

**A. Issue**

Review and approval of 2026 Community Development Block Grant (CDBG) funding requests.

**B. Background/Options**

The CDBG Committee met in February, 2026 to review applications and set funding levels for the City's 2026 CDBG program year based on an estimated \$1,000,000 grant award. The City recently received the official funding notice from the Department of Housing and Urban Development (HUD) that the City's 2026 CDBG grant award is \$970,535, a \$29,465 decrease from the estimated amount.

CDBG funds are broken into three project categories: (1) Administration/Planning, (2) Public Services, and (3) Public Facilities - Economic Development, and Rehabilitation. Per HUD's regulations, Administration/Planning funds are limited to 20% of the total grant award and Public Services funds are limited to 15% of the total grant award. There is no funding cap for the Public Facilities, Economic Development, and Rehabilitation category.

In Administration and Public Services categories, the CDBG Committee recommended amounts were reduced approximately 3% to match the grant award. In the Public Facilities, (2) of the CDBG committee recommended project amounts were reduced to match the 2026 grant award.

Attached is a breakdown of the 2026 funding requests along with a brief project summary, and the recommendation for 2026 grant funding. These projects and their funded amounts will be included in the 2026 CDBG Annual Plan submitted to HUD.

**C. Fiscal Impact**

There is no direct impact on the City budget as a result of CDBG funding.

**D. Recommendation**

Approval of 2026 CDBG funding levels with a Level III fund transfer and final approval by the Common Council.