00 a.m. to 5:00 p.m.

A public hearing on the accomplishments and performance will be held as part of the Citizen Participation Plan:


 **Wednesday, December 10, 2025**


 **Starts at 5:00 p.m.**

 **Palm View Community Center, 3401 Jordan Ave., McAllen, TX**

A draft of the CAPER 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

Accessibility Notice: Accommodations (e.g., interpreters) for persons with disabilities, or those with limited English proficiency, will be provided upon request by calling (956) 681-1030 at least three days in advance.

Relay Services: Individuals who are deaf, hard of hearing, deaf-blind, or speech-disabled may contact the Grant Administration Department- Community Development Division through Relay Texas by dialing 7-1-1 to request accommodations and participate in the Community Development process.

CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

Using HUD’s Matrix Codes, the City of McAllen categorized projects as either “High” or “Low” priorities in the FY 2023–2027 Consolidated Plan and Strategy (CPS). The CPS provides a framework for the use of HUD-awarded funds over a five-year period.

For PY 2024–2025, the second year of the 2023–2027 CPS, the City focused on projects designated as High priorities, which address the following broadly defined activities:

Housing:

- Construction, counseling, and rehabilitation of single-unit properties
- Homeowner assistance

Infrastructure:

- Street improvements
- Water and sewer system upgrades
- Sidewalk construction
- Flood and drainage improvements

Public Facilities:

- Youth and senior centers
- Homeless facilities and operating costs
- Neighborhood facilities, parks, and recreational facilities
- Fire stations, equipment, and health centers

Public Services:

- Services for seniors, youth, and the general population
- Assistance for handicapped persons, abused or neglected children, and victims of domestic violence
- Health services and subsistence payments

In addition to meeting high-priority designations, all projects must fulfill one of the three national objectives for Consolidated Plan funds:

1. Benefit to low- and moderate-income persons
2. Prevention or elimination of slums and blight
3. Addressing an urgent need

All PY 2024–2025 projects successfully met at least one national objective, demonstrating progress toward the City’s strategic priorities and the goals outlined in the Consolidated Plan.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee’s program year goals.

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
03: Other Public Facilities and Improvements	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	9527				

03C: Homeless Facilities	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	2210	580	26.24%	45	0	0.00%
03C: Homeless Facilities	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Homeless Person Overnight Shelter	Persons Assisted	0	0				
03D: Youth Centers	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	214				
03E: Neighborhood Facilities	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	0				

03F: Parks and Recreational Facilities	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	105650	68900	65.22%	9015	0	0.00%
03J: Water/Sewer Improvements	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	15550	20570	132.28%	570	380	66.67%
03K: Street Improvements	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	1240				
03L: Sidewalks	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	2510				

03O: Fire Stations/Equipment	Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	216390		27375	16830	61.48%
03P: Health Facilities	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	0				
05A: Senior Services	Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	25	110	440.00%	38	38	100.00%
05B: Handicapped Services	Non-Homeless Special Needs	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	55	53	96.36%	16	20	125.00%

05D: Youth Services	Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	25	5	20.00%			
05E: Transportation Services	Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	0				
05G: Services for Battered and Abused Spouses	Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	300	23	7.67%			
05G: Services for Battered and Abused Spouses	Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Homeless Person Overnight Shelter	Persons Assisted	100	0	0.00%			
05L: Child Care Services	Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	525	1221	232.57%	288	430	149.31%

05M: Health Services	Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1920	1172	61.04%	341	234	68.62%
05N: Services for Abused and Neglected Children	Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	825	958	116.12%	206	193	93.69%
05Q: Subsistence Payments	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	2				
05Q: Subsistence Payments	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Public service activities for Low/Moderate Income Housing Benefit	Households Assisted	175	0	0.00%			

05Q: Subsistence Payments	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Homelessness Prevention	Persons Assisted	0	46				
05W: Food Banks	Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	17500	13385	76.49%	4000	3522	88.05%
05Z: Other Public Services	Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	135	198	146.67%	2	2	100.00%
05Z: Other Public Services	Non-Housing Community Development	CDBG: \$	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	0	0				
05Z: Other Public Services	Non-Housing Community Development	CDBG: \$	Homeless Person Overnight Shelter	Persons Assisted	0	0				
05Z: Other Public Services	Non-Housing Community Development	CDBG: \$	Homelessness Prevention	Persons Assisted	0	0		12	17	141.67%

14A: Rehab: Single-Unit Residential	Affordable Housing	CDBG: \$	Homeowner Housing Rehabilitated	Household Housing Unit	15	4	26.67%			
18A: Economic Development For-Profit Assistance	Non-Housing Community Development	CDBG: \$	Businesses assisted	Businesses Assisted	0	0				
18C: Economic Development Micro-Enterprise	Non-Housing Community Development	CDBG: \$	Businesses assisted	Businesses Assisted	0	0				
Construction of Housing	Affordable Housing	HOME: \$	Homeowner Housing Added	Household Housing Unit	35	0	0.00%	6	0	0.00%
Program Administration	Administration	CDBG: \$ / HOME: \$ / ESG: \$11519	Other	Other	0	6		5		%
Provide Housing and Services for the Homeless	Homeless	ESG: \$	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	65	42	64.62%			
Provide Housing and Services for the Homeless	Homeless	ESG: \$	Homeless Person Overnight Shelter	Persons Assisted	2710	1631	60.18%	941	0	0.00%
Provide Housing and Services for the Homeless	Homeless	ESG: \$	Homelessness Prevention	Persons Assisted	0	0		20	0	0.00%

Provide Housing and Services for the Homeless	Homeless	ESG: \$	Other	Other	0	0				
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Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Assess how the jurisdiction’s use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

The City of McAllen identified six strategic priorities for targeting HUD resources during PY 2024–2025:

