



SPECIAL ECONOMIC DEVELOPMENT ACTIVITIES

Special Economic Development Projects fall under one of the two categories below:

The project must be for the purpose of acquisition, construction, reconstruction, rehabilitation, or installation of commercial or industrial buildings, structures, and other real property equipment and improvements, OR for the purpose of providing assistance to an identified private for-profit entity. Otherwise, your project will not meet the eligible activity(s) under the Special Economic Development category.

Program Year: July 1, 2026 – June 30, 2027

Application Deadline: Friday, April 13, 2026 (by 3:00 pm)

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) program, to address a broad range of housing and community and economic development needs. The Economic Development Program is just one of several programs administered through Cumberland County's Community Development Department.

CDBG funds received by Cumberland County are used within the County's geographic jurisdiction. Projects / programs selected for CDBG 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. natural disasters).

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

Priority Need	Goal
Economic Development	Goal: Increase and promote job creation, job retention, self-sufficiency, education, job training, technical assistance, and economic empowerment of low- and moderate-income residents of Cumberland County.

A copy of the Consolidated Plan can be reviewed at the Cumberland County Community Development (CCCD) Department Office, 707 Executive Place, Fayetteville, NC or on the Community Development website at [ConPlan](#)

These guidelines provide program and application submittal information for the Economic Development Program specifically targeting commercial / industrial development and job creation/retention activities. For-profit businesses with 5 or fewer employees (including the owner), will need to complete a separate application. Please contact the Cumberland County Community Development (CCCD) to obtain the application and guidelines for the MicroLoan Program.

II. FUNDING CYCLE / PROGRAM YEAR

The Program Year (PY) funding cycle will begin **July 1, 2026 and end June 30, 2027.** CDBG funding cannot replace local funding of activities but is meant to supplement that funding. Cumberland County will not reimburse costs involved in applying for CDBG 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. For-profit Agencies;
2. Units of local governments;
3. Public agencies or nonprofits with 501c(3) status; and
4. Certified Community Based Development Organizations (CBDO's).

IV. FUNDING AVAILABILITY / FORMS OF ASSISTANCE

Funding Availability

Cumberland County receives CDBG funds annually based on a Federal funding formula. The applicant may apply for up to \$50,000 in CDBG funds. Receipt of these funds is contingent upon the availability of HUD funding for the CDBG program. 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 2026 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

1. Loan
 - a. Property Acquisition and/or Site Improvements: Interest rate = 5% and loan term of 15 years
 - b. Machinery & Equipment: Interest rate = 5% and loan term of 10 years

CDBG funding will be secured by loans and property liens executed between the County and the business. Failure of the business to comply with the terms of the loans by not creating or retaining permanent jobs for low / moderate income persons or meeting other program requirements will render the loan “due and payable” in full.

Leveraging

Projects that bring additional resources that can leverage the CDBG investment 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 may be requested through email by contacting the Department at cccdapplications@cumberlandcountync.gov, calling 910-323-6112, or by visiting the Department at 707 Executive Place, Fayetteville to pick up a hard copy.

Deadline: CCCD must receive applications by **Friday, April 13, 2026 (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:

Rayshonia Manuel, 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 13, 2026	Request for Proposal Released
Friday, March 13, 2026	Project Applications due to CCCD
April 2026	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 2026	Environmental Review, Board Approval, and Contract Preparation/Execution.
July 1, 2026 – June 30, 2027	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 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. Each application must meet the minimum threshold requirements which consist of the following:
 - Eligible Entity
 - Meets a HUD CDBG National Objective (see CDBG National Objectives outlined below)
3. Economic Development project applications proposed for job creation or job retention will be reviewed for CDBG compliance and to assess the feasibility of the proposed project(s).
4. Public Benefit Standards

HUD established mandates for public benefit to ensure that the amount of public benefit will be commensurate with the amount of CDBG funds used for certain types of economic development projects. Therefore, CCCD will apply these standards to the following types of projects:

- Special economic development projects;
- Certain CBDO projects; and
- Public improvement/facilities projects (classified under low/mod job creation/retention where more than \$10,000 / job in CDBG assistance

Public Benefit Standards Calculation

- Jobs created or retained
- Goods or services provided to LMI persons

There are two methods:

- Individual benefit – maximum of \$50,000 of CDBG per job created or one low/moderate income resident served per \$1000 of CDBG.
 - Activities that create both jobs and LMI services are disqualified only if amounts exceed *both* standards
 - Standards applied at time of obligation
 - When job-training only activity, jobs considered created or retained for applying standards
- Aggregate benefit – minimum of one job per \$35,000 of CDBG or low/moderate income residents served per \$350 of CDBG.

