

FY 2026-2027 Proposed HUD Annual Action Plan

*City Council Public Hearing
April 27, 2026*

ECD delivers the City's mission by aligning resources to:

- Creating and sustaining affordable housing.
- Supporting the economic development and growth of businesses.
- Partnering with community organizations to address homelessness/poverty.
- Providing resources and partnerships that strengthen neighborhoods.

- Core City department supported by General Fund investment.
- Leverages Federal grants to maximize community impact.
- Salaries ~60% are borne by the General Fund.
- Programs ~90% federal / ~10% local investment (not counting smaller grants).

- **5-Year Consolidated Plan**

- Aligns City priorities
- Required by HUD to receive federal funding.
- Aligns resources to housing, economic and community needs.

- **Annual Action Plan**

- Targets needs assessment
- Annual implementation of the 5-Year Consolidated Plan.

- **Citizen Participation (HUD Requirement)**

- Public input through meetings, comment periods and two hearings
- Ensures transparency and community-informed decisions

- **Staff** → Plan, Develop, and Oversee Programs

- **Community Partnerships** → Deliver services



Entitlement: Federal grant funds provided to a jurisdiction directly from the U.S. Department of Housing and Urban Development (HUD)

Program Income: Funds produced from grant-funded activities, such as loans

HOME Match: Required 25% local match for HOME grants

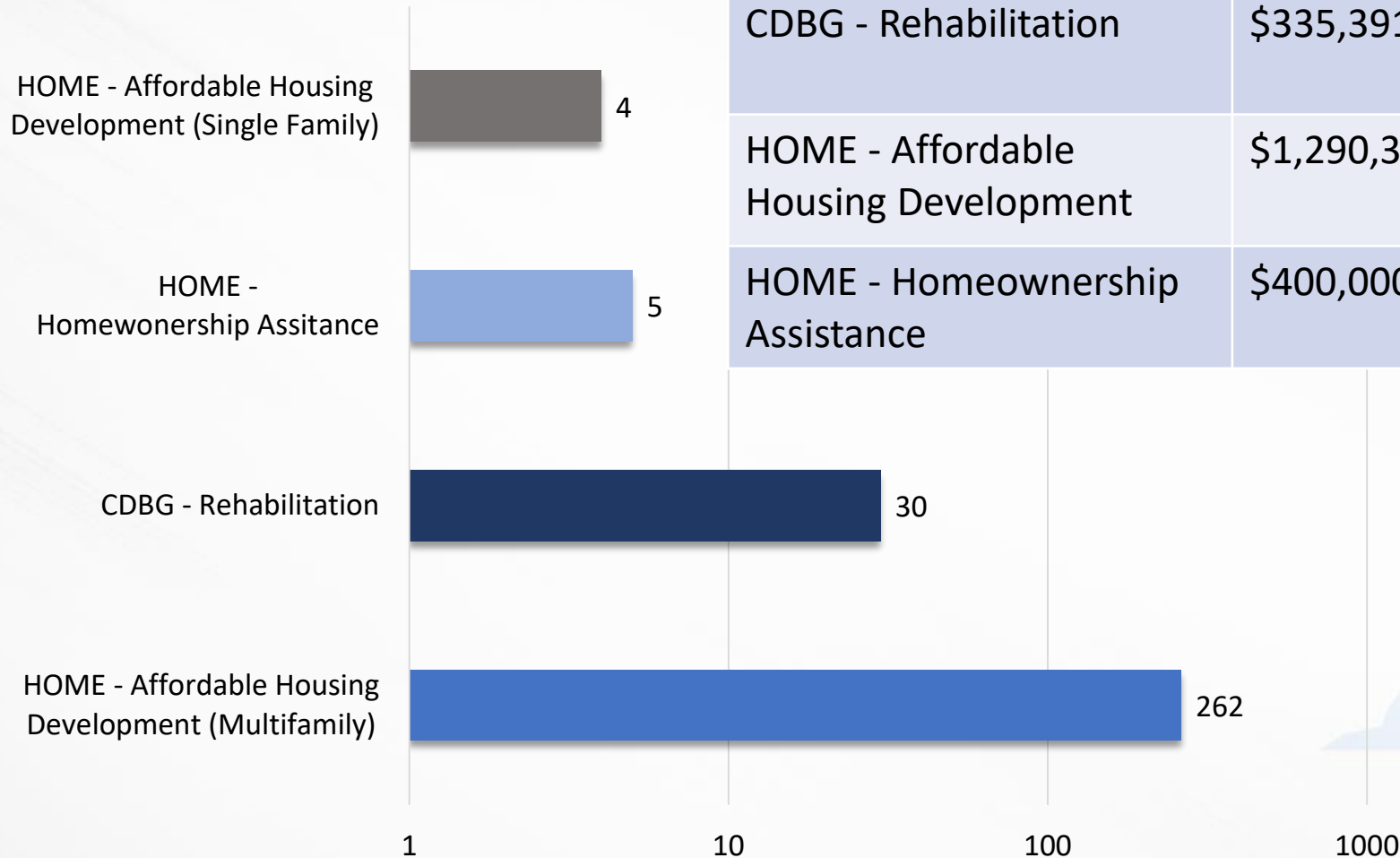
ESG Match: Requires \$1:\$1 match for ESG funds