1. Increase opportunities for homeownership
2. While AHSTI did not construct single-family homes using HOME funds during the program year, CD staff collaborated with Affordable Homes of South Texas, Inc. and participated in community engagement with Habitat for Humanity and Proyecto Azteca.
3. Preserve and rehabilitate existing single-family housing stock for owner-occupant households
4. AHSTI replaced one (1) single-family home.
5. Improve living conditions for renters
6. Homelessness prevention activities were conducted by The Salvation Army
7. Enhance housing and supportive services for individuals or families who are homeless or at risk of homelessness
8. Women and children at Women Together Transitional Housing benefited from CDBG-funded improvements (22 persons).CDBG funds provided rental assistance and deposits to prevent homelessness for McAllen residents.Clients at The Salvation Army Emergency Shelter received clothing assistance to support employment.
9. Preserve, provide, and improve social services for residents with special needs
10. LRGVDC – Area Agency on Aging provided medication assistance or access to durable medical equipment for 38 elderly residents.Access Esperanza, Comfort House Services, Inc., Community HOPE Projects, Inc., and Easter Seals served 234 individuals.Children’s Advocacy Center and C.A.S.A. assisted 193 child victims of domestic violence or abuse.Boys and Girls Club of McAllen (Scholarship Program) and FUMC–Shoe Bank of McAllen Programs supported 430 children.C.A.M.P University provided life skills training to 20 youth or adults with special needs.McAllen Food Pantry provided food assistance to 3,522 persons.
11. Provide public facilities and infrastructure improvements

- The City's Fire Department used the allocated funds to purchase fire equipment.
- The City's Engineering Department completed Collado Subdivision Drainage project.
- The City's Parks and Recreation Department completed Los Encinos Family Restroom Remodel, Escandon Park Improvements, Retama Inclusive Musical Playground Elements and Palm View Park Light Improvements
- McAllen Public Utility completed Balboa Park IIA, IIB and III Waterline Improvement projects. They also completed the Jasmine Ave Pipe bursting project.
- McAllen ISD completed the Brown Middle School track lighting.

1. Public facilities and infrastructure improvements using CDBG-CV funds:

- The City completed sanitation upgrades at the Palm View Branch Library and the McAllen Housing Authority. These improvements were funded with CV funds and were designed to implement enhanced, COVID-safe practices throughout each facility.

Overall, all funded projects during PY 2024–2025 directly addressed one or more of the City's high-priority activities and aligned with the strategic objectives of providing housing, infrastructure, public facilities, and social services to benefit low- and moderate-income residents.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

	CDBG	HOME
White	5,962	0
Black or African American	16	0
Asian	10	0
American Indian or American Native	2	0
Native Hawaiian or Other Pacific Islander	0	0
Total	5,990	0
Hispanic	5,833	0
Not Hispanic	157	0

Describe the clients assisted (including the racial and/or ethnicity of clients assisted with ESG)

	HESG
American Indian, Alaska Native, or Indigenous	0
Asian or Asian American	0
Black, African American, or African	0
Hispanic/Latina/e/o	0
Middle Eastern or North African	0
Native Hawaiian or Pacific Islander	0
White	0
Multiracial	0
Client doesn't know	0
Client prefers not to answer	0
Data not collected	0
Total	0

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

The racial and ethnic characteristics of the City's CDBG beneficiaries are based on participant data reported by CDBG subrecipient agencies through IDIS. Although the PR03 report contains accomplishments for projects spanning Program Years 2023–2024, the City ensured that beneficiary totals were not duplicated or overstated. Only those CDBG activities with accomplishments attributable

to PY 2024 were included in the preparation of Table 2.

CDBG subrecipient activities report persons, not households. Based on participant information submitted during this program year, the City assisted a total of 5,990 persons with CDBG-funded programs. Of these:

- 5,962 identified as White
- 16 identified as Black/African American
- 10 identified as Asian
- 2 identified as American Indian/Alaska Native
- 0 identified as Native Hawaiian/Other Pacific Islander

Regarding ethnicity, CDBG beneficiaries included:

- 5,833 persons identifying as Hispanic
- 157 persons identifying as Non-Hispanic

These totals are based solely on individual-level data reported by subrecipients for PY 2024 and are consistent with IDIS Table 2.

For the HOME program, beneficiary reporting is based on households at project completion. A total of five (5) households were assisted through tenant based rental assistance.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	1,606,321	486,521
HOME	public - federal	512,848	0
ESG	public - federal	153,595	0

Table 3 - Resources Made Available

Narrative

From our PY 2024–2025 allocation, the City of McAllen expended the following HUD funds:

- CDBG: \$486,521.47

It should be noted that the CDBG expenditure amount does not include:

- Expenses flagged from prior program years for PY 2024–2025, or
- Unliquidated obligations that may be expended in PY 2024–2025

No PY 2024-2025 HOME or ESG funds were used.

Total funds expended from previous program years are as follows:

- CDBG: \$1,525,308.35
- HOME Administration: \$62,273
- ESG: \$82,406.63

These amounts reflect the funds made available and expended by the City to support eligible housing, community development, and homeless assistance activities during the program year.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
CDBG ELIGIBLE CENSUS TRACTS	65	65	Goal Met.

Table 4 – Identify the geographic distribution and location of investments

Narrative

The City of McAllen does not allocate HUD funds to specific geographic areas; however, area-benefit projects are limited to locations where at least 51% of residents are low- and moderate-income (LMI). For PY 2024–2025, all infrastructure and construction projects, as well as the service areas of eligible Fire Stations, were determined eligible using Census Tract and Block Group data. The “Actual Percentage of Allocation” reflects the total expenses for all area-benefit projects incurred during the program year.

To ensure compliance with CDBG and HOME regulations, Community-Based Development Organizations (CBDOs) and Community Housing Development Organizations (CHDOs) operate within geographic constraints. In McAllen, CBDOs are limited to CDBG-eligible Census Tracts for new home construction. Additionally, many nonprofit organizations maintain offices or satellite locations within LMI-eligible areas to ensure program accessibility to target populations.

These measures ensure that HUD funds are invested in areas where low- and moderate-income residents benefit from public improvements, services, and housing initiatives.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

The City of McAllen encourages recipients and subrecipients to apply for additional grants and funding sources to leverage HUD-awarded funds and maximize program impact. Prior to contract ratification, potential leveraging is evaluated on a per-project basis. Specific amounts and funding sources are documented in Attachment III: Grantee Performance Report (GPR).