5. Underwriting

Underwriting is the disciplined process an analyst pursues in determining risk, in establishing procedures that enable a lender or investor to take only “reasonable” risk, and in evaluating rewards so that they are commensurate with the risks incurred. Underwriting factors considered include the following:

- Project costs are eligible, reasonable, and clearly identified
- Project is financially feasible
- All sources of financing are committed
- To the extent practicable, CDBG funds not substituted for non-federal financial support
- To the extent practicable, return on the owner’s equity investment will not be unreasonably high
- To the extent practicable, CDBG funds are disbursed on a pro-rata basis with other finances committed to the project

Additional factors considered by CCCD:

- Project description and selection/citizen participation plan
- Project plan/readiness
- Project impact
- Budget/match/in-kin
- Administrative capabilities

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.

Note: **Creation or retention of jobs** generally qualify under the jobs or the area benefit category of the LMI benefit national objective.

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.

Providing Jobs for Low- and Moderate-Income Persons

Typically, economic development projects meet the national objectives by benefiting low- and moderate-income persons through the job creation and / or retention.

1. The job creation and retention low and moderate income benefit national objective for CDBG addresses activities designed to create or retain permanent jobs where at least 51% of which (computed on a full-time equivalent basis) will be made available to or held by low to moderate income persons.
 - If the business will create permanent part-time jobs, the part-time jobs must be added together in order to calculate the needed 51% of full-time-equivalent (FTE) jobs.
 - For example, if the business creates 2 quarter-time jobs and one half-time job, together these constitute one FTE.
 - The calculation of FTE is based on the number of hours worked per week divided by 40.
 - Cannot include construction/spin-off/indirect jobs
2. The following requirements must be met for jobs to be considered created or retained:
 - For activities that create jobs, there must be documentation indicating that at least 51% of the jobs will be held by or made available to low- and moderate-income persons: and
 - For activities that retain jobs, there must be sufficient information documenting that the jobs would have been lost without the CDBG assistance and that one or both of the following applies to at least 51% of the jobs:
 - The job is held by a low- and moderate-income person; or
 - The job can reasonably be expected to turn over within the following two years and steps will be taken to ensure that the job will be filled by, or made available to, a low/moderate income person.
3. The following requirements apply for jobs to be considered available to or held by low/moderate income persons.
 - Created or retained jobs are only considered to be available to low/moderate income persons when:
 - Special skills that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs, or the business agrees to hire unqualified persons and provide training; and
 - The assisted business takes actions to ensure that low/moderate income persons receive first consideration for filling such jobs.
 - Created or retained jobs are only considered to be held by low/moderate income persons when the job is actually held by a low/moderate income person as defined by HUD's CDBG guidelines.
4. For the purpose of determining if the preceding requirements are met, a person may be presumed to be low/moderate income if:
 - He/she resides in a census tract/block numbering area that has a 20% poverty rate (30% poverty rate if the area includes the central business district); and the area evidences pervasive poverty and general distress; or
 - He/she lives in an area that is part of a federally designated Enterprise Zone, Enterprise Community, or Neighborhood Redevelopment Strategy Area;
 - He/she resides in a census tract/block numbering area where at least 70% of the residents are low/moderate income persons.
5. Jobs created or retained by assisted businesses may also be presumed to be low/moderate income if the job is provided by businesses or located in an area that:
 - Has a 20% poverty rate (30% poverty rate if the area includes the central business district) and the area evidences pervasive poverty and general distress; or
 - Is part of a federally designated Enterprise Zone or Enterprise Community; and
 - The jobs will be located in the qualifying area.

