



# CITY OF APPLETON

## MEMORANDUM

**Date:** February 17, 2026  
**To:** CDBG Advisory Board  
**From:** Olivia Galyon, Community Development Specialist  
**Subject:** External Proposals for 2026 Community Development Block Grant (CDBG) Funding

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Per City of Appleton Community Development Block Grant (CDBG) Policy, the CDBG Advisory Board creates funding recommendations for external CDBG applicants. The 2026 CDBG allocation process began in August 2025 with an initial phase of City allocations and a phase for City Departments to apply. The application process continued with a phase for external applicants, with six (6) external organizations requesting CDBG funding for 2026. One project was not eligible based on spending cap requirements, with five (5) remaining applications to be evaluated by the CDBG Advisory Board. An award estimate of \$576,096 was budgeted for 2026, based on a 5-year allocation average. The estimate of \$576,096 is subject to change upon adoption of the Federal budget. The Advisory Board is tasked with providing initial funding recommendations at this time, which may need to be updated once the official award information is received from the U.S. Department of Housing and Urban Development (HUD).

The Community Development Committee and Common Council are responsible for approving Core projects and City Department allocations. The CDBG Advisory Board makes recommendations to the Community Development Committee on external partner funding, which are passed on to Common Council for review. Prior to the convening of the Advisory Board, Community Development Committee approved allocations to five (5) Core programs and two (2) City Department projects, for a total amount allocated to City programs of \$480,717. The Advisory Board shall recommend the allocation of the remaining \$95,379 to external partners.

Allocations are subject to a public services cap by HUD, which requires that no more than 15% of a community's total allocation can go to public service activities. The public service cap for 2026 is estimated at \$86,250. The Community Resource Navigator, a joint staff position between the Appleton Health Department and Appleton Police Department, is a public service activity to serve and assist residents experiencing homelessness and other crises affecting their basic needs. This project is expected to take up the available public service allocation for 2026.

Prior to providing the Advisory Board with the external applications, Community Development staff reviewed the applications for eligibility and compliance with CDBG regulations. Additionally, Advisory Board members reviewed and scored each external application and provided a funding recommendation. These recommendations were then aggregated to determine the average amount of funding recommended for each application. This provides a basis for the Advisory Board's discussion of the applications but is not a binding recommendation. The Advisory Board will discuss

each application and should reach a consensus on the amount of funding to recommend for allocation to each project.

Based on input received from Advisory Board members and the internal review of applications, staff have identified the top projects recommended for further consideration by the Advisory Board, with a funding level recommendation for each application. Each of these projects meets CDBG requirements and is cohesive with City of Appleton goals from both the Comprehensive Plan and the CDBG Consolidated Plan. Staff's initial funding recommendations are as follows:

<b>Applicant</b>	<b>Requested Amount</b>	<b>Staff Recommendation Amount</b>
COTS	\$50,000	\$25,000
First 5 Fox Valley*	\$26,600	\$0
Habitat for Humanity	\$240,000	\$27,879
Pillars	\$35,000	\$17,500
Rebuilding Together Fox Valley	\$50,000	\$25,000

*\*While Advisory Board members were in the process of reviewing applications from external applicants, City staff discovered that the asbestos remediation project at First 5 Fox Valley's Family Resource Center had already been completed. CDBG regulations do not allow funds to be used retroactively for projects that were completed prior to the program year start-date or award of funds.*

Following the Advisory Board's recommendation of funding, the preliminary allocations will be taken to Community Development Committee and Common Council for approval. Once the final 2026 award is received from HUD, staff in Community Development will plan to adjust the allocation to the Community Resource Navigator position so that it is equal to the public services cap of 15% and adjust the allocations to external projects on a percentage basis to increase or decrease funds for each project proportionally to their recommended award. This approach will allow us to move forward with the final allocations on a quick timeline and avoid extra work for Advisory Board members, as awards will be updated on an even percentage basis. This approach to allocation adjustments will be confirmed during the Advisory Board meeting.

The Advisory Board should discuss these recommendations and can modify these figures as they see fit. If you have any questions, please contact me at 832-6469 or [olivia.galyon@appletonwi.gov](mailto:olivia.galyon@appletonwi.gov). Thank you!