As an economically distressed area, the City has received a 100% waiver of the HOME matching requirement. The HOME Match Report is provided in Attachment II: Financial Summary Report. HUD authorized the release of frozen HOME funds in mid-January. Any income generated through HOME funds become CHDO (Community Housing Development Organization) Proceeds, which become reinvested by Affordable Homes of South Texas, Inc. in housing or administrative activities.

For ESG-funded activities, the required dollar-for-dollar match was satisfied using a combination of non-cash donations, private funds, and local/federal resources totaling \$59,900. CDBG-assisted social service providers leveraged \$12,485,501.27 in additional funding from other grants and non-CDBG sources, expanding service capacity and maximizing community impact beyond the City's direct CDBG investment. Additionally, CDBG-funded construction projects leveraged \$510,432.24 in private, state, and local resources.

The City also utilized publicly owned land and property to meet community development needs:

- Los Encinos Family Restrooms, Escandon Park Improvements, Retama Musical Elements, Palmview Park lighting, Brown Middle School Track Lighting provided green or open space improvements for the public.
- Facilities such as libraries, community centers, and the convention center were used to host public service activities, including homeless assistance, educational programs, recruitment events, fairs, and distribution centers.

Through these leveraging strategies, the City effectively maximizes HUD funds while utilizing additional public, private, and local resources to address priority needs identified in the Consolidated Plan.

Fiscal Year Summary – HOME Match	
1. Excess match from prior Federal fiscal year	0
2. Match contributed during current Federal fiscal year	0
3. Total match available for current Federal fiscal year (Line 1 plus Line 2)	0
4. Match liability for current Federal fiscal year	0
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	0

Table 5 – Fiscal Year Summary - HOME Match Report

Match Contribution for the Federal Fiscal Year								
Project No. or Other ID	Date of Contribution	Cash (non-Federal sources)	Foregone Taxes, Fees, Charges	Appraised Land/Real Property	Required Infrastructure	Site Preparation, Construction Materials, Donated labor	Bond Financing	Total Match

Table 6 – Match Contribution for the Federal Fiscal Year

HOME MBE/WBE report

Program Income – Enter the program amounts for the reporting period				
Balance on hand at beginning of reporting period \$	Amount received during reporting period \$	Total amount expended during reporting period \$	Amount expended for TBRA \$	Balance on hand at end of reporting period \$
0	0	0	0	0

Table 7 – Program Income

Minority Business Enterprises and Women Business Enterprises – Indicate the number and dollar value of contracts for HOME projects completed during the reporting period						
	Total	Minority Business Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Contracts						
Dollar Amount	0	0	0	0	0	0
Number	0	0	0	0	0	0
Sub-Contracts						
Number	0	0	0	0	0	0
Dollar Amount	0	0	0	0	0	0
	Total	Women Business Enterprises	Male			
Contracts						
Dollar Amount	0	0	0			
Number	0	0	0			
Sub-Contracts						
Number	0	0	0			
Dollar Amount	0	0	0			

Table 8 - Minority Business and Women Business Enterprises

Minority Owners of Rental Property – Indicate the number of HOME assisted rental property owners and the total amount of HOME funds in these rental properties assisted						
	Total	Minority Property Owners				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	0	0	0	0	0
Dollar Amount	0	0	0	0	0	0

Table 9 – Minority Owners of Rental Property

Relocation and Real Property Acquisition – Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition						
Parcels Acquired		0		0		
Businesses Displaced		0		0		
Nonprofit Organizations Displaced		0		0		
Households Temporarily Relocated, not Displaced		0		0		
Households Displaced	Total	Minority Property Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	0	0	0	0	0
Cost	0	0	0	0	0	0

Table 10 – Relocation and Real Property Acquisition

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	941	0
Number of Non-Homeless households to be provided affordable housing units	26	0
Number of Special-Needs households to be provided affordable housing units	0	0
Total	967	0

Table 11 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	32	0
Number of households supported through The Production of New Units	6	0
Number of households supported through Rehab of Existing Units	0	0
Number of households supported through Acquisition of Existing Units	0	0
Total	38	0

Table 12 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

During PY 2024–2025, the City of McAllen provided affordable housing assistance to a variety of household types, including non-homeless and special needs populations, such as elderly residents. The City successfully met its one-year goal for serving these populations through rental assistance and the replacement of an existing housing unit.

While goals for the program year were achieved, the City recognizes ongoing challenges in increasing the production and rehabilitation of affordable housing to meet growing demand. Staff continue to work closely with Affordable Homes of South Texas, Inc., the region's CHDO, to expand the capacity to serve additional households.

Overall, the outcomes aligned with planned goals for PY 2024–2025; however, demand for affordable housing remains high, and efforts to scale production and rehabilitation continue to be a priority for future program years.

Discuss how these outcomes will impact future annual action plans.

The City of McAllen continually assesses all housing programs to improve efficiency and effectiveness. Community Development staff meet with CBDO/CHDO partners at least once annually to review procedures and identify opportunities to minimize delays in:

- Client intake and requests for assistance
- Initiation of construction or rehabilitation projects
- Payment and reimbursement processes
- Compliance with federal and local regulations

The outcomes achieved during PY 2024–2025 will directly inform future Annual Action Plans by:

1. Increasing attention to the time required to construct homes and submit necessary documentation
2. Conducting thorough reviews of environmental procedures with nonprofit partners
3. Continuing discussions regarding underwriting policies and procedures
4. Reviewing current and past monitoring reports and providing technical assistance as needed
5. Ensuring strict adherence to contractual obligations
6. Utilizing the HUD Technical Assistance-developed underwriting tool to standardize evaluations and ensure compliance

These measures will help the City streamline program delivery, improve project outcomes, and better meet the housing needs of low- and moderate-income households in future program years.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	0	0
Low-income	0	0
Moderate-income	0	0
Total	0	0

Table 13 – Number of Households Served

Narrative Information

Tenant Based Rental Assistance was provided through the HOME Investment Partnerships Program and HOME-ARP during PY 2024–2025.

