




2026-2027 Proposed Annual Action Plan

*City Council Work Session
April 6, 2026*

- The Community Development Block Grant (CDBG), HOME Investment Partnership, and Emergency Solutions Grants (ESG) are awarded to States, Counties, and Cities.
 - Some Cities get funds from the State (Sub-grantee)
 - Others get funds directly from HUD (Entitlement) 
- Must meet the stated goals of each program:

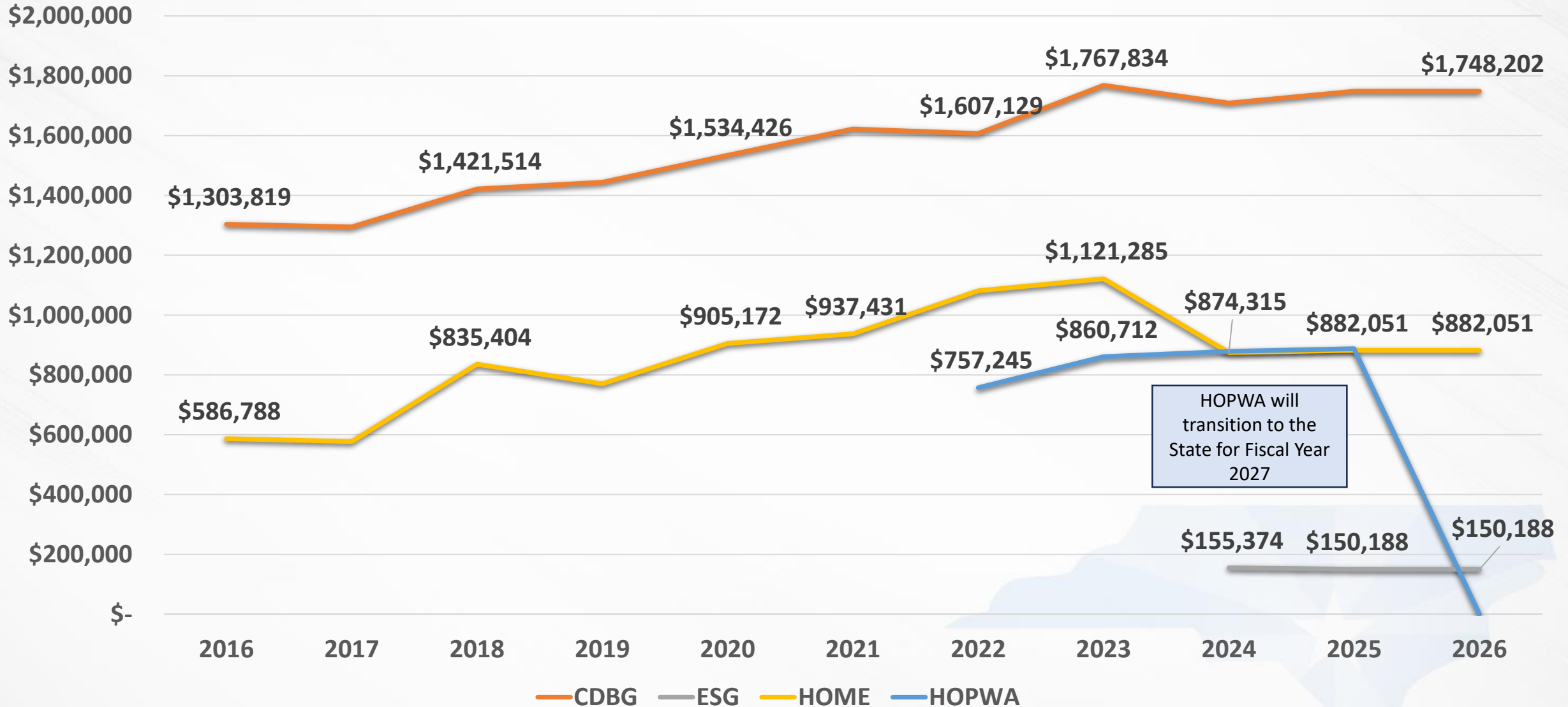
The City of Fayetteville is an Entitlement City.

