



Community Development Department

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) APPLICATION GUIDELINES
FOR
PUBLIC SERVICES AND PUBLIC FACILITIES / IMPROVEMENTS ACTIVITIES**

Grant Program Year: July 1, 2025 – June 30, 2026

Application Deadline: Friday, March 28, 2025 (by 3:00 p.m.)

I. INTRODUCTION

The United States Department of Housing and Urban Development (HUD) provides Cumberland County annual entitlements such as the Community Development Block Grant (CDBG) to address a broad range of housing and community and economic development needs. These guidelines provide background and application process information for the CDBG funds. **IMPORTANT: Projects must meet the minimum requirements outlined in Section VI in order to be considered for funding.**

The CDBG funds received by Cumberland County are used within the County’s geographic jurisdiction. Projects/programs selected for funding must meet one of three National Objectives established by HUD. These objectives consist of creating programs that would benefit low- and moderate-income persons/areas; eliminate slum and blighting conditions; and/or address an urgent need (e.g. Presidentially declared disaster).

Cumberland County’s Consolidated Plan (5-year strategic plan) identifies the community’s priority needs such as housing, homelessness, special needs, community development, and economic development. Cumberland County uses its funds to further its community development efforts and meet identified priority needs. Therefore, the selected project(s) should address the priority need below:

Priority Needs	Goals and Objectives
Housing	<p>Goal: Improve, preserve, and expand the inventory of affordable housing for low- and moderate-income persons and families living in Cumberland County.</p> <p>Objectives:</p> <ul style="list-style-type: none"> • Homeownership Assistance - Promote and assist in developing homeownership opportunities for low- and moderate-income households. • Housing Construction - Promote and assist in the development of new affordable housing inventory for both rental and sales housing. • Housing Rehabilitation - Promote and assist in the preservation of existing owner and renter-occupied housing inventory in Cumberland County. • Fair Housing - Affirmatively further fair housing by promoting fair housing choice throughout Cumberland County. • Housing Education - Promote and assist in educating homeowners, tenants, landlords, and new homebuyers in best practices for purchase and maintenance of affordable housing rentals, including foreclosure and eviction prevention. • Housing Purchase - Provide funds for down payment assistance and acquisition for rehabilitation to make housing affordable to low- and moderate-income persons and families.
Homelessness	<p>Goal: Improve the living conditions and support services and increase the availability of housing for homeless persons and families in Cumberland County and eliminate unfair housing practices that may lead to homelessness.</p> <p>Objectives:</p> <ul style="list-style-type: none"> • Housing - Promote and assist in developing housing opportunities for persons and families experiencing homelessness, and those who are at-risk of becoming homeless. • Operations/Support - Promote and assist in program support services for the homeless. • Homeless Prevention - Promote and assist in anti-eviction and prevention of unfair housing practices which may contribute to homelessness. • Permanent Supportive Housing - Promote and assist in the development of permanent supportive housing and services.

	<ul style="list-style-type: none"> • Shelter Housing - Support and assist in the development and operations of shelters for persons who are homeless or victims of domestic violence.
Special Needs	<p>Goal: Improve, preserve, and expand opportunities and services for persons with special needs and the disabled in Cumberland County.</p> <p>Objectives:</p> <ul style="list-style-type: none"> • Housing - Promote and assist to increase the supply of affordable, decent, safe, sound, and accessible housing for the elderly, persons with disabilities, the developmentally delayed, and persons with other special needs through rehabilitation of existing housing and construction of new accessible housing. • Social Services - Promote and assist in supporting social service programs and facilities for the elderly, persons with disabilities, the developmentally delayed, and persons with other special needs. • Accessibility - Promote and assist in making accessibility improvements to owner-occupied housing through rehabilitation and improve renter-occupied housing by promoting reasonable accommodations for the physically disabled. • Reasonable Accommodations – Promote, support, and advocate for reasonable accommodations that should be made to assist the physically disabled to live in accessible housing.
Community Development	<p>Goal: Improve, preserve, and create new public and community facilities, infrastructure, and public services to ensure the quality of life for all residents of Cumberland County.</p> <p>Objectives:</p> <ul style="list-style-type: none"> • Infrastructure - Improve the County’s infrastructure through rehabilitation, reconstruction, and new construction of streets, walks, curbs, ADA ramps, retaining walls, sewer, linear lines, water, flood control, stormwater management and separation, bridges, bike trails, green infrastructure, etc. • Community Facilities - Improve the County's parks, recreational centers, and public and community facilities through rehabilitation, preservation, and new construction. • Public Services - Improve and increase public service programs for the youth, the elderly, developmentally delayed, disabled, and target income population, including nutrition programs and social/welfare programs throughout the County. • Public Transit - Promote the expansion and development of additional bus routes and improvements to the public transportation system for low- and moderate-income persons and special needs. • Clearance - Remove and eliminate slum and blighting conditions through the demolition of vacant and abandoned structures throughout the County. • Architectural Barriers - Remove architectural barriers and make public and community facilities accessible to all residents. • Public Safety - Improve public safety through upgrades to facilities, purchase of new equipment, crime prevention, community policing, and ability to respond to emergency situations.