The City of McAllen remains committed to addressing worst-case needs, including:

- Renters who are severely cost-burdened
- Persons living in substandard housing
- Homeless individuals
- Persons involuntarily displaced

To address cost burden, CDBG funds were primarily used for rental assistance through The Salvation Army. Additionally, Affordable Homes of South Texas, Inc. (AHSTI) provided a housing rehabilitation/replacement program to assist residents living in substandard housing. Homeless individuals were primarily served through The Salvation Army's programs.

Social support services—funded by CDBG—were provided as necessary to help residents obtain and maintain housing, particularly for households experiencing homelessness or severe housing cost burdens.

All households assisted were required to meet HUD definitions of affordable housing, paying less than Fair Market Rent in accordance with Section 215. While no CDBG-funded activities for displaced residents during PY 2024–2025, families may still utilize rental assistance programs funded through CDBG.

Income by Household:

- Extremely Low-Income (0–30% AMI): 8 Persons served
- Low-Income (31–50% AMI): 11 Persons served
- Moderate-Income (51–80% AMI): 0 Persons served

These figures reflect the City's ongoing commitment to serve eligible households according to income thresholds while addressing housing needs in McAllen.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

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

Homeless individuals, particularly unsheltered persons, are often among the most underserved due to limited supportive services and housing opportunities. Many of these individuals face additional barriers such as substance abuse, mental illness, or other complex needs, which contribute to chronic homelessness and complicate assessments of their individual needs.

In Hidalgo County, the only overnight shelter serving unsheltered individuals and families is located in McAllen and operated by The Salvation Army. The City serves as a central hub for homeless services, as the two primary shelters—The Salvation Army and Women Together Foundation, Inc. (serving survivors of domestic violence)—are located within city limits.

The City actively works to reestablish community partnerships and maintain open dialogue with local service providers to bridge gaps in available resources.

Over the past four years, the City has leveraged Emergency Solutions Grants (ESG) to provide additional financial resources to eligible subrecipients for:

- Street outreach
- Emergency shelter operations
- Homelessness prevention
- Rapid re-housing assistance
- HMIS reporting

Additionally, a one-time allocation through the HOME-American Rescue Plan further supported initiatives addressing homelessness.

The City continues to reignite community engagement in serving the homeless population, ensuring that all individuals have equal access to affordable housing and supportive services, and that resources are targeted effectively to meet the needs of the most vulnerable populations.

Addressing the emergency shelter and transitional housing needs of homeless persons

In Hidalgo County, the only two operating emergency shelters are located in McAllen: The Salvation Army and Women Together Foundation, Inc..

Through CDBG funding, emergency shelters have historically received support for:

- Operational and maintenance costs
- Rental assistance to address housing instability

The Salvation Army provides single beds for men, women, and families, with separate wings for each gender. The organization strives to meet residents' needs by offering supportive services and warm meals, which are also made available to unsheltered individuals.

Women Together Foundation, Inc. is the only local shelter dedicated to domestic violence survivors, providing both emergency and transitional housing for individuals and families transitioning out of the emergency shelter system.

Emergency shelters in McAllen collaborate with entitlement communities throughout Hidalgo County to receive CDBG and ESG funding. Additionally, housing stability for homeless individuals is further supported through ESG-funded rapid re-housing and homelessness prevention services, ensuring access to safe and stable housing for vulnerable populations.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after 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); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The crisis for low- and extremely low-income households at risk of homelessness continues to rise. Individuals in these households often live in substandard housing conditions and rely on homeless prevention services, including short- or medium-term rental assistance, security deposits.

The principal goal of the City of McAllen is to prevent individuals and families from becoming homeless. Homelessness prevention services provide a pathway for families with limited or no income to relocate and stabilize their housing, promoting long-term self-sufficiency.

Through consultation with community stakeholders, the City identified Tropical Texas Behavioral Health, which serves homeless individuals experiencing mental health crises, offering rental assistance and furnishings to promote independence.

The McKinney-Vento Liaison for the McAllen Independent School District identifies unaccompanied youth and coordinates with community agencies to assist students and their families in maintaining stable housing.

Endeavors, a local veteran services agency, provides emergency financial assistance for veterans and

their families, including short-term rental support, utility payments, mental health resources, and other services to help prevent or exit homelessness.

The Salvation Army of McAllen, Women Together Foundation, Inc., and Catholic Charities of the Rio Grande Valley serve as the primary providers for homeless prevention and rapid rehousing services in the region. These agencies receive CDBG and ESG funds from entitlement communities in Hidalgo County, as well as state funding, to support operations and service delivery.

The City of McAllen is also preparing to implement innovative strategies through ESG and HOME-ARP funds to expand services for the homeless population. In partnership with other entitlement communities in Hidalgo County, the City participates in a county-wide task force focused on reducing homelessness and ensuring equal access to housing stability and supportive services for all residents.

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

Accessibility to supportive services, rapid re-housing, and homelessness prevention assistance is critical to breaking the cycle of homelessness. The City of McAllen participates in the annual Point-In-Time (PIT) Count, which identifies both sheltered and unsheltered homeless individuals and families within the region. This data informs program planning and resource allocation.

The City's goal is to establish a pathway from short-term assistance to long-term housing stability:

1. Individuals and families first receive ESG-funded services for immediate needs such as emergency shelter, rental assistance, and supportive services.
2. CDBG funds may supplement these services as needed to ensure housing stability.
3. Families may transition to homeownership through programs offered by Affordable Homes of South Texas, Inc., which provides first-time homebuyer counseling, down-payment assistance, and other supportive services to improve housing quality and financial independence.

