



# City of Denton

City Hall  
215 E. McKinney Street  
Denton, Texas  
[www.cityofdenton.com](http://www.cityofdenton.com)

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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Community Services

**CM/DCM/ACM:** Christine Taylor, ACM

**DATE:** July 21, 2026

### **SUBJECT**

Consider adoption of an ordinance of the City of Denton authorizing the City Manager to sign and submit to the Department of Housing and Urban Development a 2026 Action Plan for Housing and Community Development with appropriate certifications, as authorized and required by the Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, as amended; authorizing the City Manager, or designee, to execute agreements necessary in furtherance thereof; authorizing the City Manager, or designee, to sign releases of liens and subordination agreements upon certain conditions; and providing for an effective date.

### **STRATEGIC ALIGNMENT**

This action supports Key Focus Area: Foster Economic Opportunity and Affordability.

### **BACKGROUND**

#### **Community Development Funding Overview**

As a recipient of Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) program funds, the City of Denton is required to submit a five-year Consolidated Plan for Housing and Community Development (Con Plan) and a corresponding Action Plan annually to the U.S. Department of Housing and Urban Development (HUD). These federal funds are received annually to support the Con Plan and the activities outlined in the City's annual Action Plan. In 2023, the city submitted a five-year Con Plan for program years 2023 through 2027.

The annual Action Plan is developed based on the strategies outlined in the Con Plan and describes how funds are allocated each Program Year. The annual Action Plan is reviewed and approved by City Council for submission to HUD.

The Community Services Advisory Committee (CSAC) advises Council on programs, services, and the use of public resources to address complex societal problems (such as economic instability, housing, and homelessness) and meeting community service needs. The CSAC reviews applications for the Community Development Block Grant Program annually and makes funding recommendations to the City Council, including the distribution of local (General Fund) and federal (CDBG and HOME) funding sources.

At the June 16 public hearing, public comment was solicited on CSAC funding recommendations for the 2026 Action Plan. No comments were received during the public hearing.

## Citizen Participation

To gather public input for the 2026 Action Plan, staff held a public hearing on October 28, 2025, and distributed an online survey requesting citizen input on the use of CDBG and HOME funds. A summary of online survey results is included in Exhibit 2 of the 2026 Action Plan. A final Public Hearing was held on June 16 during a regular session of the City Council to gather feedback on the 2026 Action Plan. Community engagement activities, including public hearings and survey distribution, are outlined below.

1. Information was sent via email listserv to interest citizens, previous clients, committee members, local churches, lenders and realtors who participate in the City's housing programs, neighborhood associations, and social services agencies.
2. Newspaper advertisements were posted in the Denton Record Chronicle.
3. Information was sent to City Council members through the Friday report.
4. Information was posted on social media.

## Available Funding

The City of Denton's 2026 Action Plan reflects local (General Fund) and federal (CDBG and HOME) funding allocations for the Community Development Grant Program. The City's General Fund allocation is included in the 2026 Action Plan to reflect the City's investment to be leveraged with federal funds; however, these recommendations will be considered for approval by the City Council during the normal budgeting cycle for FY 2026-27. The total grant funding proposed for the FY 2026-27 program year is \$1,872,958.33, as outlined in Figure 1.

