

Public Hearing on Community Development Block Grant (CDBG) Annual Action Plan Draft

Town Council Meeting

April 15, 2026



TOWN OF
**CHAPEL
HILL**

Recommended Action

Receive public comment on the draft 2026-27 Annual Action Plan.

Legislative Context

- Federal and local requirements call for two annual public hearings
- These hearings are opened during Council sessions

About CDBG

- Funding through the Department of Housing and Urban Development (HUD) to develop viable urban communities
- National objectives:
 - Benefit Low-to-Moderate Income *
 - Aid in elimination of “slum/blight”
 - Meet an urgent need

** All of our allocations are in this category*

Town Objectives for CDBG Funding

- Support services for LMI households
- Expand and Preserve Affordable Housing & Rental Housing
- Council Strategic Priority: Housing

Consolidated Plan & Annual Action Plans

- The Consolidated Plan identifies CDBG funding priorities for 2025-29
- Annual Action Plans (AAPs) outline the CDBG funding plan for the next year
- Action Plan projects must align with the Consolidated Plan's priorities
- The 2026-27 AAP is the second year of the 5-Year Consolidated Plan

**County-wide
5-Year
Consolidated
Plan
Priorities**

1. Increase Affordable Rental Housing
2. Preserve and Rehabilitate Affordable Housing
3. Increase Permanent Supportive Housing and Housing for Special Needs Populations
4. Support Neighborhood Revitalization and Essential Community Services

2025-26 CDBG Outcomes

Public Services – 15% Cap	Award	Goal	2025-26 Outcomes through Quarter 2
Town Project - Summer Youth Employment Program	\$18,853	14	14 Youth Employed in 2025
		16	62 Applications Received for 2026
Refugee Community Partnership – Homeless Case Management	\$25,200	30	34 Households Served
Inter-Faith Council - Homeless Case Management	\$21,415	70	48 Households Served
		30%	61% of Exiting Households Left to Permanent Housing
Economic Development			
Transplanting Traditions Community Farm – Microenterprise Development	\$30,000	27	27 Businesses Served
		27	25 Businesses Expanding
Affordable Housing			
EMPOWERment – McMasters Renovation	\$47,861	1	1 Unit Repair in Progress
Preserving Home - Home Repairs	\$151,200	9	5 Unit Repairs Completed
Habitat – Comprehensive Home Repairs	\$166,140	6	2 Unit Repairs in Progress
Town’s Transitional Housing Rehab	\$41,627	8	5 Unit Repairs Completed
Administration - 20% Cap	\$87,292	N/A	N/A
Total Funding	\$589,588		

2026-27

CDBG

Funding

Applications

- Opened application period for CDBG funding on February 2, 2026
- Received 11 eligible funding requests totaling \$1,018,832
- \$605,595 in 2026-27 CDBG budget
- 20% reserved for administrative costs
- Additional Town program funding needs considered

Recommended Affordable Housing Activities

Program	Requested	Recommended Plan at Public Hearing	# Units	% of Request
Affordable Housing				
EMPOWERment - Sykes Rehabilitation	\$ 50,000	\$ 47,500	1	95%
CASA - Pritchard Avenue Extension Rehabilitation	\$ 196,832	\$ 129,140	10	66%
HOPE Renovations - Rehabilitation for Older Homeowners & Training Underemployed Populations	\$ 125,000	\$ 62,500	30 Units + 25 Individuals	50%
Habitat - Comprehensive Repairs	\$ 160,000	\$ 80,000	2	50%
Total	\$ 531,832	\$ 319,140	67	

Recommended Public Facilities Activities

Program	Requested	Recommended Plan at Public Hearing	# Households	% of Request
Public Facilities				
IFC - HomeStart Roof Replacements	\$ 144,000	\$ 107,148	45	74%
Total	\$ 144,000	\$ 107,148	45	

Recommended Economic Development Activities

Program	Requested	Recommended Plan at Public Hearing	# Households	% of Request
Economic Development				
Transplanting Traditions Community Farm - Microenterprise Development	\$ 40,000	\$ 38,000	17	95%
Total	\$ 40,000	\$ 38,000	17	

Recommended Public Services Activities

Program	Requested	Recommended Plan at Public Hearing	# Households	% of Request
Public Services - 15% Cap of \$64,817				
Town of Chapel Hill Summer Youth Employment Program	\$ 29,884	\$ 29,884	16	100%
Inter-Faith Council - Homeless Case Management	\$ 33,000	\$ 25,000	45	76%
Total	\$ 62,884	\$ 54,884	61	

Proposed 2026-27 Funding Plan

Program	Requested	Recommended Plan at Public Hearing	% of Request
Affordable Housing			
EMPOWERment - Sykes Street Rehabilitation	\$ 50,000	\$ 47,500	95%
CASA - Pritchard Avenue Extension Rehabilitation	\$ 196,832	\$ 129,140	66%
Habitat - Comprehensive Repairs	\$ 160,000	\$ 80,000	50%
HOPE Renovations - Rehabilitation for Older Homeowners & Training Underemployed Populations	\$ 125,000	\$ 62,500	50%
Total	\$ 531,832	\$ 319,140	
Public Facilities			
IFC - HomeStart Roof Replacements	\$ 144,000	\$ 107,148	74%
Total	\$ 144,000	\$ 107,148	
Economic Development			
Transplanting Traditions Community Farm - Microenterprise Development	\$ 40,000	\$ 38,000	95%
Total	\$ 40,000	\$ 38,000	
Public Services - 15% Cap of \$64,817			
Town of Chapel Hill - Summer Youth Employment Program	\$ 29,884	\$ 29,884	100%
Inter-Faith Council - Homeless Case Management	\$ 33,000	\$ 25,000	76%
Total	\$ 62,884	\$ 54,884	
Administration - 20% Cap of \$86,423			
Total	\$ 86,423	\$ 86,423	
Total	\$ 865,139	\$ 605,595	

Council Action

**NOV 12
2025**

First
Public
Hearing

**APRIL 15
2026**

Second
Public
Hearing

**APRIL 29
2026**

Council
Action

Recommended Action

Receive public comment on the draft 2026-27 CDBG
Annual Action Plan.

Activities Not Recommended for Funding

Program	Requested	Recommended Plan at Public Hearing	% of Request
Affordable Housing			
Preserving Home - Home Repairs	\$ 115,000	\$ -	0%
CHT - First-Time Homebuyers Program	\$ 100,000	\$ -	0%
CEF -Down Payment Assistance	\$ 45,000	\$ -	0%
Economic Development			
Early Years - Childcare Scholarship Program	\$ 10,000	\$ -	0%
Total	\$ 270,000		