



TOWN OF ARLINGTON

DEPARTMENT OF PLANNING and
COMMUNITY DEVELOPMENT

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Memorandum

To: Members of the CDBG Subcommittee
From: Mary Muszynski, Community Development Block Grant Manager
CC: Claire Ricker, Director of Planning and Community Development
RE: Expected Budget for CDBG Program Year 52 (2026-2027)
Date: January 23, 2026

Program Year 52 (2026-2027) Expected Grant Award

Arlington has not yet received its CDBG funding notification from HUD. The Congressional Appropriations Committees have submitted 2026-2027 budgets funding the CDBG Program at the same level as last year (3.3 billion) for approval. We estimate that Arlington will receive a grant of approximately \$1,050,000 based on the current year's grant award. Since we will be creating this budget before being granted funds HUD advises that a contingency provision, like the sample below, be included with the Annual Action Plan/Proposed PY52 Budget.

Contingency Provision – to include with draft 2026-2027 Annual Action Plan

As of the publication of this draft version of the Annual Action Plan, the Town of Arlington has not received its final CDBG allocation from HUD. Therefore, the anticipated award amount of \$1,050,000 was used to develop a budget for Program Year 2026. Upon receipt of the final allocation from HUD, all proposed activities' budgets will be proportionally increased or decreased from the estimated funding levels, not to exceed the applicant's request amount for an activity and in keeping with statutory limits for public service, planning, and administration activities. In the event that the final allocation is greater than the amount of funding necessary to satisfy the requests for funding, the Town will prioritize funding additional housing activities with current Subrecipients.

Unexpended Funds Available for Reprogramming

Currently just over \$204,000 in unexpended funds from previous years' budgets is available for reprogramming. These funds can be used for Affordable Housing, Public Facilities and Infrastructure, and Economic Development projects in addition to the annual grant award. Due to statutory spending limits the budget for Public Services cannot be increased above 15% of the annual grant award and Planning and Administration is limited to 20%.

HUD allows Grantees to carry over unexpended funds for seven years from the award date. After seven years HUD reclaims these funds. Funds currently available for reprogramming by award year:

Program Year 2024-2025	\$6,690
<u>Program Year 2023-2024</u>	<u>\$197,470</u>
Total	\$204,160

Program Income

Program income for the upcoming year is expected to total roughly \$5,000. Program income has been trending downward as there are only five remaining Arlington Home Rehab loans generating interest. There are two remaining deferred payment loans that may generate additional program income if those properties are sold at some time in the future.

Five-Year Consolidated Plan for 2025-2029

This is the second year of Arlington's new Five-Year Consolidated Plan for 2025-2029. Using feedback from the community and stakeholders, Arlington's needs and goals for the next five years are set in the updated Consolidated Plan. The Consolidated Plan goals are listed below with anticipated accomplishments for the current program year to guide us in creating a budget for Program Year 52 (2026-2027).

Affordable Housing - Preservation and rehabilitation of existing affordable housing

Expected funding over five years: \$2,000,000

Needs addressed: Improvements to existing affordable housing conditions to provide safety improvements, energy efficiency improvements, access modifications, or treatment of other hazards

5 Year Goal: 150 Households/Housing Units

2025-2026 funded at \$375,000 with an anticipated goal of assisting 60 Households/Individuals

Public Services - Increase Access to Jobs, Education, Transportation, and other services

Funding subject to 15% Statutory Limit of current year grant

Expected funding over five years: \$787,500

Needs addressed: Increase access to jobs, education, health and wellness, recreation, health and social services activities

5 Year Goal: 7,800 Households/Individuals Assisted

2025-2026 funded at \$159,925 with an anticipated goal of assisting 1,612 Individuals

Economic Development – Increase Economic Development Opportunities

Expected funding over five years: \$250,000

Needs addressed: Investment in Commercial Districts, promoting a dynamic business climate

5 Year Goal: 25 Businesses Assisted

2025-2026 funded at \$30,000 with an anticipated goal of 4 businesses assisted

Parks, Public Facilities, and Infrastructure - Enhance Public Facilities, Parks, and Infrastructure

Expected funding over five years: \$1,587,500

Needs addressed: ADA Improvements, environmental resiliency/hazard mitigation in areas that benefit LMI households

5 Year Goal: 45,000 Individuals Assisted

2025-2026 funded at \$548,795 with an anticipated goal of assisting roughly 21,000 individuals

Planning and Administration

Funding subject to 20% Statutory Limit of current year grant

Expected funding over five years: \$1,050,000

Needs addressed: Affordable Housing, Economic Development, Public Facilities, Infrastructure and Parks,
Public Service

5 Year Goal: Exempt

2025-2026 funded at \$211,478