



AGENDA INFORMATION SHEET

DEPARTMENT: Community Services

CM/ DCM/ ACM: Christine Taylor, ACM

DATE: May 8, 2026

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding funding recommendations for the 2026-27 Community Development Grant Program.

STRATEGIC ALIGNMENT

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

BACKGROUND

The Community Development Grant funds are awarded through the Community Services Advisory Committee (CSAC) review process that includes an application from the applicant to the committee followed by recommendations to City Council from the committee. A total of twenty-eight (28) eligible grant applications from non-profit organizations and city departments were received by the application deadline on January 16, 2026, totaling \$3,001,166 for the 2026-27 program year. A breakdown of applications received by application type is included below.

- Human Services – 20 applications totaling \$1,145,936
- Housing Projects – 5 applications totaling \$1,205,000
- Public Facility Projects – 3 applications totaling \$650,230

Applicants should meet the minimum amount requirements. The requested amount should fall within the specified range for each grant type:

- a. Human Services: Minimum \$15,000 Maximum \$100,000
- b. Housing Projects: Minimum \$50,000 Maximum \$400,000
- c. Public Facilities: Minimum \$25,000 Maximum \$400,000

Based on the Community Development Grant applications and funding priorities, the CSAC will give staff direction regarding the development of funding recommendations for the use of Community Development Block Grant (CDBG) funds, HOME Investment Partnerships Program (HOME) funds and General Fund (GF) dollars.

CDBG funds can be awarded to fund a wide range of community development activities such as acquisition of real property, relocation and demolition, rehabilitation of residential and non-residential structures, construction of public facilities, and economic development activities. Each activity must meet a national objective for the program: benefiting low- and moderate-income persons, prevention or elimination of slums or blight or addressing community development urgent needs for which other funding is not available.

The CDBG funding for public (social) services is capped by federal guidelines at 15% of the total CDBG allocation. This is estimated to be \$171,144 of the total allocation in Program Year 2026-27. GF dollars are used to support human services activities that are not funded through CDBG. This is estimated to be \$415,000 in GF to be awarded to social service programs providing needed services to City of Denton residents.

HOME funds can be awarded to fund a wide range of housing activities, including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. The HOME grant requires that at least fifteen (15) percent of the HOME funds must be undertaken by a special type of non-profit called a Community Housing Development Organization (CHDO). The application from Denton Affordable Housing Corporation is for CHDO funding, and the minimum amount that can be recommended to an approved CHDO is \$72,990.91 for the 2026-27 PY.

The final funding for the 2026-27 grant year also includes reallocated funds. Staff evaluates current programs and balances annually to determine if funds need to be reallocated as part of the annual Action Plan. For the 2026-27 grant year, the following funding is available to be reallocated, and it is part of the funds for the committee to allocate during the 2026-27 grant year.

Grant Year	Program Activities	Funding Source	CDBG Reallocated Amount	Amendment Type	Reason for reallocation
2021	Homebuyer Assistance Program	CDBG	\$25,057.82	Minor	Residual funds from program closeout
2024	Carl Young Park Trail Project	CDBG	\$78,185.46	Minor	Residual funds from project closeout
TOTALS			\$103,243.28		

The total CDBG, HOME and General dollars available for applications is \$1,672,958.33 for the 2026-27 funding year.

Source	Amount*
Community Development Block Grant (CDBG) Funds	\$820,012.28
HOME Investment Partnerships Program (HOME)	\$437,946.05
General Funds	\$415,000.00
TOTAL	\$1,672,958.33

**CDBG and HOME funding amounts were received earlier than expected for FY26 from the U.S Department of Housing and Urban Development (HUD). General Fund allocations are subject to final consideration and approval of City Council.*

Upon approval from City Council, CDBG, HOME and General Fund funding recommendations will be included in the City’s annual *Action Plan for Housing and Community Development* submitted to the U.S. Department of Housing and Urban Development (HUD) in August 2026.

The committee will proceed with funding recommendations according to their regular schedule. Final funding allocations were received from the U.S. Department of Housing and Urban Development (HUD) as shown above. Funding recommendations for all funding sources is contingent upon City Council approval. Funding updates will be provided to applicants and committee members as they are available.

ESTIMATED SCHEDULE OF PROJECT

2026-27 Community Development Grant Program Application Timeline

Proposed Activity	Date
Applications Due	January 16, 2026
CSAC Funding Recommendations	April 24, 2026
Development of Action Plan	May 2026
30-day Comment Period on Action Plan	June 2026
City Council and Public Hearing	June 16, 2026
City Council considers approval of Action Plan	July 21, 2026
Submission of Action Plan to HUD	August 15, 2026
Start of 2026-27 Grant Contracts	October 1, 2026

OPTIONS

The final HUD 2026-27 grant allocations were received in April 2026. If the proposed General Fund budget amounts are revised, the following options are available:

1. Staff will make proportional adjustments to committee recommendations for any difference in funding amounts and final budget allocations.
2. Staff will bring any differences in funding amounts and final budget allocations back to the committee for review and updates to the original recommendations.
3. Other committee direction.

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – 2026-27 CD Grant Application Average Funding Recommendations

Respectfully submitted:
Jesse Kent
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