

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

DRAFT

Town Council Meeting

April 15, 2026



TOWN OF
**CHAPEL
HILL**

Recommended Action

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

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Legislative Context

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

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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*

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**Town
Objectives
for CDBG
Funding**

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

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County-wide 5-Year Consolidated Plan

- The Town is part of the HOME Consortium led by Orange County
- The County is responsible for creating the 5-Year Consolidated Plans
- Consolidated Plans decide Town and County priorities for CDBG & HOME funds over five years
- This year is the second year of the Consolidated Plan

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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

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Town Annual Action Plan

- The Town's Annual Action Plan decides our CDBG funding plan for the upcoming program year
- This year, the Action Plan serves as the second year of the 5-Year Consolidated Plan
- The Action Plan must align with the Consolidated Plan's priorities

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2025-26 CDBG Outcomes to Date

Public Services – 15% Cap	Award	Goal	2025-26 Outcomes to Date
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 this year
- 20% reserved for administrative costs
- Additional Town program funding needs considered

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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	

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		

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
2025**

First
Public
Hearing

**APRIL
2026**

Second
Public
Hearing

**MAY
2026**

Council
Action

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Annual Action Plan.

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