Funding Source	CDBG Funds	HOME Funds	ESG Funds	Total Budget
Entitlement	\$1,676,474	\$851,924	\$153,649	\$2,682,047
Program Income	\$40,000	\$710,648	-	\$750,648
Match	-	\$212,982	\$11,523	\$224,505
Total New Resources	\$1,716,474	\$1,775,554	\$165,172	\$3,657,200



Affordable Housing

**Housing Program Impact
by Activity (FY24-25)**



Fund	Amount	Description
CDBG - Rehabilitation	\$335,391	Emergency Repairs for low/moderate income homeowners
HOME - Affordable Housing Development	\$1,290,362	New development of rental and homeownership (rehab sometimes)
HOME - Homeownership Assistance	\$400,000	Homebuying HERO for low/moderate income buyers



Low-Income Housing Tax Credit (9% LIHTC) Applications

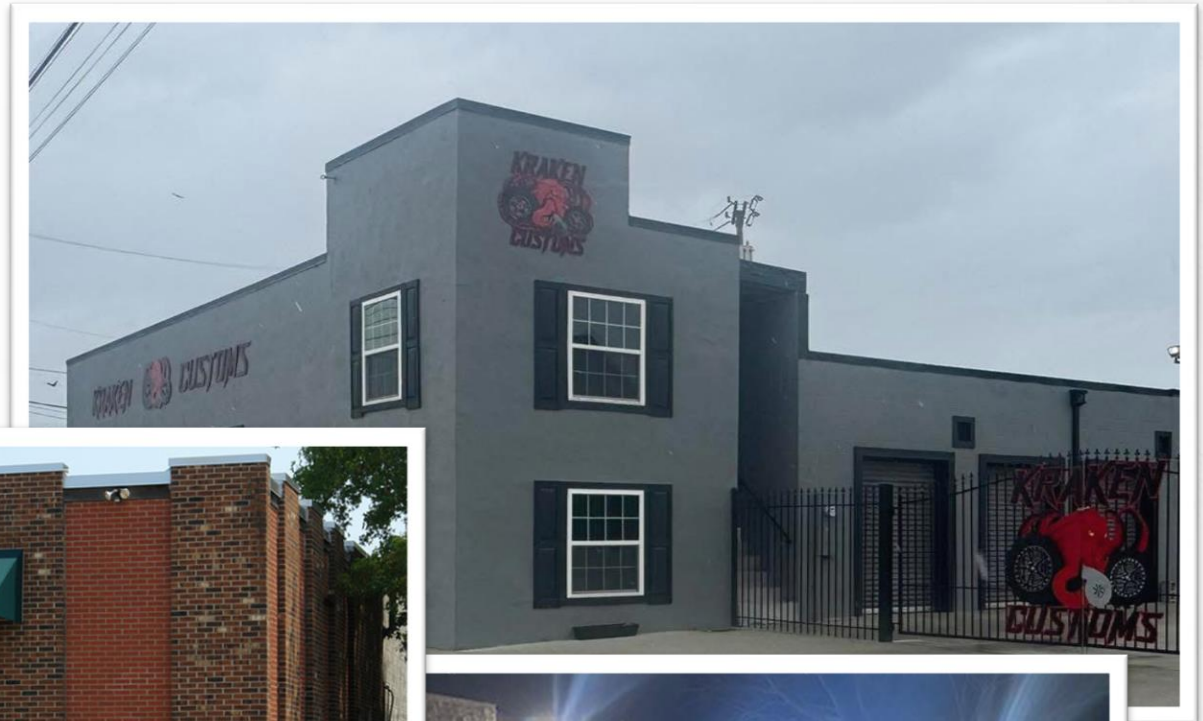
Project Name	Total Development Cost	Request	Developer	Population Served	Construction Type	# of Units
Aspen Pointe (phase 2)	\$19,342,696	\$400,000	SEML Development, LLC	Family	New Construction	90
Victory Pointe	\$18,849,553	\$400,000	SEML Development, LLC	Family	New Construction	84
Covey Apartments	\$15,603,880	\$400,000	Park Development Group	Family	New Construction	60
Rosehill Gardens	\$21,501,563	\$400,000	Laurel Street	Family	Rehab	100