You may view the 2020-2024 Consolidated Plan as a point of reference at the Cumberland County Community Development (CCCD) Department Office, 707 Executive Place, Fayetteville, NC or on the CCCD website at <https://www.cumberlandcountync.gov/docs/default-source/community-development-documents/final---cumberland-county-nc-five-year-consolidated-plan>. For the current 2025-2029 Con Plan postings, kindly check the website frequently.

II. FUNDING CYCLE / PROGRAM YEAR

Awards for selected projects will begin in the upcoming Program Year 2025 (July 1, 2025 – June 30, 2026). HOME funds cannot replace local funding of low-income activities but is meant to supplement that funding. Cumberland County will not reimburse costs

involved in applying for HOME funding. No activities can begin for a proposed project until a Subrecipient Agreement is fully executed. Beginning activities before the effective date of the agreement will result in project ineligibility and no reimbursement.

III. ELIBLE APPLICANTS

Eligible applicants include:

1. Units of local governments;
2. Public agencies or Nonprofits with 501c(3) status; and
3. Certified Community Based Development Organizations (CBDO's) or Community Housing Development Organizations (CHDO's).

IV. FUNDING AVAILABILITY / FORMS OF ASSISTANCE

Funding Availability

Cumberland County receives CDBG funds annually based on a Federal funding formula. CCCD has set the following the funding caps per project application:

- Maximum funds available for Public Services: \$10,000-15,000 of CDBG funds (per application)
- Maximum funds available for Public Facilities / Improvements: \$200,000 of CDBG funds. More than one project may be funded from this allocation.

Receipt of these funds is contingent upon the availability of HUD funding for the CDBG programs. Therefore, there is no guarantee that any funds will be available for local allocation. Submission of an application does not guarantee funding, nor does the receipt of funds in prior years guarantee or increase the likelihood of receiving Program Year 2025 funds. Costs associated with the preparation of this application is the responsibility of the applicant and may not be paid from any CDBG funds awarded to the applicant organization by the County.

Forms of Assistance

Funding for public services and public facilities/improvements are provided in the form of grants.

Leveraging

Projects that bring additional resources that can leverage CDBG investments will be more competitive than projects relying solely on CDBG funds. Leveraged funds that are immediately accessible and committed to the project. Leverage funds can include cash, loans, or in-kind resources available to finance the project costs. In-kind contributions must have a specific dollar value established in accordance with generally accepted accounting principles. The basis of determining the value for personal services and donated materials and supplies must be identified. Volunteer services may be counted if the service is an integral and necessary part of the project. To determine in-kind volunteer contributions, use the estimated amount of what a paid worker would earn doing the same type of work (verification documentation may be requested).

V. APPLICATION SUBMITTAL REQUIREMENTS AND TIMELINE

Funding Application Instructions

Copies of the funding application are available at the Cumberland County Community Development Department's website at [Current RFP](#).

