

Summary of 2026-27 CDBG Funding Requests and Recommended Funding Plan

This document summarizes the recommended 2026-27 funding plan for \$605,595 in Community Development Block Grant (CDBG) funds. This includes a 2026-27 CDBG grant award of \$432,113, plus \$173,482 in prior program year funds.

Staff Recommended 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%
HOPE Renovations - Rehabilitation for Older Homeowners & Training Underemployed Populations	\$ 125,000	\$ 62,500	50%
Habitat - Comprehensive Repairs	\$ 160,000	\$ 80,000	50%
Preserving Home - Home Repairs	\$ 115,000	\$ -	0%
CHT - First-Time Homebuyers Program	\$ 100,000	\$ -	0%
CEF -Down Payment Assistance	\$ 45,000	\$ -	0%
Total	\$ 791,832	\$ 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%
Public Services - 15% Cap of \$63,000			
Town of Chapel Hill - Summer Youth Employment Program	\$ 29,884	\$ 29,884	100%
Inter-Faith Council - Homeless Case Management	\$ 33,000	\$ 25,000	76%
Early Years - Childcare Scholarship Program	\$ 10,000	\$ -	0%
Total	\$ 72,884	\$ 54,884	
Administration - 20% Cap of \$84,000			
	\$ 86,423	\$ 86,423	
Total	\$ 1,135,139	\$ 605,595	

*Federal Regulations cap the amount of CDBG funding used for **public services at 15%** of the Town's current year grant plus program income equaling \$64,817 for FY26-27. **Administration is capped at 20%** of current year grant plus program income equaling \$86,423 for FY26-27.

Affordable Housing

Affordable housing activities eligible under CDBG funding include residential acquisition, rehabilitation and repair, homebuyer assistance, and more. There is no cap on CDBG funding for affordable housing activities.



Pritchard Avenue Extension Rehabilitation

Recommendation: \$129,140

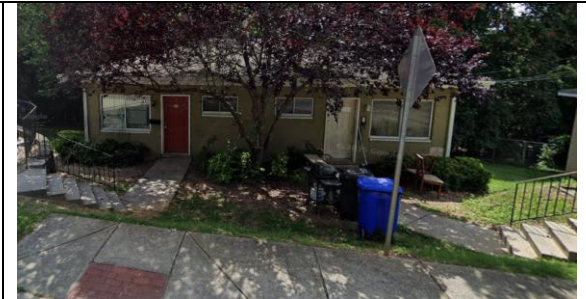
Request: \$196,832 (avg. \$19,683 per unit)

Previous CDBG Awards to Project (since FY 2018): \$0

Units Served: 10

AMI Levels Served: 31-60% AMI

CASA requests funding to conduct repairs and replacements of some of the major systems for their five affordable rental duplexes, a total of 10 units. These repairs include structural repairs and improvements to the foundations of the buildings, replacement of most of the unit's HVAC systems, and replacement of the duplex's roofs. The property provides affordable housing for very low-income households who have experienced homelessness and/or are living with a disability.



Down Payment Assistance

Recommendation: \$0

Request: \$45,000 (avg. \$9,000 per household)

Previous CDBG Awards to Project (since FY 2018): \$126,000

Status of Prior CDBG Awards: Unspent \$108,000 returned to Town

Households Served: 5

AMI Levels Served: 61-80% AMI

CEF requested funds to provide down payment assistance to an estimated 5 first-time homebuyers purchasing affordable homes from July 2026 to June 2027. All participants will complete requirements of CEF's First-Time Homebuyers Program, including financial coaching, HUD certification, and saving \$2,000 on their own to be used for downpayment. A portion of grant funds