| CDBG |
|---|
| <ul style="list-style-type: none"> • Benefit Low- and Moderate-Income Persons • Reduce Slum & Blight • Urgent Need (Rarely Used) |

| HOME |
|--|
| <ul style="list-style-type: none"> • To create affordable housing for low-income households |

| ESG |
|--|
| <ul style="list-style-type: none"> • Assist people with quickly regaining stability in permanent housing after experiencing a housing crisis and/or homelessness. |

How Much Money?



Entitlement: Grant funds made available 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 | \$1,748,202 | \$882,051 | \$150,188 | \$2,780,441 |
| Program Income | \$40,000 | \$710,648 | - | \$750,645 |
| Match | - | \$220,513 | \$11,264 | \$231,777 |
| Total New Resources | \$1,788,202 | \$1,813,212 | \$161,452 | \$3,762,866 |

All projections contained herein are based on current funding levels for PY25



Each grant comes with its own set of rules and guidelines that limit how the funds can be used.

CDBG

- 20% for Administration
- 15% for Public Services (Social Service Activities)

HOME

- 10% for Administration
- 15% for Community Housing Development Organizations (CHDO)

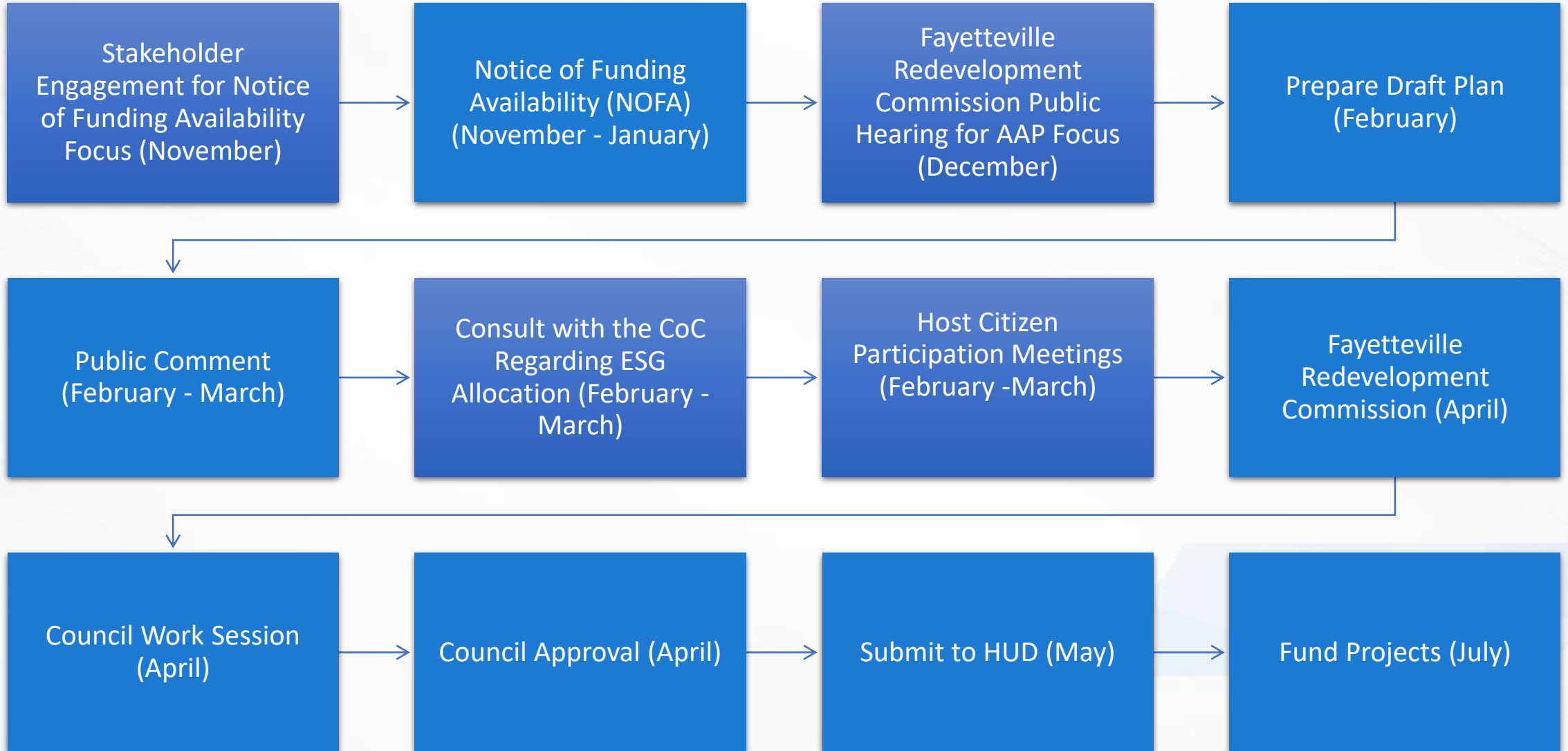
ESG

- 7.5% for Administration

| Required Set Asides | Amount |
|-----------------------------------|-------------------|
| CDBG Admin Cap (20%) | \$349,640 |
| CDBG Public Services Cap (15%) | \$262,230 |
| HOME Admin Cap (10%) | \$88,205 |
| HOME CHDO Set Aside (minimum 15%) | Minimum \$132,307 |
| ESG Admin Cap (7.5%) | \$11,264 |

All projections contained herein are based on current funding levels for PY25

The Action Plan Process



- **Fayetteville Redevelopment Commission**

- Held public hearing in December 2025 to begin Citizen Participation
 - One resident participated
- Held a public meeting in April 2026 to approve the recommended Annual Action Plan