The City continues to work closely with community agencies to identify gaps in services and ensure unmet needs are addressed. The use of ESG and HOME-ARP funds supports the homeless population by:

- Shortening the duration of homelessness
- Facilitating access to affordable housing
- Preventing recidivism into homelessness
- Promoting self-sufficiency and independence
- Expanding equal access to housing opportunities

These coordinated efforts are aimed at ensuring that homeless individuals and families, including chronically homeless persons, families with children, veterans and their families, and unaccompanied youth, have the resources needed to successfully transition to permanent housing and independent living.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

The McAllen Housing Authority (MHA) operates independently from the City of McAllen and receives a separate HUD allocation. The City maintains a collaborative relationship with MHA and recently provided funding through the CDBG-Cares Act (CDBG-CV) to support public housing initiatives.

MHA provides housing assistance to low-income families, elderly, and disabled individuals, including:

- Public housing
- Housing Choice Vouchers (HCVs)
- Low-income housing tax credit (LIHTC) units
- Homeownership programs

MHA is a Standard PHA, with 89 public housing units and 1,329 Housing Choice Vouchers. The waitlist is purged every six months, and on average, assistance becomes available within one year of application.

Current MHA properties and programs include:

- Retama Village I: 128 units (64 LIHTC units, 64 public housing units)
- Retama Village II: 74 units (49 LIHTC units, 25 public housing units)
- Vine Terrace Apartments: 49 RAD Project-Based Vouchers (formerly public housing)
- Villas at Beaumont: 36 elderly LIHTC units
- The Dove's Nest Apartments: 122 LIHTC units (100 units designated for families at 60% AMFI)
- Green Jay Apartments: 120 LIHTC units (100 units designated for families at 60% AMFI)
- Sunset Gardens: 70 elderly Section 202 units
- Hibiscus Apartments: 20 multi-family units (rents maintained at ~85% of market value)
- Orchid Apartments: 77 multi-family units (rents maintained at ~85% of market value)

MHA actively seeks new landlords to participate in Housing Choice Voucher programs and offers incentives to expand affordable housing opportunities within the City.

The Mayor of McAllen appoints MHA board members, and MHA conducts an annual public hearing to solicit community input. This forum allows the City and MHA to discuss ongoing projects, address concerns, and coordinate strategies to enhance public housing services for the community.

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

The McAllen Housing Authority (MHA) actively informs residents and applicants about available housing services and community programs. Affordable Homes of South Texas, Inc. (AHSTI) is a key partner,

providing education and resources to make affordable housing accessible to low-income families throughout the region.

MHA collaborates with community agencies to offer educational and financial services, supporting residents in achieving greater independence and stability. One partner, Valley Initiative for Development and Advancement (VIDA), hosts monthly sessions to educate residents and provide additional supportive services tailored to their needs.

The MHA Resident Advisory Board (RAB) is active and encourages residents to participate in management and decision-making processes, in accordance with MHA's Citizen Participation Plan. Annually, AHSTI hosts a Homebuyer Fair, and MHA actively promotes participation among residents to educate them about homeownership opportunities and related resources.

Through these efforts, MHA fosters resident engagement, empowerment, and pathways to homeownership.

Actions taken to provide assistance to troubled PHAs

Not applicable. The McAllen Housing Authority (MHA) is not designated as a troubled Public Housing Authority by HUD.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken 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. 91.220 (j); 91.320 (i)

The City of McAllen, through its Analysis of Impediments (AI) draft, identified the following barriers to affordable housing:

1. Limited access to decent, safe, and affordable housing
2. Limited access to publicly supported housing
3. Limited access to transportation
4. Location and types of affordable housing
5. Limited access to equitable financial services
6. Lack of fair housing resources
7. Limited access to proficient schools
8. Jurisdictional variations, including inequities in infrastructure, quality of buildings and housing construction, and emergency services; differences in the implementation of policies related to code enforcement, job training, and services for special needs populations

To address these barriers and mitigate the negative effects of public policies, the City undertook the following actions during PY 2024:

1. **Housing rehabilitation and reconstruction:** Expanded funding to improve or reconstruct existing homes, increasing access to safe, affordable housing.
2. **Support for affordable housing development:** Encouraged and supported the development of new affordable housing units.
3. **Housing deconcentration and diversity:** Promoted the deconcentration of low-income housing and supported a mix of housing types and styles to enhance neighborhood integration.
4. **Fair housing assistance:** Staff provided guidance and resources to residents, including completion of forms and distribution of fair housing informational materials.
5. **Educational partnerships:** Continued collaboration with McAllen Independent School District to improve access to educational resources for families in affordable housing.
6. **Quality construction and municipal oversight:** Leveraged municipal departments and resources to ensure high-quality construction, building standards, and infrastructure within the City.

The City finalized its Analysis of Impediments in PY 2024, ensuring that identified barriers and corresponding actions are incorporated into planning and program implementation moving forward.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

The City of McAllen identified several obstacles to meeting the needs of underserved populations and implemented actions to mitigate these challenges:

1. Rapid population growth and limited service capacity:

McAllen is located in one of the fastest-growing regions in the country, and population growth threatens to outpace the capacity of local housing and community development organizations. Combined with reductions in public services, this limits the ability of individuals and families to access affordable housing and other community resources.

Actions taken:

- Maximized the amount of CDBG and other federal funds available to social service agencies.
- Encouraged subrecipients to leverage additional federal and state resources to expand service capacity.

1. High percentage of households living in poverty:

Many residents face economic hardship, which limits their access to affordable housing, transportation, and other essential services.

Actions taken:

- Implemented an Anti-Poverty Strategy identifying agencies that can rapidly deliver services to extremely low-income persons.
- Prioritized funding to agencies that serve individuals and families below the poverty line.

1. Affordability challenges for extremely low- and low-income residents:

Due to low income levels, many residents cannot afford median-priced homes or market-rate rental housing.

Actions taken:

- Funded Homeless Prevention programs through CDBG, HOME, HOME-ARP and ESG to address short-term housing needs.
- Provided rental deposit assistance to help households maintain stable housing.

