



2026-2027 Recommended Annual Action Plan

Citizen Participation Meetings

- 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.

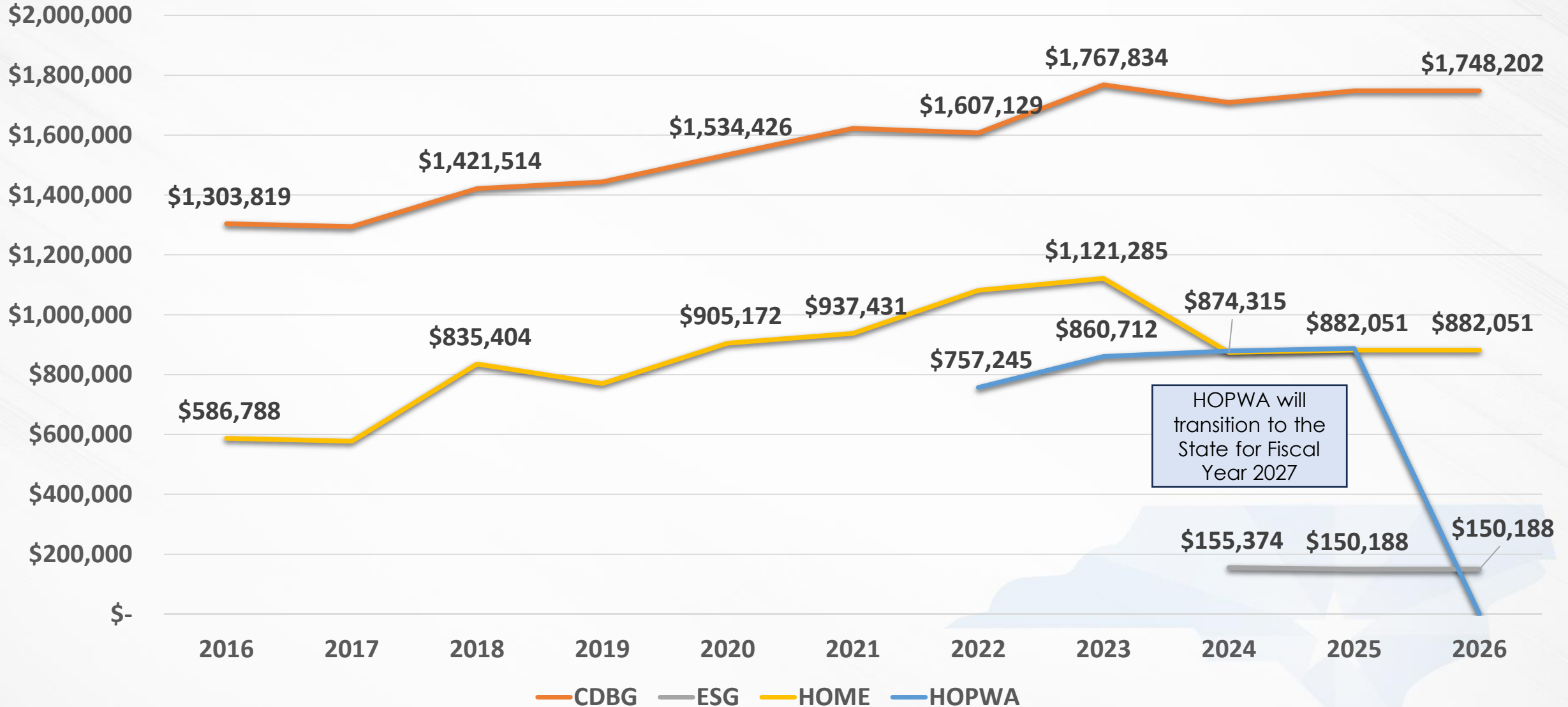


| CDBG |
|---|
| <ul style="list-style-type: none">• Benefit Low- and Moderate-Income Persons• Reduce Slum & Blight• Urgent Need (Rarely Used) |

