

AGENDA ITEM SUMMARY

City Council



STAFF

Adam Molzer, Human Services Program Manager

SUBJECT

Public Hearing and Resolution 2026-078 Approving the Programs and Projects that Will Receive Funds from the Federal Community Development Block Grant Program, the HOME Investment Partnerships Program, and the City's Affordable Housing Fund.

EXECUTIVE SUMMARY

The purpose of this item is to approve funding recommendations of the 2026 Spring Cycle of the Competitive Process. This Resolution will complete the 2026 Spring Cycle of the Competitive Process for allocation of \$4,348,350 in City financial resources to affordable housing and public facility projects, homelessness public service programs and administration of the programs.

STAFF RECOMMENDATION

Staff recommends adoption of the Resolution.

BACKGROUND / DISCUSSION

On or before August 15, 2026, the City will submit its Annual Action Plan (AAP) to the U.S. Department of Housing and Urban Development (HUD). The AAP outlines all projects and programs the City has recommended for funding under HUD 2026 Program Year (PY26) and is a required component for receiving the City's annual Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) allocations on October 1, 2026.

This Resolution establishes which programs and projects are recommended to receive funding with CDBG, HOME, and Affordable Housing Program (AHP) monies for the PY26. CDBG and HOME are federal dollars allocated through HUD. AHP funds are allocated from the General Fund (GF) and the General Fund 0.25% Other Community Priorities (OCP). In 2026, the total dollar amount available to be allocated to fulfill the project requests, as well as the planning and administration needs, is \$4,348,350. The following table shows available PY26 dollars in each funding category:

PY2026 FUNDING CATEGORIES

Funding Source	Amount
PY2026 Housing	\$ 3,827,373
PY2026 CDBG Public Service	\$ 173,955
PY2026 Planning and Administration	\$ 330,513
PY2025 Planning and Administration	\$ 16,509
Total	\$ 4,348,350

Federal funds available for allocation total \$3,231,467. These funds are sourced from eight categories designated by HUD, including: FY2026 Entitlement Grants (CDBG and HOME - new funding), PY25 and PY24 Unanticipated Program Revenue (CDBG and HOME - new funding), and Prior Year Funds (CDBG and HOME - re-appropriated).

Unanticipated Revenue Funds include repayments from loans issued for rehabilitation, homebuyer assistance, acquisition and development. Funding allocated to planning and administration must be expended during the program year in which it is received. Fifteen percent (15%) of CDBG funds received in the current program year (PY25) can be allocated towards public services in the next program year. The remaining CDBG and HOME Unanticipated Revenue is available for allocation to housing activities.

Prior Year Funds (CDBG and HOME PY25) represent previously appropriated funds that were unexpended and available for re-allocation in the housing category only.

Total PY26 federal contribution to the Housing category is \$2,751,615.

The maximum limit allowed by HUD regulations in the Public Service category for the CDBG Entitlement grant and current year CDBG Program Income is 15%.

Total PY26 federal contribution to the Public Service category is \$173,955: \$172,868 from the FY2026 CDBG Entitlement grant and \$1,087 from CDBG FY2025 Unanticipated Program Income.

HUD regulations allow a maximum of 20% of the CDBG funds (\$227,745) to be used for CDBG planning and program administration costs.

HUD regulations allow a maximum of 10% of HOME funds (\$78,152) to be used for HOME planning and program administration.

Total federal contribution to the Planning and Program Administration category is \$305,897 (\$289,288 PY26 & \$16,509 PY25)

The following table provides a summary of 2026 federal funding sources for Housing, Public Service and Planning/Program Administration:

FEDERAL FUNDS

Funding Source	Total Funds	Housing	Public Service	Planning/Admin
PY26 CDBG Entitlement Grant	\$ 1,131,416	\$ 732,265	\$ 172,868	\$ 226,283
PY25 Unanticipated Revenue CDBG	\$ 7,310	\$ 4,761	\$ 1,087	\$ 1,462
PY24 Unanticipated Revenue CDBG	\$ 87,059	\$ 87,059		
Prior Year CDBG Funds (previously appropriated and available)	\$ 581,319	\$ 581,319		
PY26 HOME Entitlement Grant	\$ 631,054	\$ 567,949		\$ 63,105
PY25 Unanticipated Revenue HOME	\$ 150,471	\$ 135,424		\$15,047
PY24 Unanticipated Revenue HOME	\$ 27,470	\$ 27,470		
Prior Year HOME Funds (previously appropriated and available)	\$ 615,368	\$ 615,368		
TOTAL Federal Funds	\$ 3,231,467	\$ 2,751,615	\$ 173,955	\$ 305,897

The City’s anticipated contribution to the Housing category is \$1,075,758.

