

AGENDA ITEM SUMMARY

City Council



STAFF

Beth Rosen, Manager, Housing and Community Vitality
Carissa Clinton, Manager, Grants Administration

SUBJECT

Items Relating to the Appropriation of Federal Funds in the Community Development Block Grant and HOME Investment Partnership Program Funds.

EXECUTIVE SUMMARY

A. First Reading of Ordinance No. 112, 2026, Making Supplemental Appropriations of Department of Housing and Urban Development Grant Funds in the Community Development Block Grant Fund.

B. First Reading of Ordinance No. 113, 2026, Making Supplemental Appropriations of Department of Housing and Urban Development Grant Funds in the HOME Investment Partnerships Grant Fund.

The purpose of this item is to appropriate the City's FY2026 Community Development Block Grant ("CDBG") Entitlement Grant and FY2026 Home Investment Partnerships Program ("HOME") Participating Jurisdiction Grant from the Department of Housing and Urban Development ("HUD"), CDBG program income from FY2024 & FY2025 and HOME Program Income from FY2024 & FY2025.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinances on First Reading.

BACKGROUND / DISCUSSION

The CDBG Entitlement Program provides annual grants on a formula basis to eligible cities and counties to improve the living conditions for low and moderate-income persons. Recipient communities develop their own programs and funding priorities. In the 2025-2029 Consolidated Plan which was accepted by HUD in September 2025, the City prioritized the use of these funds to further its affordable housing goals and provide public services for persons experiencing homelessness.

HOME provides annual grants on a formula basis to participating jurisdictions to implement local housing strategies designed to increase homeownership and housing opportunity for low and very low-income residents. These funds are used annually to further the eligible affordable housing goals outlined in the Housing Strategic Plan.

On April 6, 2026, the City received notice of its Fiscal Year 2026 CDBG and HOME allocations from HUD. This appropriation includes \$1,131,416 for CDBG and \$631,053.38 for HOME. Additionally, the City receives annual repayments into the CDBG & HOME programs, referred to as Program Income ("PI"), through the payoffs of Home Buyer Assistance loans and loan payments on affordable housing projects. These payments go back to their respective programs for re-allocation to eligible projects. From April 1,

2025, through May 31, 2026, the CDBG program received \$94,369 in PI and the HOME Program received \$177,941 in PI.

Ordinance No. 112, 2026, appropriates a total of \$1,225,785 into the CDBG Program, which includes the Entitlement Award of \$1,131,416 and \$94,369 from PI.

Ordinance No. 113, 2026, appropriates a total of \$808,994.38 into the HOME Program, which includes the Entitlement Award of \$631,053.38 and \$177,941 from PI.

These funds are allocated through an annual Competitive Process, with funding recommendations being made to Council by the Human Services and Housing Funding Board. These recommendations were approved by Council at its regular meeting on June 16, 2026.

CITY FINANCIAL IMPACTS

This item will appropriate \$2,034,779.38 in federal funding to the City of Fort Collins which will be allocated to housing and community development related programs and projects, and the administration of the funds, thereby reducing the demand on the City's General Fund budget to address such needs.

This item appropriates a total of \$1,225,785 to CDBG Fund 280.

This item appropriates a total of \$808,994.38 to HOME Fund 281.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS / LINKS

1. FY2026 CDBG & HOME Formula Letter from HUD
2. Ordinance No, 112, 2026
3. Ordinance No. 113, 2026