Deadline: CCCD must receive grant applications by **Friday, March 28, 2025 by 3:00 p.m.**

What to Submit

The complete application must include:

- Cover Sheet / Checklist
- Part I: Agency Information
- Part II: Project Information
- All required attachments (labeled)

Applications will need to be **mailed or delivered** to:

Tye Vaught, Interim Director
Cumberland County Community Development
707 Executive Place
Fayetteville, NC 28305

Please include **one (1) signed original and one (1) digital copy (may sign the document digitally and send it as a PDF via email or provide it on a flash drive) of the completed application with attachments.** If you are planning to deliver your application in person, please contact the office at (910) 323-6112 prior to coming to the office.

When completing the application, please answer each question thoroughly. If you feel a response is not applicable to your project/program, please indicate not applicable or "N/A" in that section. An application checklist has been included in the application to assist you in packaging your application.

Estimated Timeline

Date	ACTIVITY
Friday, February 28, 2025	Request for Proposal Released
Thursday, March 28, 2025	Project Applications due to CCCD
April 2024	Project Selection Committee Evaluates Applications. Applicants present before the Committee (Optional). Notice sent to all project applicants of the Project Selection Committee's decision.
May - June 2025	Environmental Review, Board Approval, and Contract Preparation/Execution.
July 1, 2025 – June 30, 2026	Ongoing Monitoring / Reporting / Closeout

In the event that CCCD determines, in its sole discretion, that it is necessary to revise any Part of the application guidelines, an addendum, supplement, or amendment to these guidelines will be posted on the Community Development Department's webpage at https://www.cumberlandcountync.gov/departments/community-development-group/community_development/request-for-proposal-applications. It is the responsibility of the proposer to check the website for any such addendums, supplements, or amendments made to the guidelines.

VI. APPLICATION GRANT REVIEW AND SELECTION PROCESS

Upon meeting the minimum threshold requirements, project applications will be evaluated by a project selection committee. Applicants will be given the opportunity to present their project before the committee during the evaluation period. CCCD has established the following criteria for review of applications for funding:

1. The committee will review project applications to determine if the project will meet the priority needs and support the goals and objectives identified in CCCD's Consolidated Plan.
2. A project / program **must meet the minimum threshold requirements** in order to be considered for funding:
 - a. Applicant / agency must be an eligible entity;
 - b. Project / program must meet a CDBG National Objective (See CDBG National Objective Requirement below); and
 - c. Project must serve residents located in Cumberland County's geographic service area.
3. Each application will be reviewed based on the following criteria:
 - a. Agency / Applicant's Capacity and Experience (15 Pts)
 - b. Project / Program is consistent with the goals outlined in Cumberland County's Consolidated Plan (10 pts)
 - c. Project Need, Impact, and Service Delivery (10 pts)
 - d. Financial Capacity and Stability (15 pts)
 - e. Cost Reasonableness and Effectiveness (10 pts)
 - f. Leveraging of Funds (5 pts)
 - g. Site Control / Opportunity for Site Control for Public Facilities / Improvements Projects (5 pts)
 - h. Readiness to Proceed (10 pts)
 - i. Application Completeness (5 pts)
4. In addition to the above criteria, previous recipients of CCCD public services funding will also be reviewed based on the following criteria.
 - a. Compliance Issues (If previously funded through CCCD)
 - b. Efficiency of applicant in administering its program
 - c. Effectiveness of program
 - d. Documentation that funding will assist in providing an increased level of service
5. Funds provided through CCCD are not intended to be a permanent funding source. Agencies will be closely evaluated for their ability to seek other funding sources, in addition to CCCD funds.
6. Applicants may be given the opportunity to present before the committee.

CCCD reserves the right to reject any and all proposals received or to negotiate on the terms of the funds so as to best serve the interests of CCCD and the citizens of Cumberland County, based upon the project's compliance with the strategies identified in the Cumberland County Consolidated Plan.

VII. CDBG NATIONAL OBJECTIVE REQUIREMENT

A CDBG activity (or project) must meet one of three National Objectives to be considered eligible:

- Benefit to Low- and Moderate- Income Persons; OR
- Prevention or Elimination of Slums or Blighted areas as pre-approved by HUD; OR
- Other Urgent Needs (as in a Presidentially declared disaster).