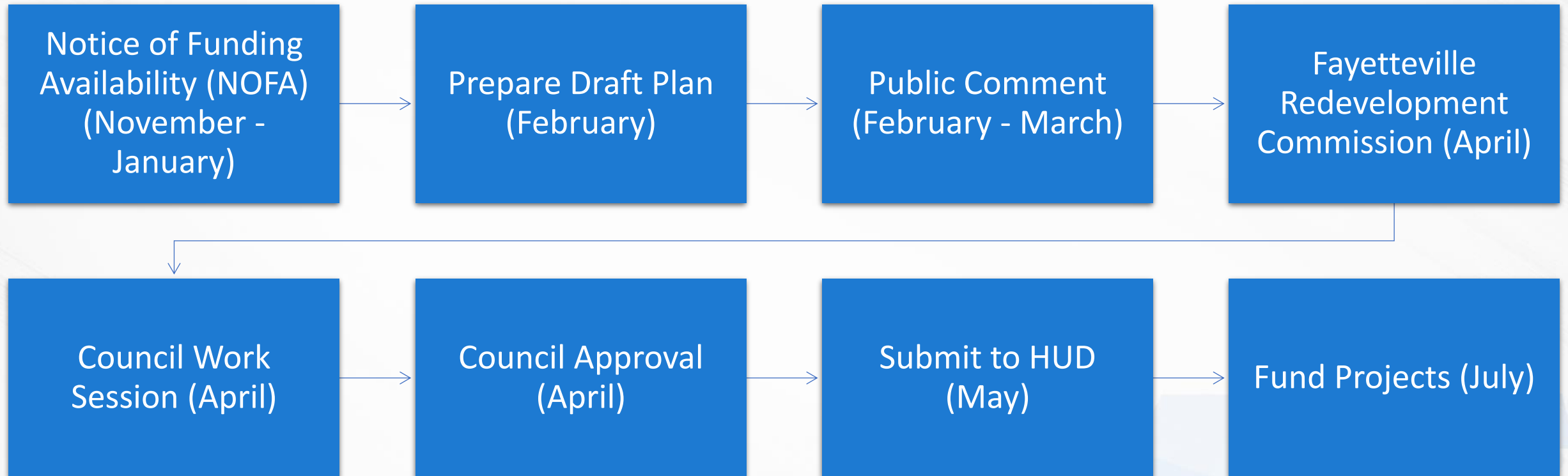
| HOME |
|--|
| <ul style="list-style-type: none">• To create affordable housing for low-income households |

| 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?



The Action Plan Process



Entitlement: Grant funds made available to a jurisdiction directly from the Department of Housing and Urban Development

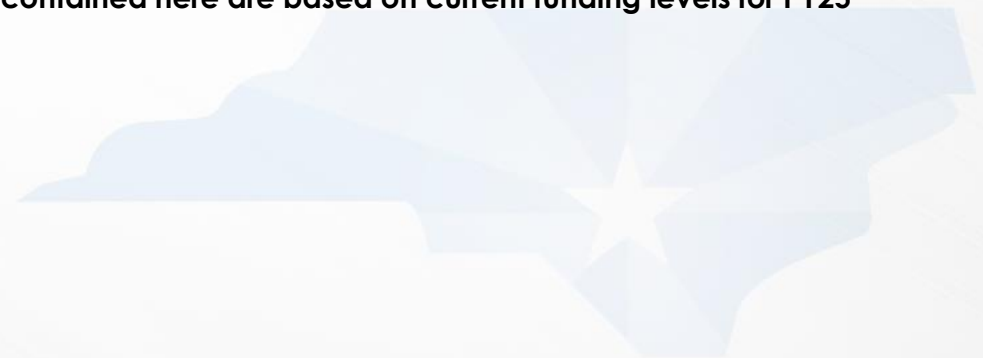
Program Income: Funds produced from grant-funded activities (such as loans)

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

HOME Match: Requires 25% match

| 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 | \$0 | \$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 here 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 | Cap |
|---------------------------------|-----------|
| CDBG Public Services Cap (15%): | \$262,230 |
| CDBG Admin Cap (20%): | \$349,640 |
| HOME Admin Cap (10%): | \$88,205 |
| HOME CHDO Set Aside (15%): | \$132,307 |
| ESG Admin Cap (7.5%) | \$11,264 |



| Name | CDBG Funding Recommended |
|------------------------------------|--------------------------|
| Action Pathways | \$ 31,230.00 |
| Better Health of Cumberland County | \$ 20,000.00 |
| COF Workforce Readiness Program | \$ 30,000.00 |
| Combined Unified Services | \$ 20,000.00 |
| Communities in Schools | \$ 20,000.00 |
| Connections of Cumberland County | \$ 30,000.00 |
| Cumberland HealthNET | \$ 20,000.00 |
| Fayetteville Urban Ministry | \$ 15,000.00 |
| FTCC Foundation | \$ 10,000.00 |
| Legal Aid of North Carolina | \$ 30,000.00 |
| Myover-Reese Fellowship Homes | \$ 20,000.00 |
| Roots Mentoring | \$ 16,000.00 |
| Total Anticipated Funding | \$ 262,230.00 |

| Not Funded | Reasoning |
|---|------------------------|
| Employment Source | Incomplete Application |
| FRA Global Impact | Incomplete Application |
| North Ramsey St. Church of God House of Bread | Incomplete Application |
| Fayetteville Animal Protection Society | Incomplete Application |
| LIAM Outreach and Community Support Center | Incomplete Application |
| Zenaida Cranford Mentor Mentee Mentorship Program | Score Below Threshold |
| Gary B. McLaurin Ministries | Score Below Threshold |
| Carolina Crew | Score Below Threshold |
| OnTrack Wellness | Score Below Threshold |
| Juliangle Foundation | Score Below Threshold |
| Fortitude Family Services | Score Below Threshold |
| YouthTHRIVE | Score Below Threshold |

*Estimated award amounts. Grant amounts are subject to minor adjustments based on actual HUD awards.