- **Citizen Participation for PY2026-2027**

- Four meetings held across the City
 - Massey Hill, Smith, Westover, and EE Miller Recreation Centers
- Total attendance of approximately 50 residents



CDBG Allocation Strategy

| Consolidated Plan Strategy Allocations (CDBG Only) | 2025-2026 | 2026-2027 | % Change | Notes |
|--|--------------------|--------------------|-----------|---|
| Affordable Housing | \$300,000 | \$335,556 | +11.85% | Increase includes salary so more funding goes to direct services |
| Public Services | \$268,980 | \$262,230 | -2.51% | Decrease due to not using projected program income in cap calculation |
| Neighborhood Revitalization | \$460,582 | \$334,776 | -27.31% | Funding moved to Eco. Dev. to support creation of new programs |
| Economic Development | \$300,000 | \$451,000 | +50.33% | Increase due to new programs and increased interest |
| Nonprofit Capacity Building | \$105,000 | \$55,000 | -47.62% | Will use prior year funds to cover deficit |
| Effective Program Management | \$358,640 | \$349,640 | -2.51% | Decrease due to not using projected program income in cap calculation |
| Total New Resources | \$1,793,202 | \$1,788,202 | 0% | |

All projections contained herein are based on current funding levels for PY25

- Of the 32 applications submitted, 24 were for CDBG funding.
 - Out of 24 applications, 5 were incomplete and could not be scored.
 - Incomplete applications were allowed additional time post-deadline to be considered.
- 19 completed applications were considered.
 - 7 applications did not meet the minimum score threshold to be eligible for funding or requested funding for programs that were not aligned with CDBG National Objectives.
- The remaining 12 applications had a total funding request of \$742,392. The estimated CDBG Public Services cap is \$262,320, leaving a \$480,072 deficit in requested funding.