1. **Benefit to Low- and Moderate- Income Persons**

Activities benefiting low- and moderate-income persons can be met by either of the categories below:

a. Area Benefit Activities (LMA) - Map and L/M Census Data Attached

For these purposes, an Area Benefit activity is an activity *that is available to benefit all the residents of an area* that is primarily residential. In order to qualify as addressing the national objective of benefit to low/moderate income persons on an area basis, an activity must meet the identified needs of low/moderate income persons residing in an area where at least 51 percent of the residents are low/moderate income persons. The benefits of this type of activity are available to all residents in the area regardless of income.

- Available to all residents of the particular area - delineate boundaries of service area; and

- At least 51% of the residents of the particular area are low- and moderate- income persons using officially recognized data, such as attached HUD Census Data; and
- Particular area is primarily residential in character.

b. **Limited Clientele Activities (LMC)**

A *Low/Moderate income limited clientele activity* is an activity, which provides benefits predominantly to low to moderate-income persons rather than everyone in an area generally. It may benefit particular persons without regard to the area in which they reside, or it may be an activity which provides benefit on an area basis but only to a specific group of persons who reside in the area. In either case, at least 51% of the beneficiaries of the activity must be documented Low to Moderate income persons. To qualify under this requirement, the activity must meet one of the following:

- The following groups are presumed by HUD to be principally low- and moderate- income persons such as;
 - 1) abused children;
 - 2) battered spouses;
 - 3) elderly persons;
 - 4) handicapped adults;
 - 5) homeless persons;
 - 6) illiterate persons; or
 - 7) migrant farm workers; OR
- The activity requires information on family size and income to document that at least 51% of clientele are persons whose family income does not exceed **HUD's low- and moderate- income criteria**; OR
- The activity has income eligibility requirements which limit the activity exclusively to low- and moderate- income persons; OR
- Be of such a nature and be in such location that it may be concluded that the activity's clientele will primarily be low- and moderate-income persons.

2. **Prevention or Elimination of Slum or Blight**

Slums or blight on an area basis

The designated area in which the activity occurs must meet the definition of a slum, blighted, deteriorated or deteriorating area under state or local law. Documentation must be provided (along with this application) indicating how the area meets either one of the two conditions specified below:

- Public improvements throughout the area are in a general state of deterioration; or
- At least 25 percent of the properties throughout the area exhibit one or more of the following:
 - Physical deterioration of buildings/improvements;
 - Abandonment of properties;
 - Chronic high occupancy turnover rates or chronic high vacancy rates in commercial or industrial buildings;
 - Significant declines in property values or abnormally low property values relative to other areas in the community; or
 - Known or suspected environmental contamination.

Examples of eligible activities include assistance to commercial or industrial businesses, public facilities or improvements, and code enforcement in a blighted neighborhood.

Slums or blight on a spot basis

These are activities that eliminate specific conditions of blight or physical decay on a spot basis and are not located in a slum or blighted area. Examples of activities under this category are acquisition, clearance, relocation, historic preservation, remediation of environmentally contaminated properties, and building rehabilitation activities. Rehabilitation is limited to the extent necessary to eliminate a specific condition detrimental to public health and safety.

3. **Other Urgent Needs (URG)**

Activities determined to meet a community development need, having a particular urgency (declared a national emergency) must document:

- The nature and degree of seriousness of the condition requiring assistance;
- Evidence that the recipient certified that the CDBG activity was designed to address the urgent need;

- Information on the timing of the development of the serious condition; and
- Evidence confirming that other financial resources to alleviate the needs were not available.

Note: CCCD must spend $\geq 70\%$ of CDBG funds to benefit low to moderate income persons. Therefore, only 30% of CDBG funds can be spent on (b) Preventing Slums and Blight and c) Urgent Need.