**Figure 1: Funding Summary by Funding Source**

| <b>FUNDING SOURCE</b>                                           | <b>FUNDING AMOUNT</b> | <b>SET-ASIDES</b>   | <b>26/27 CSAC ALLOCATION</b> |
|-----------------------------------------------------------------|-----------------------|---------------------|------------------------------|
| Community Development Block Grant – Final                       | 1,140,961.00          |                     | 1,020,012.28                 |
| Community Development Block Grant - Program Income <sup>1</sup> | 4,000.00              |                     |                              |
| Community Development Reallocated Funds <sup>3</sup>            | 103,243.28            |                     |                              |
| Community Development Block Grant – Administration <sup>2</sup> |                       | 228,192.00          |                              |
| <b>CDBG TOTAL</b>                                               | <b>1,248,204.28</b>   | <b>228,192.00</b>   | <b>1,020,012.28</b>          |
| HOME Investment Partnership Grant - Final                       | 486,606.05            |                     | 437,946.05                   |
| HOME Investment Partnership Grant – Administration <sup>2</sup> |                       | 48,660.00           |                              |
| <b>HOME TOTAL</b>                                               | <b>486,606.05</b>     | <b>48,660.00</b>    | <b>437,946.05</b>            |
| General Funds                                                   | 1,345,526.00          |                     | 415,000.00                   |
| General Funds – Homeless Initiatives                            |                       | 930,526.00          |                              |
| <b>GENERAL FUNDS TOTAL</b>                                      | <b>1,345,526.00</b>   | <b>930,526.00</b>   | <b>415,000.00</b>            |
| <b>TOTAL</b>                                                    | <b>3,080,336.33</b>   | <b>1,207,378.00</b> | <b>1,872,958.33</b>          |

<sup>1</sup>CDBG Estimated Program Income will be adjusted based on actual program income at the end of the program year.

<sup>2</sup>HUD allows a maximum percentage of the grant for administration (CDBG 20%/HOME 10%). Set-aside is based on costs for 2 FTE.

<sup>3</sup>The reallocated funds are residual balances from completed projects/programs.

## Committee Recommendations

The CSAC met Friday, May 8, 2026, to consider the 2026-2027 Community Development Grant Program recommendations. The committee reviewed the cumulative results of committee members' scoring and funding recommendations to make final funding recommendations as a group. A summary of the funding recommendations and project descriptions is included in Exhibit 3. Below is a summary of the total funds recommended by application type (Figure 2).

*Figure 2: 26-27 Funding Recommendations by Project Type*

| Application Type  | Total Funding Recommended |
|-------------------|---------------------------|
| Human Services    | \$586,144.00              |
| Housing Projects  | \$703,822.28              |
| Public Facilities | \$395,046.00              |
| Total             | \$1,685,012.28            |

The committee recommended leaving \$187,946.05 of HOME funds unallocated for now, with plans to assess how best to use them to support housing affordability after Council considers the affordable housing bond program. Staff will review options for allocating the remaining funds in the next year with the committee.

The CSAC funding recommendations are based on the final funding available from the Community Development Block Grant (CDBG), the HOME Investment Partnership Program (HOME), CDBG reallocated funds, and local program income, totaling \$1,872,958.33. Funding recommendations will be adjusted proportionally based on the City's approved 2026-27 General Fund budget, anticipated in September.

## Service Agreement

The Service Agreement template will be used to develop agreements between the City and the agency regarding the CSAC recommendation for funding human services and public facility improvements, including responsibilities, eligible activities, performance measures, and the duration of the agreement. (Exhibit 4). This ordinance provides the City Manager or designee with the authority to execute Service Agreements based on the funding recommendations, which will be considered for approval on July 21, 2026, for CDBG and HOME, and on September 22, for the General Fund, as included in Exhibit 3 and the 2026 Action Plan. The Service Agreements have been approved by the City Attorney's Office and are included in Exhibit 4.

## ESTIMATED SCHEDULE OF PROJECT

*Figure 3: 2026 Action Plan Timeline*

| Proposed Activity                                                                   | Date           |
|-------------------------------------------------------------------------------------|----------------|
| City Council considers approval of 2026 Action Plan and service agreement templates | July 21, 2026  |
| Submission of 2026 Action Plan to HUD                                               | Aug. 15, 2026  |
| Execution of Service Agreement                                                      | Sept. 30, 2026 |
| Start of 2026-2027 Community Development Grant Program Contracts                    | Oct. 1, 2026   |

## FISCAL INFORMATION

All projects and programs approved under the 2026-27 Action Plan are funded with CDBG, HOME, and program income from the use of these funds. General Fund programs will be considered during the normal budgeting cycle by City Council for FY2026-27.

**EXHIBITS**

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Ordinance and 2026 Action Plan

Exhibit 3 – CSAC Funding Recommendations and Project Description

Exhibit 4 – Community Development Grant Agreement Templates

Respectfully submitted:  
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