

Summary of 2025-2026 CDBG Funding Requests and Recommended Funding Plan

This document summarizes the final recommended 2025-2026 funding plan for \$689,588 in (Community Development Block Grant) CDBG funds. This includes a 2025-2026 CDBG grant award of \$415,188, plus \$253,130 in prior program year funds and \$21,270 in program income. The program income is received from the payoff of the remaining balance of a loan made in 2008 to support development of the Dobbins Hill Low Income Housing Tax Credit development.

Staff Recommended Funding Plan

Program	Requested	Recommended Plan at Public Hearing	Final Recommended Plan	% of Request	Difference b/w Public Hearing and Final
Affordable Housing					
Town's Transitional Housing Program Repairs	\$ 41,627	\$ 41,627	\$ 41,627	100%	\$ -
HOPE Renovations - Rehabilitation for Older Homeowners & Training Underemployed Populations	\$ 100,000	\$ 100,000	\$ 100,000	100%	\$ -
Habitat Comprehensive Repairs	\$ 234,000	\$ 175,500	\$ 166,140	71%	\$ (9,360)
Preserving Home (Formerly Rebuilding Together of the Triangle) Home Repairs	\$ 216,000	\$ 160,719	\$ 151,200	70%	\$ (9,519)
EmPOWERment McMasters and Knolls Rehabilitation	\$ 68,250	\$ 50,547	\$ 47,861	70%	\$ (2,686)
Community Home Trust (CHT) Rosemary Place Foundation Repair	\$ 117,480	\$ -		0%	
CHT Closing Costs Assistance	\$ 87,500	\$ -		0%	
EmPOWERment MLK Jr. Boulevard Acquisition	\$ 400,000	\$ -		0%	
HOPE NC Affordable Rental Housing Acquisition at Weavers Grove	\$ 384,697	\$ -		0%	
Total	\$ 1,649,554	\$ 528,392	\$ 506,828		\$ (21,565)
Economic Development					
Transplanting Traditions Community Farm Microenterprise Development	\$ 30,000	\$ 30,000	\$ 30,000	100%	\$ -
Upwards BOOST Program	\$ 120,000	\$ -		0%	
Total	\$ 150,000	\$ 30,000	\$ 30,000		\$ -
Public Services - 15% Cap of \$65,468					
Town's Summer Youth Employment Program	\$ 18,853	\$ 18,853	\$ 18,853	100%	\$ -
Refugee Community Partnership Crisis Case Management	\$ 35,000	\$ 26,250	\$ 25,200	72%	\$ (1,050)
Inter-Faith Council - Homeless Case Management	\$ 50,000	\$ 23,798	\$ 21,415	43%	\$ (2,383)
Total	\$ 103,853	\$ 68,901	\$ 65,468		\$ (3,433)
Administration - 20% Cap of \$91,706					
	\$ 91,706	\$ 91,706	\$ 87,292		\$ (4,414)
Total	\$ 1,995,113	\$ 718,999	\$ 689,588		\$ (29,411)

*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 **\$65,468** for FY25-26.

Administration is capped at 20% of current year grant plus program income equaling an estimated **\$87,292** for FY25-26.

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.



Rosemary Place Foundation Repair

Recommendation: \$0

Request: \$117,480 (avg. \$3,671.25 per unit)

Previous CDBG Awards to Project (since FY 2017): \$0

Units Served: 32

AMI Levels Served: 31-80% AMI

CHT requested funds to replace the crumbling foundation of the decks for the 100% affordable townhome community at Rosemary Place, located near the Meadowmont community. This repair would ensure the safety, stability, and long-term viability of the property's 32 units, providing residents with secure and sustainable housing. Addressing this structural issue would help maintain the affordability and livability of the townhomes that were built in 2003 and help prevent further deterioration that could lead to costly repairs or displacement for current residents.

Household income level varies among homeowners from 31% to 80% AMI, but some have not had income verifications conducted for more than 24 years.





Closing Costs Assistance

Recommendation: \$0

Request: \$87,500 (avg. \$3,500 per household)

Previous CDBG Awards to Project (since FY 2017): \$0

Households Served: 25

AMI Levels Served: Below 30-100% AMI

CHT requested funding to provide closing cost assistance to an estimated 25 first-time homebuyers purchasing affordable homes from July 2025 to June 2026. Each homebuyer would receive up to 50% of their closing costs to help overcome financial barriers and ensure a successful home purchase. CHT estimates the average assistance amount to be around \$3,500 per transaction. This assistance is designed to support low- to moderate-income individuals and families earning less than 80% of the AMI, helping them achieve homeownership and contribute to community stability.



1432 and 1436 Martin Luther King Jr. Boulevard Acquisition

Recommendation: \$0

Request: \$400,000 (\$100,000 per unit)

Previous CDBG Awards to Project (since FY 2017): \$0

Units Served: 4

AMI Levels Served: 31-60% AMI

EMPOWERment requested funding to support the acquisition of 4 naturally occurring affordable housing units in a 1.71-acre parcel on 1432 and 1436 Martin Luther King Jr. Blvd. This property includes two single-family homes and one duplex currently housing households earning 30%-60% AMI or below. EMPOWERment Inc. proposes to manage the property and offer supportive services, including financial counseling and homeownership education.