VIII. CDBG ELIGIBLE ACTIVITIES

The following project types and activities will be considered:

1. **Public Facilities and Improvements** [570.201(c)] including acquisition, construction, rehabilitation, or installation of the following:
 1. Public facilities to include, but not limited to:
 - a. Homeless shelters;
 - b. Fire Stations (for which services to the public are actually provided and not used as administrative offices) / purchase of fire trucks and emergency rescue equipment;
 - c. Facilities serving primarily persons with disabilities;
 - d. Facilities for abused and neglected children;
 - e. Facilities for AIDS patients (not operating costs);
 - f. Parks and recreational facilities;
 - g. Mental / Physical Health facilities;
 - h. Senior centers;
 - i. Neighborhood facilities used for social services or for multiple purposes (e.g. libraries, community centers, workforce centers, etc.);
 - j. Youth centers; and
 - k. Childcare centers;
 2. Water / sewer improvements;
 3. Street improvements to include street drains, storm drain, curbs/gutters, tunnels, bridges, and traffic lights/signs, streetscaping;
 4. Sidewalks;
 5. Solid waste disposal improvements;
 6. Flood and storm drainage improvements (e.g. retention ponds, catch basins, streambank erosion controls, or dams);
 7. Tree planting (beautification);
 8. Asbestos removal;
 9. Non-residential historic preservation; and
 10. Privately owned utilities (e.g. placing new or existing distribution lines / facilities underground)

Note: Public facilities must be owned by the grantee, a nonprofit, or another public agency.

2. **Public Services** [570.201 (e)]. CDBG funds in this category cannot exceed 15 percent of the County's annual allocation plus 15 percent of program income received during the prior program year. **For the Program Year 2025 grant cycle, CCCD will prioritize programs that will provide case management and / or services that primarily target homeless persons or those persons at-risk of becoming homeless.** Proposed **public service projects must be either: a new service or a quantifiable increase in the level of an existing service.** Public services include, but are not limited to:
 1. Childcare that will benefit children (generally under age 13), including parenting skills classes;
 2. Crime awareness and prevention;
 3. Employment training;
 4. Fair housing services (e.g. counseling on housing discrimination);
 5. Health services to address the physical health needs;
 6. Housing counseling;
 7. Housing information and referral service (not housing counseling);
 8. Legal services;
 9. Mental health services;
 10. Operation of food banks;
 11. Rental housing subsidies (rental payments for more than three months) carried out by a CBDO;

12. Security deposits;
13. Services for the homeless or persons living with AIDS;
14. Services for persons with disabilities;
15. Services for victims of domestic violence, dating violence, sexual assault or stalking;
16. Substance abuse services;
17. Subsistence payments (one-time or short-term (no more than three months) emergency payments (e.g. utility payments and rent/mortgage) on behalf of households to prevent homelessness;
18. Tenant / landlord counseling to help settle disputes; and
19. Transportation services.

The following Public Services are not eligible under this category: political activities, ongoing grants or non-emergency payments (defined as more than 3 consecutive months) to individuals for their food, clothing, rent, utilities, or other income payments (570.207(b)(4)).

Ineligible CDBG Activities

The following are activities which may not be assisted with CDBG funding (CFR Part 24, 570.207):

1. Buildings or portions thereof, used for the general conduct of government: This does not include, however, the removal of architectural barriers.
2. General Government Expenses: Expenses required to carry out the regular responsibilities of the unit of general local government. Title I of the Housing and Community Development Act of 1974, as amended (through 10-29-92), Section 101, last paragraph: It is the intent of Congress that the Federal assistance made available under this title not be utilized to reduce substantially the amount of local financial support for community development activities below the level of such support prior to the availability of such assistance.
3. Political Activities: Shall not be used to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation or voter registration.
4. Equipment and Furnishings: Is generally ineligible unless such item constitutes all or part of a public service and is required to carry out a CDBG assisted activity or is an integral structural fixture.
5. Operating and Maintenance Expenses: The general rule is that any expense associated with repairing, operating or maintaining public facilities, improvements and service is ineligible. Also, ineligible are payment of salary for staff, utility costs and similar expenses necessary for the operation of public works and facilities. Please reference CFR 570.207(b)(2) for exceptions and more detail.
6. New Housing Construction: and
7. Income Payments: Examples of ineligible income payments include: payments of income maintenance, housing allowances and mortgage subsidies.

Notes:

1. CDBG funds can be used for new housing construction by Neighborhood-based Nonprofit Organizations, Section 301(c) Small Business Investment Companies, and local development cooperation as part of a neighborhood revitalization, community economic development, or energy conservation project.
2. Fair housing activities are eligible as a CDBG administrative expense.

