

## 04-06-2022 Town Council Meeting Responses to Council Questions

### **ITEM #10: Public Forum: Use of 2022-2023 Community Development Block Grant Funds**

#### **Council Question:**

(p. 153) – If referencing both low and moderate income households as beneficiaries of these dollars, could you please identify the ceiling for moderate in addition to the low? I think that 80% AMI is for low; whereas, 115% AMI indicates ceiling for moderate. If I'm correct, then I believe it would be helpful for that dollar amount to be stated as well.

#### **Staff Response:**

*While it is correct that 80% AMI is frequently listed as the low-income limit for many programs, CDBG has different income definitions than even most other HUD programs. For CDBG, very low income is under 30% AMI, low income is 31-50% AMI, and moderate income is 51-80% AMI. For details about income limits by household size, see [here](#)<sup>1</sup>.*

#### **Council Question:**

(p. 159) – Were the funding expenses requested by IFC and other nonprofits not compatible with this funding source? Are there other more appropriate Town resources to which they should apply? I'm struck by the increase in funding recommendation versus the request to Community Empowerment Fund and the significant decrease award recommendation to IFC.

#### **Staff Response:**

*All outside agency applications received for funding are CDBG eligible activities. However, the type of applications received from IFC, Refugee Community Partnership, Exchange Club and the Town's Summer Youth Employment program fall into the CDBG category of "Public Services". We are prohibited from spending more than 15% of our annual award + program income on public services. This year, our total CDBG budget for these types of programs is anticipated to be around \$63,000. This information is shared with agency applicants before they apply, so they are aware that their requests are not likely to be fully funded.*

*By comparison, there are no caps on affordable housing or community development projects.*

*Other potential funding sources to support these requests include the Town's Human Services Program and ARPA, though there are a variety of competing interests for these sources and funding available is limited.*

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<sup>1</sup> <https://www.townofchapelhill.org/government/departments-services/housing-and-community/funding>