	(\$8,000/participant) would be paid directly to lenders upon closing as a 3:1 savings match to incentivize participation, while the remainder (\$1,000/participant) will be paid to CEF to cover salary and operating costs of the program.	
	<u>First-Time Homebuyer Assistance</u> Recommendation: \$0 Request: \$100,000 (avg. \$5,000-20,000 per household) Previous CDBG Awards to Project (since FY 2018): \$80,000 Status of Prior CDBG Awards: Unspent \$10,000 Returned to Town # Households Served: 5 to 20 AMI Levels Served: 31-80% AMI CHT requested funding to provide subsidy and/or closing cost assistance to an estimated 5 to 20 first-time homebuyers purchasing affordable homes from July 2026 to June 2027. The requested \$100,000 would provide subsidy and/or closing cost assistance for between 5 and 20 first-time homebuyers purchasing affordable homes. Each homebuyer will receive up to \$5,000 in closing cost support or each home sale up to \$20,000 in subsidy, ensuring they can successfully complete their home purchase. This assistance aims to reduce the financial barriers faced by low- to moderate-income individuals and families, supporting their path to homeownership and contributing to community stability and growth.	
	<u>405 Sykes Street Rehabilitation</u> Recommendation: \$47,500 Request: \$50,000 Previous CDBG Awards to Project (since FY 2018): \$0 # Units Served: 1 AMI Levels Served: 0-30% AMI EMPOWERment requested \$50,000 in funding to support critical renovations to provide safe, stable housing for 2 low-income disabled tenants who are seniors in a single-family home. Improvements will include a new roof, replacement of the side	

	porch, energy efficient windows and exterior doors, and a new HVAC system with updated ductwork to ensure healthy indoor air quality and long-term sustainability, and construction of an ADA-compliant ramp to enhance accessibility, mobility, and support aging-in-place. These upgrades will prevent displacement, improve safety, and ensure the home remains affordable and accessible long-term.	
	<u>Home Preservation & Comprehensive Rehabilitation Program</u> Recommendation: \$80,000 Request: \$160,000 (avg. \$40,000 per unit) Previous CDBG Awards to Project (since FY 2018): \$256,907 Status of Prior CDBG Awards: \$166,140 from 2025-26 Award Remains # Units Served: 4 AMI Levels Served: Below 30-60% AMI Habitat seeks \$160,000 in CDBG funding to support its Home Preservation & Comprehensive Rehabilitation Program, which preserves naturally occurring affordable housing and reduces the risk of displacement for long-time residents. The requested funding will support four comprehensive repair projects in Chapel Hill during FY27. The requested program serves low-income homeowners, the majority of whom are Black, elderly and/or disabled residents. Funds will address urgently needed major repairs to improve the safety, livability, and longevity of the homes.	
Hope Renovations 	<u>Empowering Underemployed Women while Supporting Affordable Housing for Older Adults</u> Recommendation: \$62,500 Request: \$125,000 (avg. \$4,667 per unit, \$1,833 person) Previous CDBG Awards to Project (since FY 2018): \$0 # Units Served: 10-20 units & 20-40 participants AMI Levels Served: Below 30-80% AMI HOPE Renovations' funding request would support material purchases, subcontractor costs for projects, small portion of	

	administrative/overhead costs, and personnel costs for Instructors/Site Supervisors and Construction Crew Leads, which would allow for 20-40 individuals from Chapel Hill to undergo training and skill development in HOPE Renovation's construction training program. The application proposed to complete repairs on 10-20 housing units.	
	<u>Home Repair Services</u> Recommendation: \$0 Request: \$115,000 (avg. \$14,375 per unit) Previous CDBG Awards to Program (since FY 2018): \$657,245 Status of Prior CDBG Awards: \$201,855.48 from 2025-26 and 2024-25 Awards Remains # Units Served: 8 AMI Levels Served: Below 30-80% AMI Preserving Home has requested \$115,000 to support the operating costs required to sustain the Town of Chapel Hill Home Repair and Rehabilitation Program. Funds would support the continued provision of comprehensive home repair services for vulnerable populations in Chapel Hill including seniors, individuals with disabilities, veterans, and families with children have access to safe and healthy homes, fostering stability, a sense of belonging, and the opportunity to thrive. The requested funds would be used for an estimated 8 home repairs on units within the Town.	
<u>Public Facilities</u> Public facilities activities include rehabilitations and renovations of all facilities and improvements that are publicly owned, or that are owned by a nonprofit and open to the general public. There is no cap on funding for public facilities activities.		