A portion of City funds assigned to the Affordable Housing Program is used for planning and program administration costs (\$41,125).

The following table provides a summary of 2026 City Funding for Housing, including differentiation between General Fund (GF) and the General Fund 0.25% Other Community Priorities (OCP) sources for each:

CITY FUNDS

Funding Source	Total Funds	Housing	Public Service	Planning / Admin
Affordable Housing Fund (GF)	\$ 374,163	\$ 333,038		\$ 41,125
General Fund OCP	\$ 203,204	\$ 203,204		
Prior Year AHP Funds (previously appropriated and available) & Unanticipated Revenue AHP	\$ 539,516	\$ 539,516		
TOTAL City Funds	\$ 1,116,883	\$ 1,075,758	\$ 0	\$ 41,125

COMBINED FUNDING TOTALS

	Total Funds	Housing	Public Service	Planning / Admin
	\$ 4,348,350	\$ 3,827,373	\$ 173,955	\$ 347,022

The City received seven applications in the housing category, totaling \$6,945,000 in requests. The available funding in the Housing category equals \$3,827,373, and therefore the amount requested from Housing applicants is \$3,117,627 greater than the funding available. The CDBG Public Service funds offer the 3 grant recipients multi-year funding support and PY26 was a renewal cycle, which delivers \$173,955 to those programs. The following table summarizes the amount of funding requests compared to the amount of funding available for each of the categories

2026 FUNDING REQUESTS BY CATEGORY

Category	Number of Applications	Available Funding	Requested Funding	Available Request Difference
Administration - CDBG	*	\$ 227,745	\$ 227,745	\$ 0
Administration - HOME	*	\$ 78,152	\$ 78,152	\$ 0
Administration - AHP	*	\$ 41,125	\$ 41,125	\$ 0
Housing	7	\$ 3,827,373	\$ 6,945,000	\$ 3,117,627
CDBG Public Service	3	\$ 173,955	\$ 173,955	\$ 0
Totals	10	\$ 4,348,350	\$ 7,465,977	\$ 3,117,627

CITY FINANCIAL IMPACTS

The CDBG and HOME programs provide federal funds from HUD to the City of Fort Collins which can be allocated to housing and community development related programs and projects and administration of the funds, thereby reducing the demand on the City’s General Fund budget to address such needs. In 2026, the total amount of federal funds available for allocation is \$3,231,467 and the City’s expected contribution is \$1,116,883. These dollars allow applicants to leverage other funding sources to provide the services needed in our community.

Through the provision of affordable housing, more of Fort Collins’ workforce can reside within the community. This means there is an available labor pool within the city, which is a benefit to economic stability.

CDBG Public Service programs contribute to economic sustainability and homelessness response by providing sheltering and supportive services to unhoused residents, so the most vulnerable members of our community can stabilize their lives and work toward employment and housing.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

The Human Services and Housing Funding Board (HSHFB) is a Type 2 advisory board responsible for delivering funding recommendations to Council for these dollars, per City Code. HSHFB recommends adoption of their affordable housing and CDBG Public Service funding recommendations made on April 29, 2026. The Board read all project applications, viewed presentations by each housing applicant, and asked clarifying questions. Additionally, HSHFB held two joint meetings with the Affordable Housing Board (AHB) to exchange insights and considerations for the proposed funding requests and reviewed the priority

rankings presented by AHB. Both boards also reviewed the goals of the Affordable Housing Strategic Plan and the priorities of the HUD required Five-Year Consolidated Plan.

Each HSHFB member completed a prioritized ranking worksheet to reflect their individual evaluations of the housing proposals prior to the April 29 meeting. The board members documented their favor or disfavor of funding each proposal, comments and rationale for their favor or disfavor, preferred ranked order of the proposals, and comments and rationale for each proposal’s ranked position.

At the April 29 deliberation meeting, HSHFB members voted on their favor or disfavor of funding each proposal, then voiced their individual ranked order of the remaining proposals with points assigned to each proposal’s ranked position. This created a baseline ranked order preference of the HSHFB for discussion and revision. Following a thorough and thoughtful discussion, the HSHFB members voted on the final ranked order slate presented below.