IX. REQUIREMENTS FOR AGENCIES AWARDED FUNDING

Documents Needed: Funded agencies will be required to execute a contract with CCD and provide the required insurance certificates, endorsements, and other required documents before or at the time of contract signing and before incurring expenses. No activities can begin for a proposed project until a Subrecipient Agreement is fully executed. Beginning activities before funds are officially released will result in project ineligibility and no reimbursement.

Environmental Review Record: No CDBG funds will be committed until an environmental review has been completed in accordance to the HUD Environmental Review regulations, 24 CFR part 58.

Davis-Bacon Prevailing Wage Rate Labor Standards: Every contract for the construction (rehabilitation or new construction) of housing that includes 12 or more units assisted with CDBG or HOME funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C.

3141), to all laborers and mechanics employed in the development of any part of the housing. Such contracts must also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701).

Reporting and records: CCCD and HUD shall have access to program records. Agencies will be required to obtain and provide individual client data including but not limited to ethnicity, income, disability, race, female head of household, clients 62 years and older and accomplishment data. If Limited Clientele -Client Based option was selected individual client income verification documents need to be obtained. If Limited Clientele - Presumed Benefit option was selected individual income data is not required, but other client data is. If Area Benefit option is used than individual income data is not required but area income information and other client data will be required. Monthly, quarterly and/or year end performance reports are required. Grant files and individual client files must be maintained for a minimum of 4 years after the program has ended.

Budget and Draw Requests: Agencies will be required to follow application budget line item amounts in draw requests. Agencies must ensure line items are feasible and give the agency flexibility in program expenditures. Funds will be provided on a reimbursement basis and supporting documentation must be approved by the CCCD staff prior to payment. Reimbursement requests must be submitted at least on a monthly basis.

Lead-based Paint: Any activities involving the presence of lead-based paint shall comply with the requirements of 24CFR Part 35.

Monitoring and Technical Assistance: The program will be monitored by CCCD for compliance with CCCD and HUD requirements and regulations. HUD staff may also monitor the program for compliance. Program requirements including performance, accomplishments, eligibility, and expenditures will be included in desk and site reviews. CCCD will provide technical assistance as needed or requested to assist with the project progress and success. If the agency is not following the program requirements and regulations funding may be terminated and funding reimbursement required.

Non-Discrimination and Equal Access: Projects receiving CDBG funding must include accessibility and comply with the Americans with Disabilities Act guidelines. The Fair Housing Act prohibits discrimination in the sale or rental of housing, the financing of housing, or the provision of brokerage services, including otherwise making unavailable or denying a dwelling to a person, because of race, color, religion, sex, national origin, or familial status.

Provide Recognition of funding: The agency is required to provide recognition for the role of CCCD in services provided through this grant. All activities and items utilized pursuant to this grant shall be prominently labeled as to the funding source.

Coordinated Intake and Referral (For projects addressing homelessness): The local Continuum of Care (CoC) has developed a coordinated intake and referral housing system that will help simplify housing referral and placement process for individuals and families experiencing homelessness. The coordinated entry represents a standardized access and referral system for all individuals to ensure that people experiencing homelessness receive appropriate assistance with both immediate and long-term housing and service needs. For more information on how to participate in this process, contact the CCCD office.

Addressing Homelessness Goals and Objectives: In an effort in achieving its objectives to reduce homelessness in Cumberland County, CCCD may require the subrecipient (especially housing providers and/or developers) to serve a certain percentage of clients with incomes that are at or below 30% of the area median income.

The information presented should not be construed as a complete list of the regulations and requirements governing CCCD financing through these programs. Upon filing an application, you acknowledge that you assume all risks of change in CCCD's rules and regulations or policies concerning this program, together with any adverse effects upon you there from and any resulting costs thereof.

X. DEFINITIONS

Reference HUD's website for additional definitions.

Community-Based Development Organization – Organizations (nonprofit or for-profit) that undertake CDBG-funded activities as part of a neighborhood revitalization, energy conservation, or community economic development project.

Consolidated Plan - A document written by a State or local government describing the housing needs of the low- and moderate-income residents, outlining strategies to meet the needs and listing all resources available to implement the strategies. This document is required to receive HUD Community Planning and Development funds.