Note: LIHTC is part of the Five-Year Consolidated Plan's Affordable Housing Strategy. As LIHTC is a competitive state process, only one or two developments will be funded.

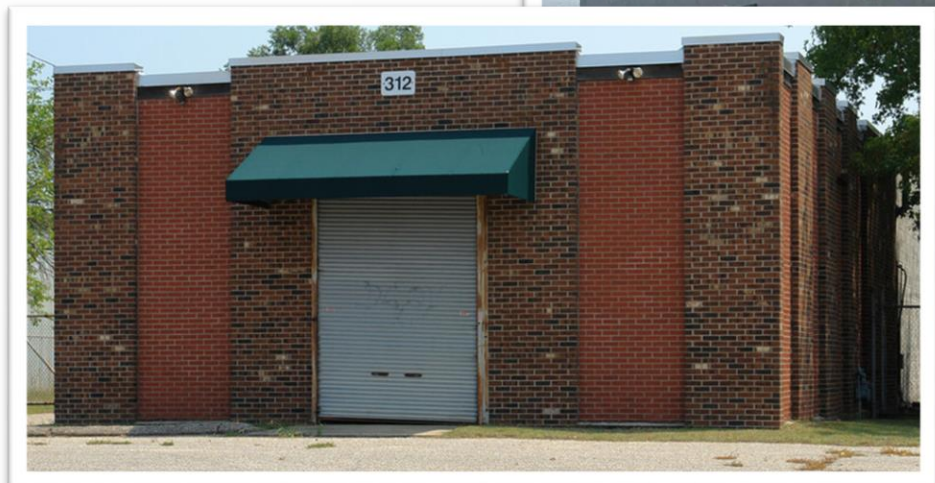
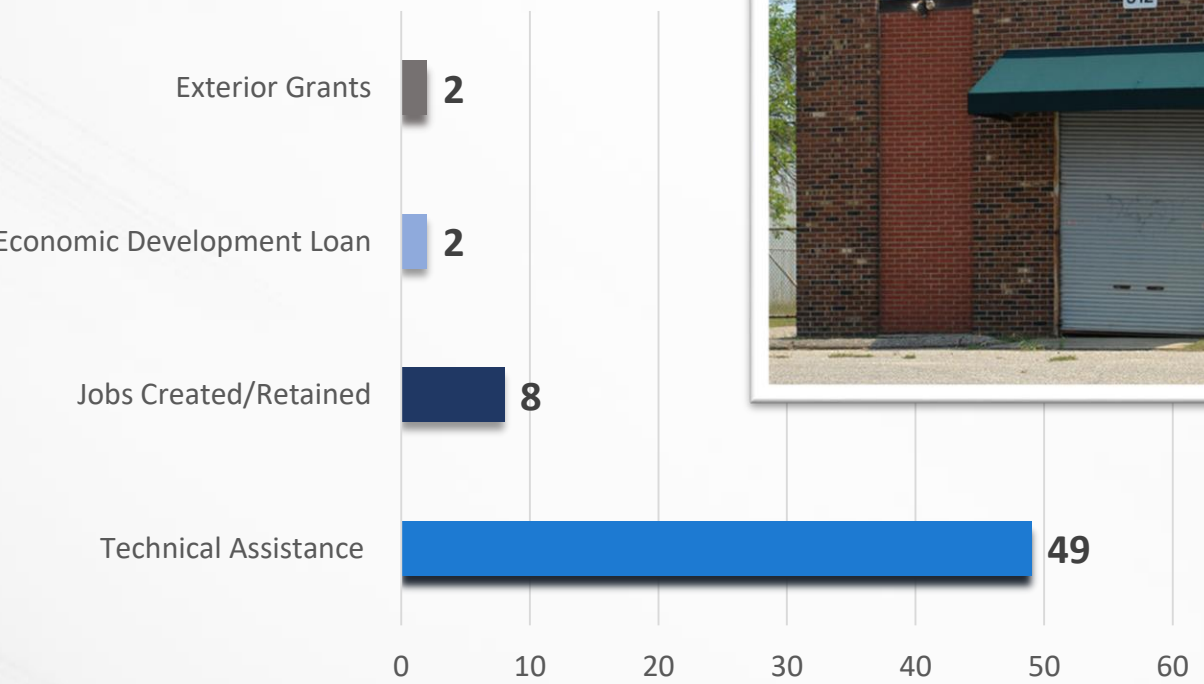
Low-Income Housing Tax Credit (9% LIHTC) Location Map