6. To determine if an area evidences pervasive poverty and general distress, the following standards are applicable:
- All block groups in the census tract have poverty rates of at least 20%;
 - The specific activity being undertaken is located in a block group that has a poverty rate of at least 20%; and
 - HUD determines that the census tract exhibits other objectively determinable signs of general distress such as high incidence of crime, narcotics use, homelessness, abandoned housing, and deteriorated infrastructure or substantial population decline.

Each assisted business shall be considered to be a separate activity for the purposes of determining whether the activity qualifies under the Economic Development (job creation and retention category) for meeting a CDBG national objective.

However, in cases where CDBG funds are used to acquire, develop, or improve real property, the requirement may be met by measuring jobs in the aggregate for all the businesses that locate on the property, provided such businesses are not otherwise assisted with CDBG funds.

Additionally, where CDBG funds are used to pay for the staff and overhead cost of an entity making loans to businesses from non-CDBG funds, this requirement may be met by aggregating the jobs created by all of the businesses receiving loans during any program year.

Recordkeeping requirements relate to both the status of the business, the jobs created or retained, and the low/moderate income persons benefiting from the activity. The following is a listing of documents that must be maintained by the CDBG-assisted business:

- Written agreement between the County and the business in which the following is specified:
 - A commitment from the assisted business to hire or retain low/moderate income persons;
 - The type of job and whether the job will be full-time or part-time; and
 - The actions that the business will take to ensure that at least 51% of the hires or retainee will be low/moderate income persons.
- Compliance with the written agreement must be documented as follows:
 - The jobs that were actually created and/or retained;
 - Whether each such job was held by or made available to a low/moderate income person ;and
 - The full-time equivalency status of the jobs.
- For created jobs that will be held by low/moderate income persons, the records must demonstrate:
 - Listing by job title of the jobs created;
 - Listing by job title of the jobs filled;
 - The name and income status of the person who filled each position; and
 - The full-time equivalency status of the jobs.
- For created jobs that will be made available to low/moderate income persons but are not taken by low/moderate income persons:
 - The title and description of the jobs are made available;
 - The full-time equivalency status of the job;
 - The prerequisites for the job; special skills or education required for the job, if any; and the business commitment to provide training needed for such jobs; and
 - How first consideration was given to low/moderate income persons for the job can be recorded as the name(s) of person(s) interviewed for the job and the date of the interview(s), and the income status or the person(s) interviewed.
- For retained jobs that would otherwise be lost:
 - Specific evidence that the jobs would be lost without the CDBG assistance; and
 - If the retained job is held by a low/moderate income person:
 - A listing by job title of permanent jobs retained;
 - The jobs that are known to be held by low/moderate income persons at the time of the assistance;
 - The full-time equivalency status of each job; and
 - Household size and annual income of each low/moderate income person.
- For retained jobs that are projected to turn over to low/moderate income persons :
 - A listing of the retained jobs that are projected to become available within two years of assistance;
 - The basis of the determination that the job is likely to turn over within two years of assistance;
 - The actual turnover rate;
 - The name and income status of the person who filled the vacancy;

- If the person who took the job was not a low/moderate income person, records to demonstrate the job was made available to low/moderate income persons:
 - The name of person(s) interviewed for the job and the date(s) of the interview(s)
 - The income status of the person(s) interviewed; and
 - Information on the family size and annual income of each low/moderate income person hired
- Businesses that receive CDBG funds for Economic Development (job creation or job retention) through this application process must ensure that individuals filling jobs assisted with CDBG funds are low/moderate income (i.e., total aggregate income from all adult members of the household does not exceed the maximum income limits established by HUD. The procedure for determining income is provided by HUD in its online CPD Income Eligibility Calculator tool available at: <https://www.hudexchange.info/incomecalculator>.

VIII. ELIGIBLE SPECIAL ECONOMIC DEVELOPMENT ACTIVITIES

Activities funded through the Economic Development Programs must provide a benefit to low to moderate income persons through the creation of job opportunities and/or job training for persons earning 80% or below the median income for Cumberland County. Funding may be used for the acquisition, construction, reconstruction, rehabilitation, installation of commercial or industrial buildings, structures, and other real property equipment and improvements. These are economic development projects undertaken by nonprofit or public entities.