1432 Martin Luther King Jr. Boulevard



1436 Martin Luther King Jr. Boulevard



	<u>216 Knolls Street & 316 McMasters Street Rehabilitation</u> Recommendation: \$47,861 Request: \$68,250 (avg. \$34,125 per unit) Previous CDBG Awards to Project (since FY 2017): \$0 # Units Served: 2 AMI Levels Served: 31-60% AMI EMPOWERment requested funding to support renovations on two older, vacant rental units in Chapel Hill. Repairs at 316 McMasters Street address significant structural and roofing issues. The unit at 216 Knolls Street requires interior renovations due to the unit's aging and normal wear and tear. Both need new appliances, which will be Energy Star and fixtures to meet HUD standards. Once rehabilitation is completed, the units would provide safe, high-quality housing for households earning between 31 and 60% of AMI.	216 Knolls Street  316 McMasters Street 
	<u>Home Preservation & Comprehensive Rehabilitation Program</u> Recommendation: \$166,140 Request: \$234,000 (avg. \$39,000 per unit) Previous CDBG Awards to Project (since FY 2017): \$140,767 # Units Served: 4 AMI Levels Served: Below 30-80% AMI Habitat requested funding to support its Home Preservation & Comprehensive Rehabilitation Program, which aims to preserve naturally occurring affordable housing and prevent displacement of long-time residents. The requested funding will support 6 rehab projects in Chapel Hill to be completed in FY 2026. The requested program serves low-income homeowners earning <30-80% of AMI, the majority of whom are Black, elderly and/or disabled residents. Funds will support urgently needed major repairs to improve the safety, livability, and longevity of the homes.	

HOPE NC 	<u>Affordable Rental Housing Acquisition at Weavers Grove</u> Recommendation: \$0 Request: \$384,697 (\$96,174.25 per unit) Previous CDBG Awards to Project (since FY 2017): \$0 # Units Served: 4 AMI Levels Served: Below 30% AMI HOPE NC proposed to use Town funding to purchase 4 units of housing built by Habitat for Humanity of Orange County in their Weavers Grove Community located in Chapel Hill. All four units will be rented to individuals with intellectual and developmental disabilities (I/DD) with income levels below 30% to enable them to live independently. The project includes additional phases that would eventually purchase a total of 10 units for this purpose.	
Hope Renovations 	<u>Empowering Underemployed Women while Supporting Affordable Housing for Older Adults</u> Recommendation: \$100,000 Request: \$100,000 (avg. \$2,500 per unit and \$1,000 per participant) Previous CDBG Awards to Project (since FY 2017): \$0 # Units Served: 30 units & 25 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 25 individuals from Chapel Hill to undergo training and skill development in HOPE Renovation's construction training program. The application proposed to complete repairs on 30 housing units.	 



Home Repair Services

Recommendation: \$151,200

Request: \$216,000 (avg. \$18,000 per unit)

Previous CDBG Awards to Program (since FY 2017): \$543,692.20

Units Served: 8

AMI Levels Served: Below 30% AMI

Through the requested funding, Preserving Home (formerly Rebuilding Together of the Triangle, or RTT) will provide applicant intake, home assessment, work scope and bid preparation, and energy efficiency services to low-income families, seniors, and persons with disabilities throughout Orange County. The requested funds will be used for an estimated 8 home repairs on units within the town.



Transitional Housing Unit Repairs

Recommendation: \$41,627

Request: \$41,627 (avg. \$11,083 per unit)

Previous CDBG Awards (since FY 2017): 556,933.75

Units Served: 6

AMI Levels Served: 0-80% AMI

Requested funding would allow for the rehabilitation and modernization of a Transitional Housing unit, along with the repair and replacement of a roof and major appliances, including HVAC, water heater, and main sanitary line replacements for multiple Transitional Housing units. These repairs and replacements would be for around 6 of the Town's Transitional Housing units serving households earning 0-80% AMI. Households in this program are transitioning from Public Housing to private market rentals or homeownership.

Before:



After:



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.

	<u>Program Support</u> Recommendation: \$30,000 Request: \$30,000 (avg. \$1,111 per business) Previous CDBG Awards to Program (since FY 2017): \$33,122 # Households Served: 27 microenterprises AMI Levels Served: Below 30-80% 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 27 microenterprises.	
	<u>BOOST Program</u> Recommendation: \$0 Request: \$120,000 Previous CDBG Awards to Program (since FY 2017): \$0 # Households Served: 16 AMI Levels Served: 31-80% AMI Upwards requested funds to support staff positions to implement their BOOST Program in Chapel Hill. BOOST provides technical assistance and business support to microenterprise childcare providers who run in-home daycares. These facilities are classified as a microenterprise because they employ less than 5 employees, including themselves. They serve children ages 0-5 and up to age 13 with before/after school care. The program's goal is to expand economic opportunities for daycare providers by training them to use essential tools to make their operations more efficient.	

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 \$65,468.70 for FY 25-26.



Case Management

Recommendation: \$21,415 (balance of remaining Public Services amount)

Request: \$50,000 (avg. \$2,083 per household)

Previous CDBG Awards to Program (since FY 2017): \$212,742.00

Households Served: 24

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.

HomeStart



Community House



Crisis Case Management

Recommendation: \$25,200

Request: \$35,000 (avg. \$1,167 per household)

Previous CDBG Awards to Program (since FY 2017): \$12,000

Households Served: 30

AMI Levels Served: Below 30% AMI

RCP requested funding to support staff positions that provide crisis case management and resource referral for 30 refugee and migrant households that are experiencing homelessness or are at risk of homelessness through community-based, on-call interpretation/translation and accompaniment for non-English speaking residents in Karen, Arabic, Burmese/Chin, and Dari/Pashto. The goal is to increase access to existing safety net services that would otherwise be inaccessible due to linguistic and cultural barriers.





Summer Youth Employment Program

Recommendation: \$18,853

Request: \$18,853 (\$1,347 per participant)

Previous CDBG Awards to Program (since FY 2017): \$143,000

Households Served: 14

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 14 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: \$87,292

Request: 20% of CDBG grant

Previous CDBG Awards (since FY 2017): 20% of CDBG grants

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