Fund	Amount	Description
CDBG – Special Economic Development	\$428,000	Grants, Loans, and Technical Assistance



Economic Development Impact by Activity (FY24-25)



Fund	Amount	Description
Neighborhood Park Investment	\$150,000	Seabrook Playground Replacement
Blight Removal	\$161,318	Removal of unsafe structures

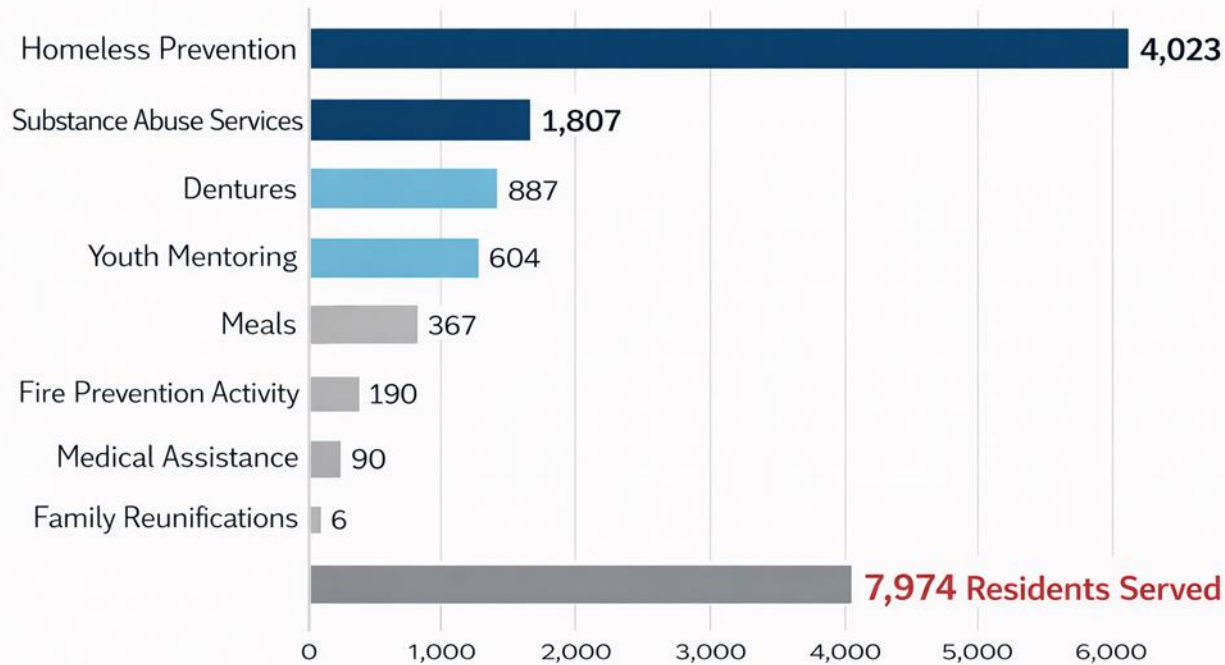
Neighborhood Revitalization Impact by Activity (FY24-25)