Continuum of Care - The Continuum of Care (CoC) consist of a coalition of agencies and individuals that promote communitywide commitment to the goal of ending homelessness.

Low-income family - is defined as a family whose income does not exceed 80 percent of area median family income (MFI). (In CDBG program operations this category was referred to as "**moderate income**".)

Very low-income family - is defined as a family whose income does not exceed 50% of the area median family income (MFI). (In CDBG program operations this category was included as "**low income**".)

Extremely low-income family - is a newly created term to address the homeless population or those at risk at becoming homeless. It is defined as a family whose income does not exceed 30% of area median family income (MFI). (In CDBG program operations this category was included as "**low income**".)

Housing counseling is independent, expert advice customized to the need of the consumer to address the consumer's housing barriers and to help achieve their housing goals and must include the following processes: Intake; financial and housing affordability analysis; an action plan, except for reverse mortgage counseling; and a reasonable effort to have follow-up communication with the client when possible. The content and process of housing counseling must meet the standards outlined in 24 CFR part 214. Homeownership counseling and rental counseling are types of housing counseling.

Urban County Area - The Cumberland County urban county entitlement area includes: unincorporated areas of Cumberland County and the Towns of Eastover, Falcon, Godwin, Hope Mills, Linden, Spring Lake, Stedman, and Wade.

Program Income - For the purposes of the CDBG or HOME programs, program income means gross income that is received by either a recipient or subrecipient and has been directly generated from the use of CDBG or HOME funds. For those program income-generating activities that are only partially assisted with CDBG or HOME funds, such income is prorated to reflect the actual percentage of CDBG or HOME funds that were used. Examples: (Please note that this list is not exclusive and therefore other types of funds may also constitute program income.)

- Proceeds from the disposition by sale or long-term lease (15 years or more) of real property purchased or improved with grant funds.
- Proceeds from the disposition of equipment bought with grant funds.
- Gross income from the use or rental of real property that has been constructed or improved with grant funds and that is owned (in whole or in part) by the recipient or subrecipient. Costs incidental to the generation of the income are deducted from the gross income.
- Payments of principal and interest on loans made using grant funds.
- Proceeds from the sale of loans made with grant funds.
- Proceeds from the sale of obligations secured by loans made with grant funds.
- Funds collected through special assessments that are made against properties owned and occupied by non-low and moderate-income households where the assessments have been made to recover some or the entire grant portion of a public improvement.

Public Facilities and Improvements - Broadly interpreted to include all improvements and facilities that are either publicly owned or that are traditionally provided by the government, or owned by a nonprofit, and operated so as to be open to the general public. This would include neighborhood facilities, firehouses, public schools, and libraries. Public improvements include streets, sidewalks, curbs and gutters, parks, playgrounds, water and sewer lines, flood and drainage improvements, parking lots, utility lines, and aesthetic amenities on public property such as trees, sculptures, pools of water and fountains, and other works of art. The regulations specify that facilities that are designed for use in providing shelter for persons having special needs are considered to be public facilities (and not permanent housing), and thus are covered under this category of basic eligibility. Such shelters would include nursing homes, convalescent homes, hospitals, shelters for victims of domestic violence, shelters and transitional facilities/housing for the homeless, halfway houses for run-away children, drug offenders or parolees, group homes for the developmentally disabled, and shelters for disaster victims.

Reconstruction - The rebuilding of a structure on the same site in substantially the same manner. Deviations from the original design are permitted for reasons of safety or if otherwise impractical. The structure to be reconstructed may be residential or nonresidential, and either publicly- or privately-owned. For reconstruction involving housing, the number of housing units on a site may not be increased, but the number of rooms per unit may be increased or decreased. [Note that any *decrease* in the number of units on a site may require compliance with the one-for-one replacement of L/M income dwelling units at 24 CFR part 42, subpart C.]. Reconstruction of residential structures would also permit replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing.

Rehabilitation - To restore or bring to a condition of HEALTH, SAFETY, or useful and constructive activity, primarily associated with both single and multi-family housing that is existing.

Sub Grantee (subrecipient) - An entity (nonprofit or public entity) who receives CDBG and/or HOME funding from Cumberland County.