CDBG Not Subject to Cap

- The City of Fayetteville offers a city-wide Emergency Home Repair Program to help residents stay safely in their homes when unexpected problems happen. The program focuses on urgent repairs that threaten health or safety.
- Some grants have spending limits (caps), and some don't. Rehabilitation programs are not subject to a cap, which allows larger awards for these types of projects.

| Program | Agency | Amount |
|---------------------|-----------------------------|-----------|
| CDBG-Rehabilitation | Fayetteville Urban Ministry | \$300,000 |

To find out more about this program, visit Fayetteville Urban Ministry at <https://www.fayurbmin.org/>.

| Name | ESG Funding Recommended |
|---|-------------------------|
| Homelessness Prevention and Rapid Re-Housing | \$ 55,569.60 |
| Fayetteville Urban Ministry | \$ 50,000.00 |
| 2026-2027 HP/RRH Grant Fund Balance (Unallocated) | \$5,569.60 |
| Street Outreach and Emergency Shelter (Max 60% of Grant Total) | |
| 2025-2026 Balance of Grant Funds (28% of Grant) | \$38,924.00 |
| 2026-2027 Balance of Grant Funds (60% of Grant) | \$83,354.40 |
| Myover-Reese Fellowship Homes | \$ 40,000.00 |
| Cumberland HealthNET | \$ 20,000.00 |
| 2026-2027 SO/ES Grant Fund Balance (Unallocated) | \$62,278.40 |

The ESG program places a limit on how much funding can be spent on emergency shelter and street outreach so communities prioritize permanent housing solutions. The rest of the funding is flexible and can be directed to prevention and rehousing based on local need.

*Estimated award amounts. Grant amounts are subject to minor adjustments based on actual HUD awards.

| Not Funded | Reasoning |
|-------------------------------|--|
| Youth First Development Group | Program Ineligible for Funding Requested |
| LIAM Outreach | Incomplete Application |

Staff Recommendations

| Project Name | Amount | Description |
|---------------------------------------|--------------------|---|
| CDBG - Administration | \$349,640 | No more than 20% of entitlement funds and 20% of annual program income will be used to administer the CDBG activities. |
| CDBG - Public Services | \$262,230 | Funds will be used to provide supportive and human services assistance for low- and moderate-income residents. |
| CDBG- Nonprofit Capacity Building | \$55,000 | Activities that enhance the capacity and ability of nonprofits to carry out community development and affordable housing activities that benefit low-income persons. |
| CDBG - Neighborhood Resources | \$334,776 | Neighborhood services for low-and moderate -income residents to include outreach, engagement, blight removal, and neighborhood revitalization activities. |
| CDBG - Rehabilitation | \$335,556 | Funds will be used for housing rehabilitation activities for people who are below 80% AMI and are elderly, disabled, or experiencing emergent needs. Program administration costs are included. |
| CDBG - Special Economic Development | \$451,000 | Activities that support job retention or creation for low- and moderate-income residents. |
| HOME - Administration | \$88,205 | HOME funds used for administration will consist of no more than the allowable 10% of the grant award to support activities related to increasing and preserving affordable housing. |
| HOME - Affordable Housing Development | \$1,325,007 | Development through new construction or rehabilitation of affordable housing. |
| HOME- Homeownership Assistance | \$400,000 | Direct financial assistance for first-time homebuyers. |
| ESG- Program | \$138,924 | Emergency solutions for the homeless |
| ESG- Administration | \$22,528 | ESG funds used for administration will consist of no more than the allowable 7.5% of the grant award to support activities for the homeless. |
| <i>Subtotal New Resources</i> | \$3,762,866 | |

Next Steps and Timeline

| Events | Dates |
|--|---|
| Public Comment Period | February 11 – March 13, 2026 |
| Citizen Participation Meetings Massey Hill Recreation Center Smith Recreation Center Westover Recreation Center EE Miller Recreation Center | Date February 11 at 6 PM February 19 at 6 PM February 25 at 6:30 PM March 5 at 7 PM |
| FRC Meeting | April 1, 2026 |
| 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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AMERICA'S CAN DO CITY

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