- Mary McDonald Park Playground Equipment
- 9 Demolitions

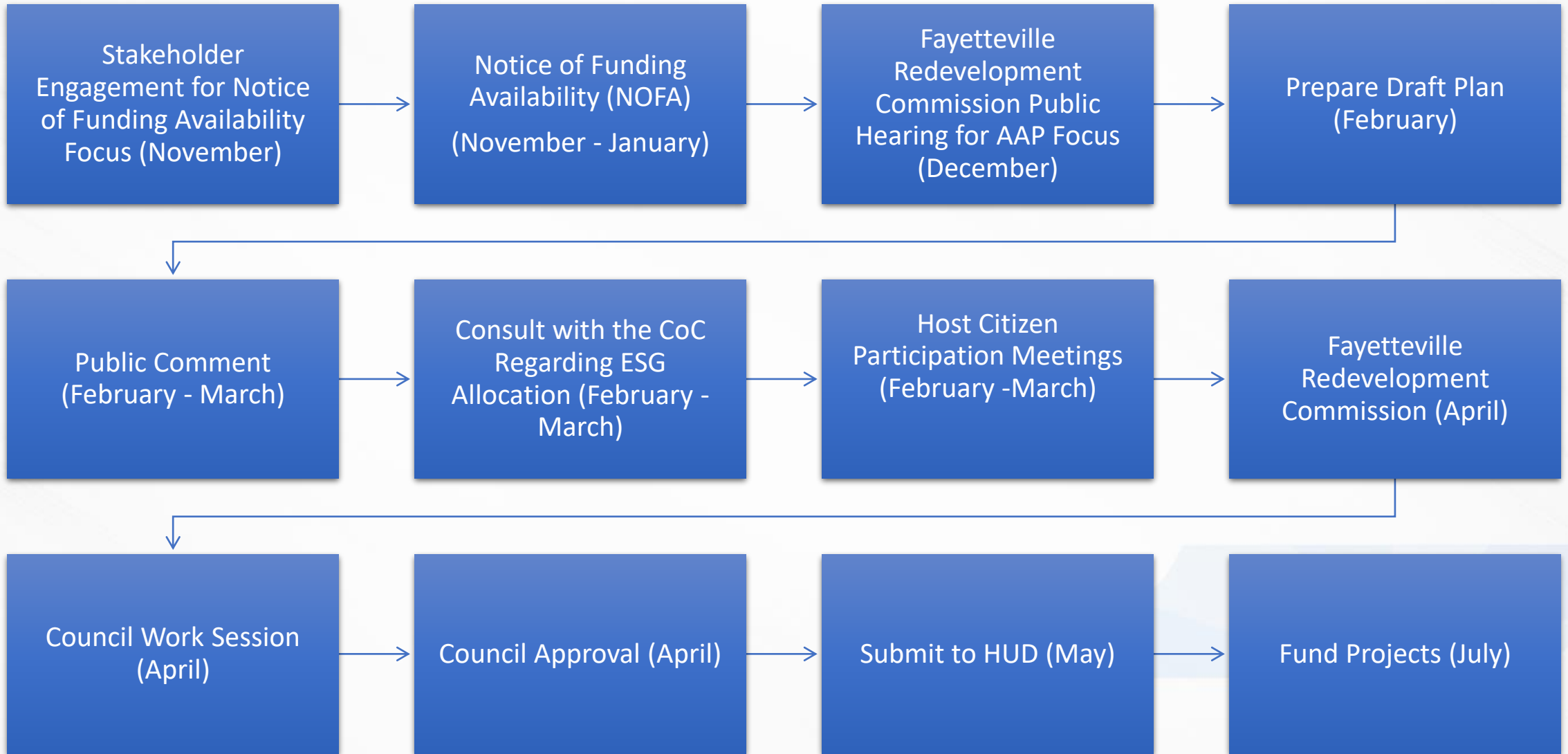


Fund	Amount	Description
CDBG Public Services	\$251,471	Programs that support low/moderate income individuals
ESG Grant Funding	\$142,126	Shelter and support for individuals experiencing homelessness