XI. REGULATIONS

If you need a copy of these regulations, circulars, reporting requirements, etc., copies can be found on the HUD web site at www.hudexchange.info or request copies from Cumberland County Community Development. The following are related Act, OMB Circulars and regulations that must be complied with when using grant funds. The following is a list and brief description of some of these:

FEDERAL ACTS

- Title I of the Housing and Community Development Act of 1974, as amended.

FEDERAL REGULATIONS - CFR Title 24

-Part 570 - Community Development Block Grants

Sub Part A - General Provisions

Sub Part C - Eligible Activities

Sub Part D - Entitlement Grants

Sub Part J - Grant Administration

Sub Part K - Other Program Requirements

Sub Part O - Performance Reviews

-Part 58 - Environmental Review Procedures for the CDBG, Rental Rehabilitation and Housing Development Programs.

-Part 85 – Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments

2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

2 CFR Part 225 (formerly OMB Circular A-87)

2 CFR Part 230 (formerly OMB Circular 122)

2 CFR Part 220 (formerly OMB Circular A-21)

24 CFR Part 84

OTHER RELATED REGULATIONS

Disclosure Requirements - (C.F.R., Part 12 "Accountability in the Provision of HUD Assistance")

Any applicant applying for Federal assistance from HUD for a specific project or activity or that is distributing HUD assistance must disclose certain information if you have allocated/received or can reasonably expect to receive in excess of \$200,000 in aggregate, from Federal, State, or local CDBG funds during the Federal Fiscal Year.

Labor Standards Provisions (Davis-Bacon) - Construction projects receiving \$2,000 in (federal) funds will be required to comply with prevailing wage requirements.

Environmental Regulations - All funded projects will need to have an environmental review to ensure compliance with NEPA (National Environmental Protection Act) regulations. Cumberland County conducts these reviews but needs SubGrantee cooperation.

Housing One for One Replacement - If your project involves acquisition/demolition of housing, each unit (bedroom) must be replaced with similar number of affordable units. Contact our office if you need more information.

Housing Displacement/Relocation - If your project involves dislocating or relocating people or businesses, there are additional regulations so do contact our office for more information.

Other Program Requirements (570.600) Fair **Housing** - Receipt of Federal funds also requires compliance with Public Law 99-352 and Public Law 90-294 by SubGrantee to affirmatively further fair housing.

Public Law 99-352 refers to **Title VI of the Civil Rights Act of 1964** which provides that no person in the United States shall on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

Public Law 90-294 refers to **Title VIII of the Civil Rights Act of 1969**, popularly known as the **Fair Housing Act**, which provides that it is the policy of the United States to provide, within constitutional limitations, for fair housing throughout the United States and prohibits any persons from discriminating in the sale or rental of housing, the financing of housing, or the provision of brokerage services, including otherwise making unavailable or denying a dwelling to a person, because of race, color, religion, sex, or national origin.

ADA Compliance - Projects receiving Federal funding involving building or public facilities improvements must include accessibility and comply with the Americans with Disabilities Act Guidelines (ADAG).

XII. HUD INCOME LIMITS

There are three income limits used for determining HUD program eligibility: Extremely Low Income (30% of median income), Very Low-Income (50% of median income), and Low Income – (80% of median income). The “LOW INCOME LIMIT” (80% of median) represents the maximum allowable income for a family in order to be eligible for a program funded by CDBG or HOME funds where there are income eligibility restrictions. Therefore, use the 80% median income to determine low/moderate income eligibility.

These income limits are based on the median income for the Cumberland County/Fayetteville area. Income guidelines are adjusted annually by the United States Department of Housing and Urban Development. Please contact CCCD staff for technical assistance and guidance if you need additional information or clarification of required report documentation if funds are awarded for your project. The term “low- and moderate-income persons” is defined as families and individuals whose incomes are no more than 80 percent of the median income of the area involved. The ‘area involved’ is determined for the CDBG or HOME program the same way it is determined for the Section 8 Housing program. The 80% of median income figure is determined by HUD based on a four-person family and is adjusted upward or downward for larger or smaller families.

For the most recent HUD income limits, please refer to the link below:

<https://www.huduser.gov/portal/datasets/il.html>.