In the CDBG Public Service category, HSHFB considered the performance of current grantees, the goals of the HUD required Five-Year Consolidated Plan, and the program’s potential to address the Plan goals. The Board was presented with the percentage of CDBG Public Service funding assigned in FY2025 to each program and the equivalent dollar amount calculations. The Board voted to adopt the recommended funding formula without any changes to the funding distribution.

For the 2026 funding process, several improvements were operationalized to maximize efficiencies, incorporate best practices, and encourage diverse opinions to be shared. The process improvements included: housing expert presentations to HSHFB members (October-March), longer application window, additional details in the application guide, clearer meeting dates/times communicated to applicants, in-person Q&A with applicants, additional joint meeting for HSHFB and AHB, direct presentation of AHB rankings to HSHFB, score-based ranking process to create baseline rankings, and added requirements for explaining favor or disfavor and individual rankings. Lastly, the funding process in 2026 only focused on housing and CDBG Public Service. In 2025, the funding processes for Human Services and Homelessness Response moved to 2-year funding terms and will resume in 2027 for HSHFB.

HSHFB members are subject to rules of ethical conduct established by the City Charter and Code, including refraining from voting or attempting to influence any decision in which they have a financial or personal conflict of interest. Board members have been presented with information detailing the City Charter and Code provisions regarding conflict of interest and the disclosure process.

The following tables present the project-specific allocations recommended by the Board to Council within the Housing and CDBG Public Service categories, as well as the accompanying planning and administrative costs:

PLANNING AND ADMINISTRATIVE CATEGORY

Application Project/Program	Funding Request	Recommended Funding 2026	Unfunded Balance	Percent of Request Funded
City of Fort Collins: CDBG Planning/Administration	\$ 227,745	\$ 227,745	\$ 0	100%
City of Fort Collins: HOME Planning/Administration	\$ 78,152	\$ 78,152	\$ 0	100%
City of Fort Collins: Affordable Housing Fund	\$ 41,125	\$ 41,125	\$ 0	100%
Planning/Administration Total	\$ 347,022	\$ 347,022	\$ 0	100%

HOUSING CATEGORY

In the Housing category, HSHFB determined all seven housing proposals were projects that would benefit from receiving either full or partial funding. Those recommendations and the board's ranked order prioritization are listed in the table below:

Applicant Project/Program	Funding Request	HSHFB's Prioritized Ranking	Recommended Funding PY26	Unfunded Balance	Percent of Request Funded
CARE Communities: Greenbriar-Fairbrooke Heights Rehab	\$ 1,500,000	# 3	\$ 1,500,000	\$ 0	100%
Family Housing Network: 811 E. Myrtle Shelter Acquisition	\$ 500,000	# 1	\$ 500,000	\$ 0	100%
Fort Collins Habitat for Humanity: Bloom Cottages	\$ 900,000	# 6	\$ 0	\$ 900,000	0%
Housing Catalyst: North Howes Development	\$ 1,500,000	# 7	\$ 0	\$ 1,500,000	0%
Housing Catalyst: Redtail Ponds Debt Relief	\$ 1,000,000	# 5	\$ 282,373	\$ 717,627	28%
Housing Catalyst: Villages Preservation	\$ 1,500,000	# 2	\$ 1,500,000	\$ 0	100%
Volunteers of America: Handyperson Program	\$ 45,000	# 4	\$ 45,000	\$ 0	100%
Housing Total	\$ 6,945,000		\$ 3,827,373	\$ 3,117,627	

There are no unallocated funds remaining after all applications received full or partial funding recommendations.

CDBG PUBLIC SERVICE CATEGORY

In the CDBG Public Service category, three eligible programs are recommended to receive a proportional share of the CDBG Public Service funds. These programs were selected by HSHFB in 2025 and are considered for renewal annually until the City's current HUD required Consolidated Plan expires in September 2030. The PY26 recommendations were recognized as a renewal cycle. All recommendations are listed in the table below:

Applicant Project/Program	Funding Request	HSHFB's Recommended Funding 2026	Unfunded Balance	Percent of CDBG Public Service Funds
Catholic Charities: Samaritan House 24/7 Emergency Shelter Operations	\$ 71,322	\$ 71,322	\$ 0	41%
Crossroads Safehouse: Domestic Violence Emergency Shelter	\$ 71,322	\$ 71,322	\$ 0	41%
Family Housing Network: Shelter Programs	\$ 31,311	\$ 31,311	\$ 0	18%
Public Service Total	\$ 173,955	\$ 173,955	\$ 0	

FUNDING RECOMMENDATIONS BY CATEGORY

A summary of the funding recommendations by category are presented in the following table:

Category	Recommended Funding	% of Total
Planning and Administration	\$ 347,022	8%
Housing	\$ 3,827,373	88%
CDBG Public Service	\$ 173,955	4%
Total	\$4,348,351	100%

The justifications for HSHFB's recommendations can be found in the approved minutes of the April 29, 2026, meeting.

