

**Item Title:** Approval of Wake County 2026 Affordable Housing Annual Action Plan

**Specific Action Requested:**

**That the Board of Commissioners approves the FY 2026-2027 Affordable Housing Annual Action Plan and authorizes the Chair to sign documents necessary to submit to HUD and to carry out activities described in the plans.**

**Item Summary:**

**Purpose:** The Action Plan is required by the U.S. Department of Housing and Urban Development (HUD) for Wake County to receive federal entitlement grant funds.

**Background:** The Wake County FY 2026-2027 Annual Action Plan (2026 Action Plan) is the second year of the 5-year 2025-2030 Consolidated Plan which outlines proposed goals, programs, and funding priorities to address affordable housing, homelessness, and community development needs serving low- and moderate-income families. The 2025-2030 Consolidated Plan was approved by the Board of Commissioners in May 2025. The 2026 Action Plan defines how the federal entitlement grant funds will be used to address these needs in the next fiscal year from July 1, 2026, to June 30, 2027.

HUD requires Wake County to engage the public and solicit input on the use of funds. The County promoted participation opportunities through local newspapers, the county website, and social media. Public input was gathered through a public hearing, meetings with municipal Planning Directors, the Continuum of Care, and the Affordable Housing Advisory Group. Comments were also submitted online and via email during the 30-day public comment period. All feedback was considered in the development of the 2026 Annual Action Plan and incorporated into the document.

**Strategic Plan:** This action supports Community Health and Wellbeing Goal 1: create and preserve 2,500 affordable housing units by 2029; and Community Health and Wellbeing Goal 2: By 2029, make homelessness rare, brief, and non-recurring by reducing the number of people experiencing unsheltered homelessness by 10% from 2024 levels.

**Fiscal Impact:** The 2026-2027 Action Plan allocates \$5,119,758 in federal funds to Wake County Housing Affordability and Community Revitalization Special Revenue Fund budget. Funds will be appropriated through the fiscal year 2027 budget process.

### **Additional Information:**

The 2026 Action Plan will be implemented by the Department of Housing Affordability and Community Revitalization (Housing Department) and community partners using a combination of federal and local funds. The 2026 Action Plan is intended to satisfy federal regulatory requirements and support overarching planning documents. This plan does not regulate County funding for affordable housing; however, County funding is used to match or fill gaps and enhance programs described in the plan.

Additionally, the 2026 Action Plan is not intended to represent the full scope of housing and homeless programs offered by the Housing Department; they describe programs funded through federal entitlement funding. The four HUD Federal entitlement funding sources are described below.

*Community Development Block Grant (CDBG)* – The purpose of the CDBG program is to improve communities by providing decent housing and a suitable living environment and expanding economic opportunities for low- and moderate-income households. CDBG funds can be used for a wide range of affordable housing and community development activities such as acquisition for affordable housing, rehabilitation, homeownership, public facilities and infrastructure, and public services.

*HOME Investment Partnerships Program (HOME)* – The purpose of the HOME program is to provide decent, affordable housing to low- and moderate-income households, expand the capacity of nonprofit housing providers, strengthen the ability of state and local governments to provide housing, and leverage private-sector participation. The HOME grant requires a 25% matching contribution from a non-federal source. HOME funds are primarily used to develop, rehabilitate or access affordable housing.

*Housing Opportunities for Persons with AIDS (HOPWA)* – The purpose of the HOPWA program is to address the specific housing needs of persons living with HIV/AIDS and their families by providing funds for short and long-term rental assistance, and a wide range of support services.

*Emergency Solutions Grant (ESG)* – The purpose of the ESG grant is to assist individuals and families quickly regain stability in permanent housing after experiencing a housing crisis or homelessness. ESG can be used to provide street outreach, homelessness prevention, rapid re-housing assistance, emergency shelter and operation of the Homeless Management Information System (HMIS).

The federal grants described above are expected to allocate the following funding for Federal Fiscal Year (FFY) 2026:

<b>FY2026-2027 Funding Sources</b>	<b>Funding</b>	<b>Program Income*</b>	<b>Total</b>
<b>CDBG</b> Community Development Block Grant	\$2,202,038	\$330,000	<b>\$2,532,038</b>
<b>HOME</b> HOME Investments Partnership Act	\$901,492	\$300,000	<b>\$1,201,492</b>
<b>HOPWA</b> Housing Opportunities for Persons with Aids	\$1,824,740	\$10,000	<b>\$1,834,740</b>
<b>ESG</b> Emergency Solutions Grant	\$191,488	\$0	<b>\$191,488</b>
<b>Total</b>	<b>\$5,119,758</b>	<b>\$640,000</b>	<b>\$5,759,758</b>

\*Program Income reflects projected repayments from prior-year loans.

The 2026 Action Plan continues to advance the following five-year goals identified in the 2025-2030 Consolidated Plan:

1. Increase and preserve affordable housing
2. Reduce obstacles to housing affordability
3. Support low-to-moderate income communities in need

Below is a detailed summary of the way the funds are proposed to be used next year:

<b>CDBG Grant Activity</b>	<b>Estimated Budget</b>
Rehabilitation of homes (includes project administration costs)	\$711,630
Housing Activities: Acquisition	\$300,000
Housing Activities: Home Purchase Assistance	\$750,000
Public Services: Job training	\$20,000
Public Services: Rental assistance	\$32,500
Public Services: Street Outreach	\$55,000
Public Services: Enhanced Shelter Services	\$222,500
Grant Administration (salaries and operating costs) 20% cap	\$440,407
<b>Total</b>	<b>\$2,532,038</b>

<b>HOME Grant Activity</b>	<b>Estimated Budget</b>
Development or preservation of affordable housing (includes project administration costs)	\$1,111,342
Grant administration (salaries and operating costs) 10% cap	\$90,150

<b>Total</b>	<b>\$1,201,492</b>
<b>HOPWA Grant Activity</b>	<b>Estimated Budget</b>
Long-term rental assistance	\$909,469
Short-term rental assistance	\$378,284
Case management and supportive services	\$492,245
Grant administration (salaries and operating costs) 3% cap	\$54,742
<b>Total</b>	<b>\$1,834,740</b>

<b>ESG Grant Activity</b>	<b>Estimated Budget</b>
Homelessness Services	\$191,488
<b>Total</b>	<b>\$191,488</b>

**Attachments:**

1. 30-day Public Comment Notice
2. 2026 Affordable Housing Annual Action Plan