Shelter Roof Replacement

Recommendation: \$107,148

Request: \$144,000 (avg. \$48,000 per building)

Previous CDBG Awards to Program (since FY 2018): \$219,411 for Case Management Services

Status of Prior CDBG Awards: \$21,415 from 2025-26 Award Remains

Units Served: 45

AMI Levels Served: Below 30% AMI

IFC requests \$144,000 to replace the 25–30-year-old asphalt shingle roofing on the three HomeStart buildings, the County’s only year-round shelter for women and families experiencing homelessness.



Economic Development

Economic development activities include small business assistance, commercial or industrial rehabilitation, and special economic development activities. There is no cap on funding for economic development activities.



Program Support

Recommendation: \$38,000

Request: \$40,000 (avg. \$2,353 per business)

Previous CDBG Awards to Program (since FY 2018): \$63,122

Status of Prior CDBG Awards: \$30,000 from 2025-26 Award Remains

Households Served: 17 microenterprises

AMI Levels Served: Below 30-80% AMI

Transplanting Traditions requested funding to help under-served refugee farmers develop and grow small agricultural businesses. Funds will be used to compensate farm programs staff members and professional consultants such as interpreters and lawyers to support advanced farmers to secure land and transition to more independent operations; the development of an agricultural food hub to support local refugee farms; and to continue to offer agricultural business education for new and emerging refugee farmers. Funds are expected to support 17 microenterprises.



Public Services

Public service activities, such as programs focusing on employment, childcare, healthcare, and education are eligible to be funded through the CDBG program. Federal regulations cap the amount of CDBG funding used for public services at 15% of the Town's Current Year grant plus program income equaling an estimated \$63,000 for FY 26-27.



Case Management

Recommendation: \$25,000

Request: \$33,000 (avg. \$733 per household)

Previous CDBG Awards to Program (since FY 2018): \$219,411

Status of Prior CDBG Awards: \$21,415 from 2025-26 Award Remains

Households Served: 45

AMI Levels Served: Below 30% AMI

Requested funding would help support a Case Manager position at IFC's HomeStart women and family shelter to assist households experiencing homelessness in obtaining shelter and securing permanent affordable housing.



Childcare Scholarship Program

Recommendation: \$0

Request: \$10,000 (avg. 1,000-\$2,000 per household)

Previous CDBG Awards to Project (since FY 2018): \$0

Households Served: 5-10

AMI Levels Served: Below 30-80% AMI

Early Years requested \$10,000 in CDBG funding that would direct childcare tuition assistance to households whose incomes are at or below 80% of Area Median Income (AMI), with priority to families below 60% AMI, including extremely low-income households below 30% AMI. Scholarships will reduce tuition gaps in licensed 4- and 5-star early learning programs, stabilizing employment and educational participation for working parents.





Summer Youth Employment Program

Recommendation: \$29,884

Request: \$29,884 (\$1,867.75 per participant)

Previous CDBG Awards to Program (since FY 2018): \$156,553

Status of Prior CDBG Awards: \$10,989.74 from 2025-26 Award

Remains

Households Served: 16

AMI Levels Served: <80% AMI

The Town of Chapel Hill offers job training and paid employment to youth ages 14-18 in Chapel Hill households earning less than 80% of the Area Median Income. Every summer, the hired youth work 20 hours a week for 8-10 weeks in a variety of Town departments and outside agencies. This funding will allow the Town to hire 16 Chapel Hill youth, in addition to up to 10 Carrboro youth potentially funded by Carrboro Human Services funding applied for through their outside agency process.



Program Administration

Recommend the Council allocate funds to meet oversight requirements of the CDBG and related affordable housing and community development programs.



Program Administration

Recommendation: \$86,423

Request: 20% of CDBG grant

Previous CDBG Awards (since FY 2018): 20% of CDBG grants

Funding will support activities required to oversee grant activities, fulfill HUD reporting requirements, and other administrative activities.