



# CITY OF APPLETON

## MEMORANDUM

**Date:** October 22, 2025  
**To:** Community Development Committee  
**From:** Olivia Galyon, Community Development Specialist  
**Subject:** CDBG 2026PY Core and City Department Preliminary Allocations

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The City of Appleton receives funding yearly, as an entitlement community, from the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant (CDBG) program. Our allocation process has three phases: (1) Core projects, which occur on an ongoing basis and are critical to our CDBG program; (2) City Department applications, which are typically for one-time, standalone projects; and (3) External applications, which provides an opportunity for local non-profit organizations to pursue CDBG funds. Core and City Department projects are reviewed by staff and recommendations are made directly to Community Development Committee for award recommendations to Common Council, while External applications are reviewed by the CDBG Advisory Board and their recommendations are passed along to Community Development Committee for review and recommendation to Common Council.

In June 2025, staff in the Community Development Department began the budgeting process for the 2026 CDBG program year and estimated the 2026 award will be \$ 576,096. This is an estimate only and is based on our recent allocation amounts. The actual CDBG award is subject to the federal government's budget and changes by HUD, so the budget for the CDBG program may change once official allocations are received in 2026. Once the allocation amount was estimated, staff began the allocation process for core City programs and prepared the City Department applications. CDBG applications were made available to City Departments from September 18th to October 17th, and two applications were received, from Inspections Division and Parks and Recreation Department.

According to City CDBG Policy, the Community Development Committee makes a recommendation to Common Council for all Core and City Department CDBG programs. The proposed preliminary Core and City Department allocations for the 2026 program year are as follows:

### **Core Projects:**

- Housing Rehabilitation Loan Program: \$65,000
- Community Resource Navigator: \$86,250
- CDBG Administration: \$ 87,467
- Fair Housing: \$25,000
- Appleton Housing Authority: \$40,000

**City Department Projects:**

- Parks and Recreation: \$ 150,000
- Inspections Division: \$27,000

The Core project allocations total \$303,717, and the City Department project allocations total \$177,000. A summary of the proposed projects is included as Attachment A. The remaining amount of \$95,379 would be made available to external non-profit organizations in the community. These allocations are preliminary and may need to be adjusted depending on the final allocation amount provided by HUD for the 2026 program year.

There are a few restrictions on CDBG funds that the City's allocations must follow. First, up to 15% of funds can be used for public services. The Community Resource Navigator position is a public services project and is expected to use the full sum of available public service dollars. Second, up to 20% of funds can be used for administration, which includes Fair Housing. Fair Housing services is a required funding category and must be funded each year. The recommended administration and fair housing allocation of \$112,467 amounts to 19.52% of funds, and is under the funding cap.

The remaining balance of CDBG funds, \$95,379, will be made available to external non-profit organizations through a competitive application process. The CDBG Advisory Board members will individually review the submitted applications and will come together during early 2026 to make preliminary external funding recommendations. These preliminary recommendations will be brought to Community Development Committee and Common Council for approval. Once the official allocation is received from HUD, final allocation amounts, with recommended adjustments as needed, for all project types will be brought to Community Development Committee and Common Council for final approval.