To overcome these obstacles, the City designated social services, housing and infrastructure, public facilities, and economic development activities as high-priority areas. HUD-awarded funds continue to be allocated to these activities, directly benefiting low- and moderate-income persons and helping to reduce barriers to accessing essential community development resources.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

The City of McAllen recognizes the dangers posed by lead-based paint and implements procedures to protect residents in homes constructed prior to January 1, 1978. Homes considered for rehabilitation or reconstruction under the CDBG program are tested for lead-based paint. When lead hazards are

identified, the City employs appropriate abatement or interim control methods based on the scope of work and applicable HUD/EPA guidelines.

The City's Lead-Based Paint Policy is modeled after guidance issued by HUD and the EPA and is incorporated into the Standard Operating Procedures for the Housing Rehabilitation Program to ensure compliance with the HUD Lead Safe Housing Rule (24 CFR Part 35, Subpart J – Rehabilitation, Section 35.900).

The policy specifies intervention levels as follows:

- Rehabilitation under \$5,000: Safe work practices and work site clearance
- Rehabilitation between \$5,000 and \$25,000: Risk assessment and interim controls
- Rehabilitation over \$25,000: Risk assessment and abatement

All contractors and subcontractors performing federally funded work in homes where lead-based paint is present are required to comply with these regulations. The City's program ensures that residents are protected from lead exposure during and after rehabilitation activities.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

The City of McAllen's **Anti-Poverty Strategy** targets the most vulnerable populations, including:

- Extremely low-income households (0–30% of median family income)
- Individuals and families living in public or assisted housing
- Homeless individuals and families

These populations experience the highest rates of poverty and have limited opportunities for economic advancement. The City focuses resources and HUD funds on supporting these residents through targeted social programs and economic development initiatives.

To address barriers to economic stability and job creation—including limited education and workforce skills, insufficient capital, and lack of employment opportunities—the City implements the following strategies:

- Providing social support services to assist residents in meeting basic needs
- Reducing barriers to job training and permanent employment
- Offering literacy, life skills, and vocational programs
- Identifying local and regional employment opportunities and providing corresponding training programs
- Promoting regional business development to expand local businesses and stimulate entrepreneurship

The City works with a network of social service and housing organizations that are critical to assisting extremely low- and low-income families in obtaining housing, supportive services, and economic resources. These agencies include:

- Access Esperanza
- Affordable Homes of South Texas, Inc.
- Boys and Girls Club of McAllen
- Catholic Charities of the RGV
- Comfort House Services, Inc.
- Community HOPE Projects, Inc.
- LRGVDC – Area Agency on Aging
- McAllen Food Pantry
- McAllen I.S.D.
- McAllen Public Housing Authority
- Silver Ribbon Community Partners
- The Salvation Army
- Women Together Foundation, Inc.

Through these coordinated efforts, the City continues to provide direct support, resources, and opportunities to reduce the incidence and impact of poverty among its most vulnerable residents.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

The City of McAllen’s Grant Administration Department – Community Development Division is responsible for oversight of all HUD-funded housing and community development programs. Excluding administrative funds, the City contracts CDBG, HOME, and ESG funds to social service agencies and municipal departments to implement eligible projects.

The City Commission appoints a fourteen-member Community Development Advisory Board, which annually:

- Reviews and recommends funding for HUD-awarded projects to non-profits and City departments
- Conducts public hearings
- Tours proposed construction sites
- Meets with applicants before making funding recommendations

To strengthen institutional capacity and address gaps in the delivery of HUD-funded projects, the City implemented the following strategies:

- Funding management: Limited project funding to social service agencies to remain within the 15% annual allocation cap

- Cost efficiency: Coordinated multiple CDBG and municipal projects for bidding simultaneously to reduce costs
- Partnerships: Supported Affordable Homes of South Texas, Inc., in collaboration with local banks and other funding sources to assist low- and moderate-income households in achieving homeownership
- Inter-jurisdictional collaboration: Met with staff from neighboring jurisdictions to discuss policies, procedures, and best practices for uniform program implementation
- Outreach and participation: Leveraged the revised Citizen Participation Plan, including social media and online platforms, to provide information to residents during COVID-19 mitigation and stay-at-home orders

To further enhance institutional structure and project management, the City continues to implement the following practices:

- Technical assistance: Provided year-round to subrecipients and partner organizations
- Timely expenditure enforcement: Enforced a 90-day review rule to monitor project progress; funds not expended or updated within 90 days are at risk of recapture and reprogramming
- Need-based grant monitoring: Reminded subrecipients that CDBG and other HUD funds are need-based; unspent funds indicate unmet needs
- Staff development: Provided ongoing training to enhance staff knowledge of program development, implementation, and compliance

These measures allow the City to identify slow-moving projects or subrecipients and implement corrective actions, thereby strengthening the institutional framework for effective administration of HUD funds.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

The City of McAllen works closely with a variety of organizations involved in housing, homeless services, non-homeless special needs programs, and community development activities. These partners include public agencies such as the McAllen Public Housing Authority (MHA), nonprofit organizations like Affordable Homes of South Texas, Inc., and numerous community-based organizations providing social services, youth services, elderly services, disability services, child advocacy, health services, homeless assistance, and domestic violence support. Many of these agencies were consulted during the development of the Consolidated Plan, the Citizen Participation Strategy, and the Annual Action Plan.

The strength of the City's CDBG program lies in the coordinated efforts of public agencies and community organizations working toward a shared goal: providing affordable housing, supportive services, and community development assistance to benefit low- and moderate-income residents. Agencies and service providers in McAllen must coordinate to respond effectively to the region's pressing needs, with each stakeholder contributing specialized resources and expertise.

To enhance collaboration, the City provides funded agencies with information about other service providers and encourages networking and referrals between agencies. Staff facilitates a streamlined intake process so that clients can access multiple services without being required to repeatedly submit income documentation or other eligibility information. This coordination ensures that services are delivered efficiently and that residents receive comprehensive support.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

To address impediments identified in the City of McAllen's Analysis of Impediments to Fair Housing Choice, the City implemented the following actions during PY 2024–2025:

1. Housing rehabilitation and reconstruction: Provided funding to improve and reconstruct homes, increasing access to safe and affordable housing.
2. Support for affordable housing development: Encouraged and supported the creation of new affordable housing units.
3. Fair housing assistance: Staff assisted residents in accessing fair housing resources, including completion of forms and distribution of educational materials.
4. Educational partnerships: Continued collaboration with McAllen Independent School District to support families and enhance access to educational opportunities.
5. Quality construction oversight: Utilized municipal departments and resources to ensure high-quality construction and development standards throughout the City.