Community Impact by Activity (FY24-25)



HUD Action Plan Process



Proposed Investment Strategy

Annual Allocations By Consolidated Plan	2025-2026	2026-2027	% Change	Notes
Affordable Housing (Homeowner Rehab, New Apartments/Homes, Homebuyer Asst.)	\$1,487,403	\$2,025,753	+37%	Large Program Income Payment offset Federal grant reduction
Public Services (Nonprofit Funding)	\$268,980	\$251,471	-7%	Reduction in CDBG Grant
Neighborhood Revitalization (Demolition and Parks Improvements) *	\$460,582	\$311,318	-33%	Reduction in blight removal to \$161k, Seabrook Park New Playground - \$150k
Economic Development (Grants/Loans)	\$300,000	\$428,000	+43%	New programs expect to generate more demand/interest
Nonprofit Capacity Building (Technical Assistance)	\$105,000	\$55,000	-48%	Unspent prior year funds are available
Homeless Solutions (Nonprofit Funding)	\$138,924	\$142,126	+3%	Increase in ESG grant award
Effective Program Management (Salaries/Planning)	\$458,109	\$443,532	-4%	Reduction in CDBG/HOME Grant
Total New Resources	\$3,218,998	\$3,657,200	+14%	Additional Program Income

* Neighborhood Revitalization Budget History: FY24 - \$140k, FY25 – \$195k, FY26 - \$460k (\$200k blight, \$260k Tokay)

Stakeholder Engagement

- ECD held two training sessions on the grants rules and intended impact
- Reviewed application process and system

Application Review and Scoring

- Applications that did not meet grant rules or were incomplete were removed
- Staff reviewed applications with a scoring matrix to determine risk, alignment, and impact

Available Funding

- With \$641,471 available, all was allocated to partially fund highest scoring requests
- **Unfunded Nonprofit need: \$499,211**

Stage	Count	Amount Requested	Amount Funded
Applications Received	30	\$6,228,202	\$661,471
Incomplete	-5	\$ (348,000)	\$ -
Complete	25	\$5,880,202	\$661,471
Ineligible	-4	\$(4,504,520)	\$ -
Eligible	21	\$1,375,682	\$661,471
Lowest Scoring	-5	\$(215,000)	\$ -
Recommended	16	\$1,160,682	\$661,471
Unmet Need		\$ (499,211)	-