CDBG Recommendations

| Name | CDBG Funding Requested | CDBG Funding Allocated |
|--|------------------------|------------------------|
| City of Fayetteville Workforce Readiness Program | \$30,000 | \$30,000 |
| Combined Unified Services | \$20,000 | \$20,000 |
| Better Health of Cumberland County | \$20,000 | \$20,000 |
| Myrover-Reese Fellowship Homes | \$20,000 | \$20,000 |
| Connections of Cumberland County | \$95,000 | \$30,000 |
| Legal Aid of North Carolina | \$104,511 | \$30,000 |
| ROOTS Mentoring | \$16,000 | \$16,000 |
| FTCC Foundation | \$9,450 | \$10,000 |
| Action Pathways | \$200,000 | \$31,230 |
| Communities in Schools | \$167,431 | \$20,000 |
| Fayetteville Urban Ministry | \$15,000 | \$15,000 |
| Cumberland HealthNET | \$40,000 | \$20,000 |
| Total Resources | \$742,392 | \$262,230 |

\$480,162 separates current funding from total nonprofit requests.

All projections contained herein are based on current funding levels for PY25

HOME Recommendations

| HOME Allocations (Affordable Housing Strategy) | 2025-2026 | 2026-2027 | % Change | Notes |
|--|--------------------|--------------------|----------------|---|
| Affordable Housing Development | \$837,403 | \$1,175,007 | +40.32% | Increase in program income received |
| Homeownership Assistance | \$200,000 | \$400,000 | +100% | Increased funding due to the success of the program |
| HOME CHDO Set Aside (Community Housing Development Organization) | \$150,000 | \$150,000 | 0% | Same as Last Year |
| Administration, Planning, and Management | \$88,205 | \$88,205 | 0% | Same as Last Year (Until Updated) |
| Total New Resources | \$1,275,608 | \$1,813,212 | +42.14% | Increase in program income received |

All projections contained herein are based on current funding levels for PY25

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



| ESG Allocations (Addressing Homelessness Strategy) | 2025-2026 | 2026-2027 | % Change | Notes |
|--|------------------|------------------|--------------|---|
| ESG Program (Street Outreach, Homelessness Prevention, Rapid Re-Housing, and/or Emergency Shelter) | \$138,924 | \$138,924 | 0% | Same as Last Year (Until Updated) |
| Administration, Planning, and Management | \$11,264 | \$22,528 | +100% | Increase due to the inclusion of the City's 1:1 match |
| Total New Resources | \$150,188 | \$161,452 | +7.5% | Increase due to the inclusion of the City's 1:1 match |
| Prior Year Unallocated Funds | | \$38,924 | | |
| Total Resources (Excluding 7.5% Admin Cap) | | \$177,848 | | |

All projections contained herein are based on current funding levels for PY25

ESG Recommendations

| Name and ESG Component | ESG Funding Requested | ESG Funding Allocated |
|---|-----------------------|-----------------------|
| Fayetteville Urban Ministry – Homelessness Prevention | \$50,000 | \$50,000 |
| Myrover-Reese Fellowship Homes – Street Outreach | \$40,000 | \$40,000 |
| Cumberland HealthNET – Street Outreach | - | \$20,000 |
| Total Requested Resources | \$90,000 | \$110,000 |
| Total Available Resources | | \$177,848 |
| Total Unallocated Resources | | \$67,848 |

After utilizing remaining prior year funds, there is approximately \$60,000 in available ESG funds for Emergency Shelter and Street Outreach. No additional eligible nonprofits applied for this funding.

All projections contained herein are based on current funding levels for PY25

Next Steps and Timeline

| Events | Dates |
|---|---|
| City Council Work Session | April 6, 2026 |
| City Council Public Hearing/Adoption | April 27, 2026 |
| Plan Submitted to HUD | Action Plan due by May 15 th or 60 days after allocation letter received, whichever comes first. |





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