The following activities will be considered:

1. **Special Economic Development Activities** [Must be carried out grantee (Cumberland County) or public or private non-profits, unless specified otherwise]:
 - **Rehabilitation: Publicly or Privately Owned Commercial/Industrial** [24 CFR 570.202(a)(3) or 42 USC 5305(a)(2)]
Rehabilitation of commercial/industrial property. If the property is privately owned, CDBG-funded rehab is limited to:
 - Exterior improvements (generally referred to as “façade improvements”); and/or
 - Correction of code violations.
 - **Commercial/Industrial: Acquisition/Disposition** [24 CFR 570.203(a) or 42 USC 5305(a)(14)]
 - Land acquisition;
 - Clearance of structures;
 - Assembling land for the purpose of creating industrial parks; or
 - Promoting commercial/industrial development.
 - **Commercial/Industrial: Infrastructure Development** [24 CFR 570.203(a) or 42 USC 5305(a)(14)]
 - Streets;
 - Water;
 - Parking;
 - Rail transport; or
 - Other improvements to commercial/industrial sites.
 - **Commercial/Industrial: Building Acquisition, Construction, Rehabilitation** [24 CFR 570.203(a) or 42 USC 5305(a)(14)]
 - Acquisition;
 - Construction; or
 - Rehabilitation of commercial/industrial buildings.
 - **Commercial/Industrial: Other Improvements** [24 CFR 570.203(a) or 42 USC 5305(a)(14)]

These activities must meet a public benefit standard.

Prohibitions

HUD does not permit the use of CDBG funds to facilitate the relocation of for-profit businesses from one labor market area to another if the relocation is likely to result in a significant job loss.

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.

IX. REQUIREMENTS FOR AGENCIES AWARDED FUNDING

Documents Needed: Funded agencies will be required to execute a contract with CCCD 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 Notice to Proceed is issued by Cumberland County and a Subrecipient Agreement is fully executed. Beginning activities before funds are officially released will result in project ineligibility and no reimbursement.

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. CDBG funds will be disbursed on a pro-rata basis with other finances provided to the project.

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.

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

Addressing Homelessness Goals and Objectives: In an effort in achieving it 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.

Certifications: In accordance with the Community Development Block Grant Program Rule at 24 CFR Part 570, CCCD certifies that:

- Before committing any funds to a project, it will evaluate the project in accordance with the guidelines that CCCD has adopted for this purpose and will not invest any more CDBG funds in combination with other Federal assistance than is necessary.
- CCCD and its recipients/subrecipients will use CDBG funds pursuant to the Cumberland County Consolidated Plan approved by HUD and in accordance with all requirements of 24 CFR Parts 570 and 24 CFR 92.
- To the best of its knowledge and belief: no federal appropriated funds have been paid or will be paid, by or on behalf of CCCD, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement; if any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any Federal loan or agreement, CCCD will complete and submit Standard Form—LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and CCCD will require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

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 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.

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**".)

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

Program Income - For the purposes of the CDBG program, program income means gross income that is received by either a recipient or subrecipient and has been directly generated from the use of CDBG funds. For those program income-generating activities that are only partially assisted with CDBG funds, such income is prorated to reflect the actual percentage of CDBG 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 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 Acts, 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.
- Title II of the Cranston-Gonzalez National Affordable Housing Act

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

OMB CIRCULARS

A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and other nonprofit organizations-Uniform Administrative Requirements.

A-133, Audits of Institutions of Higher Education and Other Nonprofit Institutions.

*A-129, Single Audits of State and Local Governments

*A-97, Cost Principles for State and Local Governments

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 CDBG (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 CDBG 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 CDBG 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: 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 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 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>.

XIII. ADDITIONAL REFERENCES

24 CFR 570 – Community Development Block Grants

<https://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&rgn=div5&view=text&node=24:3.1.1.3.4&idno=24>

Basically CDBG

<https://www.hudexchange.info/resource/19/basically-cdbg-training-guidebook-and-slides/>

The Economic Development Toolkit: A Practical Guide to Constructing Your Economic Development Program

<https://files.hudexchange.info/resources/documents/Economic-Development-Toolkit-Manual.pdf>

Prohibition on Use of Community Development Block Grant Assistance for Job-Pirating Activities

<https://www.federalregister.gov/documents/2005/12/23/05-24428/prohibition-on-use-of-community-development-block-grant-assistance-for-job-pirating-activities>