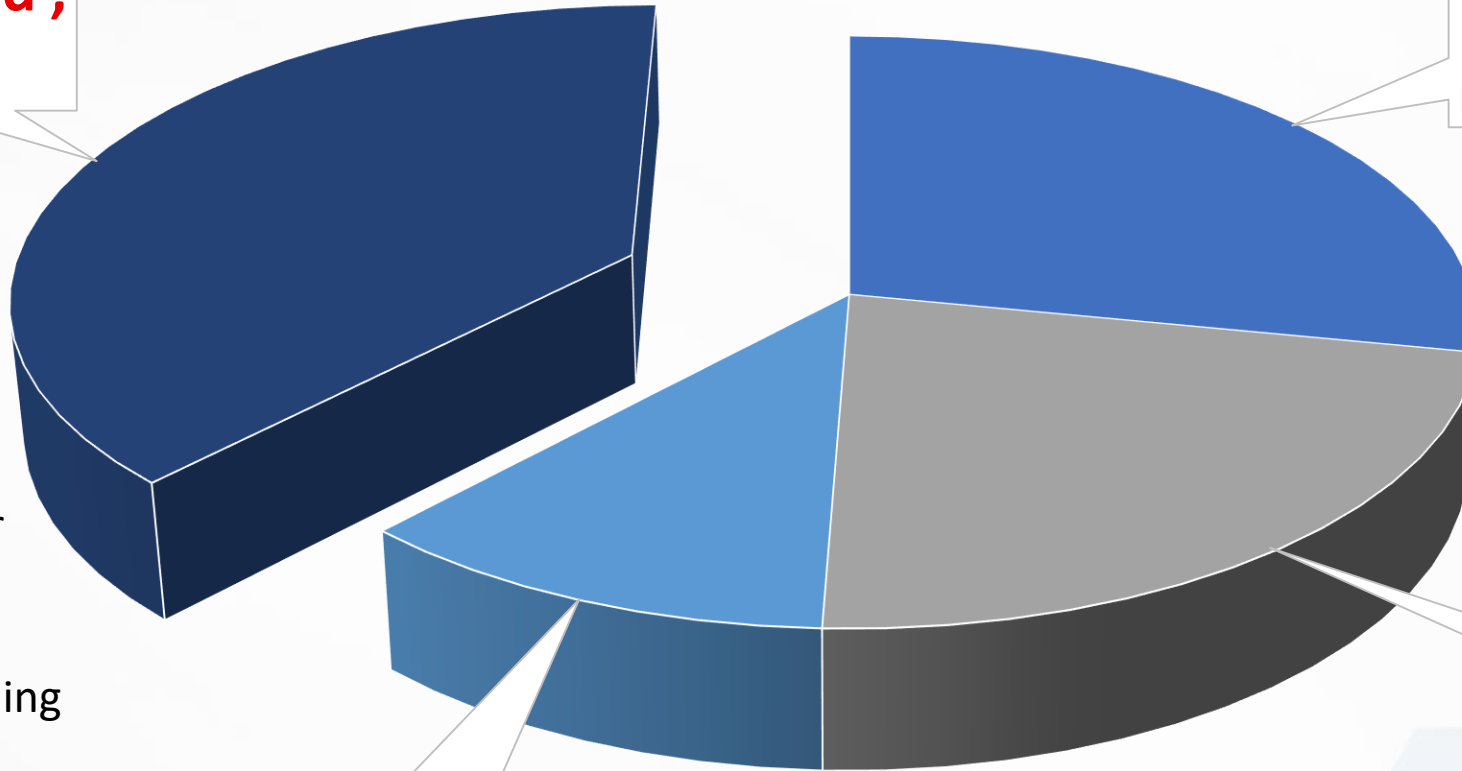
ECD Recommendations

Name	Funding Requested	Funding Allocated	Unmet Need
City of Fayetteville Workforce Readiness Program	\$30,000	\$30,000	\$0
Combined Unified Services	\$48,290	\$20,000	\$28,290
Better Health of Cumberland County	\$20,000	\$20,000	\$0
Myrover-Reese Fellowship Homes (ESG and CDBG)	\$60,000	\$60,000	\$0
Connections of Cumberland County	\$95,000	\$30,000	\$65,000
Legal Aid of North Carolina	\$104,511	\$30,000	\$74,511
ROOTS Mentoring	\$16,000	\$16,000	\$0
FTCC Foundation	\$9,450	\$10,000	(\$550)
Action Pathways	\$200,000	\$20,471	\$179,529
Communities in Schools	\$167,431	\$20,000	\$147,431
Fayetteville Urban Ministry (ESG and CDBG)	\$365,000	\$365,000	\$0
Cumberland HealthNET (ESG and CDBG)	\$45,000	\$40,000	\$5,000
Total Resources	\$1,160,682	\$661,471	\$499,211

ESG Unallocated

**Unallocated ,
\$67,848**

The Emergency Solutions Grant makes available \$142,126 this year and has provided approximately the same level of funding for the past two years.



**Fayetteville Urban
Ministry Homeless
Prevention , \$50,000**

Funding is limited to 60% to support shelter operations and street outreach. To date, no eligible applications have been received for shelter operations.

**Cumberland HealthNET
Street Outreach, \$20,000**

**Myrover-Reese
Fellowship Homes
Street Outreach,
\$40,000**

Staff Recommendation

- Adopt the resolution authorizing the proposed 2026-2027 HUD Annual Action Plan, which guides the implementation of the CDBG, HOME and ESG programs.





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