The City does not consider planning requirements, code enforcement, or development fees to constitute barriers to fair and affordable housing. These regulations are necessary for safe and orderly development. However, recognizing that development costs can be prohibitive for affordable housing, the City may waive or reduce fees for qualifying affordable housing projects. Additionally, leveraging other federal and non-federal funding sources supports the creation and sustainability of affordable housing, particularly for extremely low-income households.

Affordable housing remains a high priority for the City, and PY 2024–2025 CDBG and HOME funds continue to be used to mitigate, to the extent feasible, conditions that may act as barriers to the construction, maintenance, development, or sustainability of affordable housing units.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

The City of McAllen conducts ongoing monitoring of all CDBG and HOME activities through regular communication, desk reviews, and on-site visits. Monitoring is designed to ensure compliance with Federal regulations, executed agreements, and applicable State and local requirements. The City monitors subrecipients, internal departments, and City-implemented projects to identify potential deficiencies and provide technical assistance to strengthen program performance.

During the program year, the City conducted on-site monitoring of all subrecipient public service activities and reviewed City-implemented construction and infrastructure projects. Monitoring visits begin with interviews and discussions with subrecipient staff to clarify project goals, review documentation, and address any concerns. Following each visit, the City issues a written monitoring report summarizing observations, required actions, and recommendations.

Monitoring of construction and infrastructure activities includes review of Davis-Bacon and Related Acts (DBRA) compliance, procurement procedures, contractor reporting, and verification of work specifications. Independent testing is used when appropriate to confirm adherence to project requirements.

To ensure full compliance with HUD requirements, Community Development staff undertake the following activities:

- Prepare the Consolidated Annual Performance and Evaluation Report (CAPER) to document program accomplishments.
- Provide requested documentation to HUD for monitoring and technical assistance reviews.
- Submit financial and performance information to City management, the Community Development Advisory Committee, and City Commission.
- Coordinate with the City's Finance Department and Office of Management and Budget to review expenditures and maintain accurate financial records.
- Work with the City's Purchasing and Contracting Department to ensure procurement processes comply with Federal and local requirements.
- Conduct desk reviews of all public service activities and maintain regular communication with subrecipients.
- Participate in internal and external audit processes to support the City's overall financial and

compliance oversight.

Long-term compliance for housing programs is maintained through loan documents, lien filings, and required affordability-period monitoring.

The City continues its efforts to promote the participation of minority- and women-owned business enterprises (M/WBEs) in HUD-funded projects. During this program year, **one of fifteen contracts** was awarded to a women-owned business, and **twelve of fifteen contracts** were awarded to minority-owned businesses. This information is reported to HUD annually.

The City's Citizen Participation Plan—revised during the 2020–2021 program year—guides all public participation activities. The plan establishes timelines for public notices, meeting requirements, and opportunities for residents to submit comments regarding the Consolidated Plan, Annual Action Plans, amendments, and the CAPER.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

The City of McAllen provided reasonable notice and multiple opportunities for citizens to review and comment on the draft Consolidated Annual Performance and Evaluation Report (CAPER). A public notice announcing the availability of the draft CAPER and inviting public comment was published in *The Monitor*—the newspaper with the largest circulation in the area—and *El Periódico*, a Spanish-language newspaper.

The draft CAPER was made available for public review during normal business hours at the Grant Administration Community Development Division office, located at 1300 Houston Avenue, 2nd Floor, as well as at the main public library and two branch libraries/community centers. The public comment period began on Tuesday, December 2, 2025 and concluded on Wednesday, December 17, 2025, providing the HUD-required minimum 15-day review period. The notice also stated the City's intent to submit the final CAPER to HUD before Friday, December 26, 2025.

In addition to the public comment period, the Community Development Advisory Board conducted a public hearing on Wednesday, December 10, 2025, at 5:00 p.m. at the Palm View Branch Library, located at 3401 Jordan Avenue, to receive citizen input on the CAPER. Copies of the published notices will be included in *Attachment IV: Publications*.

No public comments were received during the comment period or at the public hearing.

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

During Program Years 2019 through 2024, the City of McAllen completed several substantial amendments to its Annual Action Plans. These amendments included the reallocation of funds, deletion of projects, modification of project scopes or uses of CDBG funds, and the creation of new eligible activities, in compliance with HUD regulations and the City's Citizen Participation Plan.

The City evaluates subrecipient and City-implemented projects to ensure that each activity achieves at least 75 percent of its proposed goals, consistent with local performance standards. When a project does not meet this threshold, staff identify the shortfall and document the deviation in expected beneficiaries. If the same applicant requests funding for the same project in subsequent years (up to three years), this performance history is provided to the Community Development Advisory Committee for consideration during the recommendation process.

The majority of subrecipient projects met their proposed annual goals. For projects that fell short of projected outcomes, the City reviewed performance reports, documented the factors contributing to underperformance, and implemented corrective measures with the agencies. This information is provided to the Community Development Advisory Committee for consideration during future funding cycles.

The City also met the CDBG timeliness requirement for PY 2024–2025. Staff continue to closely monitor project progress and expenditures to maintain timely performance and ensure all activities remain on track to meet HUD's expenditure deadlines.

Finally, the City of McAllen does not have an active Section 108 Loan Guarantee.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

No

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

CR-50 - HOME 24 CFR 91.520(d)

Include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations

Please list those projects that should have been inspected on-site this program year based upon the schedule in 24 CFR §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.

The City of McAllen does not undertake rental housing projects using HOME funds; therefore, no on-site inspections of affordable rental housing were conducted under the program year.

Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units. 24 CFR 91.520(e) and 24 CFR 92.351(a)

The City of McAllen, in partnership with Affordable Homes of South Texas, Inc. (AHSTI), implements affirmative marketing strategies to ensure all persons have equitable access to decent, safe, and sanitary housing. Key actions include:

1. Deconcentration of Low-Income Housing: AHSTI maintains scattered-site programs designed to prevent the concentration of low-income housing in any single area.
2. Advertisements and Public Hearings: Information regarding AHSTI programs and services is published in English and Spanish newspapers, ensuring broad community outreach. Public hearings are held in handicap-accessible locations, and additional assistance is provided upon request.
3. AHSTI Publications: AHSTI publishes English and Spanish flyers detailing program services and events, including the Homebuyers' Fair, which is further promoted through local media.
4. Compliance with HOME Requirements: No households utilized AHSTI's HOME program for the construction of new single-family detached housing during the program year. All projects remain within HOME and Housing Trust Fund Homeownership Sales Price Limits.

These affirmative marketing actions ensure that eligible participants, regardless of race, ethnicity, or income level, are aware of and have access to AHSTI housing programs.

Refer to IDIS reports to describe the amount and use of program income for projects, including the number of projects and owner and tenant characteristics

Neither the City of McAllen nor its CHDO, Affordable Homes of South Texas, Inc. (AHSTI), generated reportable program income during the program year.

However, proceeds may be generated through the use of CDBG and HOME-funded projects. Under the

terms of the CBDO and CHDO agreements, any proceeds generated from CDBG and/or HOME-assisted housing activities are retained by AHSTI and must be reinvested in affordable housing projects. This ensures the continued provision of housing services to eligible low- and moderate-income households.

Describe other actions taken to foster and maintain affordable housing. 24 CFR 91.220(k) (STATES ONLY: Including the coordination of LIHTC with the development of affordable housing). 24 CFR 91.320(j)

The City of McAllen awarded funds to Affordable Homes of South Texas, Inc. (AHSTI) to provide affordable housing to residents. AHSTI is annually certified as the City's Community Housing Development Organization (CHDO) and, when necessary, as a Community-Based Development Organization (CBDO), fulfilling HUD requirements to utilize HOME and CDBG funds for new construction. In addition, AHSTI continues to provide rehabilitation services with a special focus on persons with special needs and the elderly.

All PY 2024–2025 housing projects were identified in the Annual Action Plan (AP) and designated as High Priorities in the PY 2023–2027 Consolidated Plan and Strategy (CPS). However, HOME funds were frozen during the program year. As such, no HOME-funded projects were completed during this fiscal year.

The following summarizes the strategies the City will implement when funds are available to foster and maintain affordable housing, organized by income categories:

Extremely Low-Income Homeowners (0–30% of Area Median Income)

- New Beginnings (Rehabilitation or Reconstruction): Funds for reconstruction or rehabilitation of owner-occupied homes, particularly when the housing structure poses a threat to family safety.

Low-Income Homeowners (31–50% of Area Median Income)

- New Beginnings (Rehabilitation or Reconstruction): As above, for homes presenting safety risks.
- Homebuyer Education: Pre- and post-purchase counseling to prepare residents for homeownership.
- New Home Construction: Funds for construction and purchase of new homes.

Moderate-Income Homeowners (51–80% of Area Median Income)

- Homebuyer Education: Pre- and post-purchase counseling.
- New Home Construction: Funds for construction and purchase of new homes.

AHSTI is a HUD-approved housing counseling organization, providing services in compliance with national standards, including foreclosure prevention and homebuyer education. These strategies ensure that the City will continue fostering and maintaining affordable housing to meet the needs of its low-

and moderate-income residents.

CR-58 – Section 3

Identify the number of individuals assisted and the types of assistance provided

Total Labor Hours	CDBG	HOME	ESG	HOPWA	HTF
Total Number of Activities	5	0	0	0	0
Total Labor Hours	870	0	0		
Total Section 3 Worker Hours	0	0	0		
Total Targeted Section 3 Worker Hours	0	0	0		

Table 14 – Total Labor Hours

Qualitative Efforts - Number of Activities by Program	CDBG	HOME	ESG	HOPWA	HTF
Outreach efforts to generate job applicants who are Public Housing Targeted Workers	0	0	0		
Outreach efforts to generate job applicants who are Other Funding Targeted Workers.	0	0	0		
Direct, on-the job training (including apprenticeships).	0	0	0		
Indirect training such as arranging for, contracting for, or paying tuition for, off-site training.	0	0	0		
Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).	0	0	0		
Outreach efforts to identify and secure bids from Section 3 business concerns.	0	0	0		
Technical assistance to help Section 3 business concerns understand and bid on contracts.	0	0	0		
Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns.	0	0	0		
Provided or connected residents with assistance in seeking employment including: drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services.	0	0	0		
Held one or more job fairs.	0	0	0		
Provided or connected residents with supportive services that can provide direct services or referrals.	0	0	0		
Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation.	0	0	0		
Assisted residents with finding child care.	0	0	0		
Assisted residents to apply for, or attend community college or a four year educational institution.	0	0	0		
Assisted residents to apply for, or attend vocational/technical training.	0	0	0		
Assisted residents to obtain financial literacy training and/or coaching.	0	0	0		
Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.	0	0	0		
Provided or connected residents with training on computer use or online technologies.	0	0	0		
Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses.	0	0	0		
Outreach, engagement, or referrals with the state one-stop system, as designed in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.	0	0	0		

Other.	1	0	0		
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Table 15 – Qualitative Efforts - Number of Activities by Program

Narrative

During PY 2024–2025, the City of McAllen did not undertake any Section 3-covered projects; however, the City continued to implement its Section 3 compliance framework. The City complies with Section 3 requirements to the greatest extent possible by promoting employment, training, and contracting opportunities to low- and very low-income persons and Section 3 businesses whenever covered projects occur.

The City’s Purchasing Department and the Grants Administration and Community Development Department work jointly to review and update Section 3 policies, ensure required language is included in procurement documents, maintain contractor notification practices, and verify documentation from subrecipients and contractors. These ongoing efforts ensure readiness and full compliance when Section 3-covered activities arise.