PUBLIC OUTREACH

A joint meeting that combined the HSHFB and the AHB was held on March 26, 2026, to discuss the merits of the housing proposals, without any funding discussion. Housing applicants also had the opportunity to create video presentations that were viewed by members of both boards in advance. Staff provided housing applicants the opportunity to meet in-person and respond to questions directly from board members at their joint meeting. HSHFB met on April 8, 2026, to discuss the merits of the housing proposals and CDBG Public Service proposals and identify follow-up questions for the applicants, without any funding discussion.

AHB met on April 9, 2026, and created their own project ranking list to advise the HSHFB, which AHB does pursuant to its authority under Section 2-102(b)(2) of the City Code. The AHB project ranking list is nonbinding and nondeterminative, as AHB is a Type 1 advisory board.

A joint meeting that combined the HSHFB and the AHB was again held on April 22, 2026, where AHB presented their advisory ranking list and their pros and cons of the proposals to HSHFB. The two boards further engaged in thoughtful dialogue about the merits and concerns of the proposals at that meeting. HSHFB held a meeting on April 29, 2026, to deliberate the housing proposals and CDBG public service proposals and make funding recommendations.

HSHFB and AHB both supported funding for all 7 proposals, and all projects would have been recommended for funding had there been enough dollars to cascade down the ranked order. Project rankings were based, in part, on the following criteria: Readiness to Proceed (whether the project could reasonably obtain all funding needed to commence during the HUD Program Year); Total Number of Units; Per Unit Subsidy (City request as a portion of the entire project); and Demographics (population served by project).

The guiding City plans for the boards have the following goals: increase housing supply and affordability, preserve existing affordable housing and increase housing stability. While the plans don't prioritize one goal over the other, they do have an emphasis on prioritizing direct funding to the lowest-income residents.

The final project rankings from each board are largely aligned. The noteworthy variation was that HSHFB opted to prioritize CARE Communities' rehabilitation of 76 rental units higher in their ranked order, and AHB opted to prioritize Habitat for Humanity's proposal for 8 new homeowner units higher in their ranked order. HSHFB also opted to give higher ranking to Volunteers of America's Handyperson program, recognizing the modest dollar amount requested and the impact to the elderly and disabled clients served by the program.

City staff is working closely with the unfunded projects that may be eligible for Community Capital Improvement Program (CCIP) funding that becomes available later in 2026. Staff will continue to coordinate on both the annual Competitive Process and the application process developed for CCIP to ensure applicants have maximum opportunity to apply for funding needed to advance their projects.

All meetings were open to the public and added to the City calendar.

The City's Citizen Participation Plan for HUD funds requires a Public Hearing to solicit viewpoints on community needs and the proposed use of funds and is required prior to the funding recommendations being made by the Board. Announcements were published in the Coloradoan newspaper, posted on the website and Events Calendar, and emailed to community organizations. The Public Hearing occurred on March 25, 2026.

The City's Citizen Participation Plan for HUD funds also requires a 30-day public comment period on the proposed allocation of CDBG and HOME funds prior to Council's final decision. Staff placed an ad in the Coloradoan newspaper on May 12, 2026, presenting the list of recommended funding for programs/projects and indicated the public comment period would start on May 15, 2026, and end on June 16, 2026. The Council meeting on June 16, 2026, will serve as a Public Hearing and comments will be recorded and reported to HUD in August. The public notice of funding recommendations was placed on the City's website. It was also distributed to applicants and entities serving a majority of clients in legally protected classes—including those in a racial/ethnic minority, those with a disability, or female heads of households—or serving those community members who might otherwise have barriers to public participation in the City's civic engagement processes. To date, the public comments received have largely been statements of gratitude from the applying agencies.

ATTACHMENTS / LINKS

1. Summary of Organizations Requesting Funding and Recommendations
2. Affordable Housing Board Priority Rankings
3. Remarks from HSHFB Members
4. Competitive Funding Process Rules of Procedure – Affordable Housing
5. Competitive Funding Process Rules of Procedure – CDBG Public Service
6. Human Services and Housing Funding Board Meeting Minutes, April 29, 2026
7. Resolution 2026-078