



2014 Annual Action Plan



The CPMP Annual Action Plan includes the SF 424 and Narrative Responses to Action Plan questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations.

Narrative Responses

ACTION PLAN

Annual Action Plan includes the [SF 424](#) and is due every year no less than 45 days prior to the start of the grantee’s program year start date. HUD does not accept plans between August 15 and November 15.

Executive Summary 91.220(b)

- The Executive Summary is required. Include the objectives and outcomes identified in the plan and an evaluation of past performance.*

Response: Cumberland County’s Community Development (CCCD) department serves as the grant administrator for the entitlement grant funds awarded to the County from the Department of Housing and Urban Development. The projects described on the following pages will be provided by Community Development using Community Development Block Grant (CDBG), Home Investment Partnership Act (HOME), Emergency Solutions Grant, and the Continuum of Care Homeless Assistance funds.

The 2014 Annual Action Plan will be the fifth and final year of achieving the goals outlined in the Consolidated Plan for the period 2010-2015. Through the 2014 Annual Action Plan, CCCD will strive to reflect the County's continued efforts and commitment to address Affordable Housing issues, public facility and infrastructure improvements, and the provision of homeless services as a part of the Continuum of Care for the residents of Cumberland County. Additionally, Cumberland County will continue to undertake specific actions in order to address the National Objectives outlined by the U.S. Department of Housing and Urban Development by providing for increased activity involving resident initiatives, evaluation and reduction of lead-based paint hazards, increased employment opportunities, the further development of community based institutional facilities and the enhancement of coordination between public, private housing and human service agencies.

As a result of information obtained from citizen and agency surveys, public meetings, and mandatory consultations with community agencies during the 2010 Consolidated Planning Process, CCCD will address the following priority needs during the 2014 Program Year:

Cumberland County Community Development Priority Needs
1. Affordable Housing
2. Employment Services/Job Training
3. Human Services (specifically health care and homeless services)
4. Services for the Disabled
5. Water & Sewer Improvements

The activities identified below reflect the County's efforts to produce outcomes that will 1) improve or increase availability/accessibility 2) improve or increase affordability, or 3) improve or increase

- Hope Mills Recreation Center March 13, 2014
- Spring Lake Community Center March 18, 2014
- Eastover-Central Recreation Center March 20, 2014

- Public Review Period & Public Hearing.

The public review period for the 2014 Annual Action Plan ran for a 30-day period from April 4 - May 4, 2014. A public hearing was held before the Board of County Commissioners at an evening meeting on April 22, 2014 in the Commissioners Meeting Room, at the County Courthouse, 117 Dick Street.

3. *Provide a summary of citizen comments or views on the plan.*

Response: There were no speakers during the public hearing. CCCD will respond to all comments received on the 2014 Annual Action Plan by the end of the public review period. Refer to the Citizen Participation Report at Appendix C.

4. *Provide a written explanation of comments not accepted and the reasons why these comments were not accepted.*

Response: CCCD responded to the comment. Please see the response letter in Appendix C.

Resources 91.220(c)(1) and (c)(2)

5. *Identify the federal, state, and local resources (including program income) the jurisdiction expects to receive to address the needs identified in the plan. Federal resources should include Section 8 funds made available to the jurisdiction, Low-Income Housing Tax Credits, and competitive McKinney-Vento Homeless Assistance Act funds expected to be available to address priority needs and specific objectives identified in the strategic plan.*

Response: The following information describes the sources and amounts which will be made available to Cumberland County for implementation of the 2014-2015 program goals and objectives:

Entitlement Grants

Source: Community Development Block Grant (CDBG) - \$795,714

Source: Home Investment Partnership Act (HOME) - \$288,096

Competitive Grants

Source: Continuum of Care (CoC) - \$148,807

Source: Emergency Solutions Grant (ESG) - \$150,403

Local Sources

Matching Requirements/General Fund - As a federal requirement, Cumberland County is to provide matching funds for the HOME entitlement program in the amount of **\$64,822**; and general funds are also being provided in the amount of **\$70,000** for support of the CDBG program.

ESG funds require a 1:1 match (cash or in-kind services). Sub-recipients of the ESG funding will be responsible for providing the match.

Program Income

CCCD projects that we will receive program income from repayment of loans for the housing rehabilitation, homebuyer assistance, and economic development programs:

- CDBG Entitlement Program: \$200,000
- HOME Entitlement Program: \$200,000

6. Explain how federal funds will leverage resources from private and non-federal public sources.

Response: The federal funds provided during the 2014 Program Year will assist in leveraging additional resources through use of program funds in the following manner:

- Affordable housing activities will leverage additional public/private investment for new construction activities;
- Fair housing and grant administration activities will leverage additional public investment in support of affirmatively furthering fair housing and implementation of community development activities in the community;
- Homeless activities will leverage additional private /public investment for agencies providing services and housing for the homeless;
- Homeownership activities will leverage additional private/public investment for first and second mortgages;
- Public Services activities will leverage additional private/public investment for agencies addressing human services needs; and
- Public facilities/infrastructure improvements and clearance/demolition activities will leverage additional private/public investment for the revitalization of slumming and blighting conditions in low- to moderate-income neighborhoods.

Annual Objectives 91.220(c)(3)

**If not using the CPMP Tool: Complete and submit Table 3A.*

**If using the CPMP Tool: Complete and submit the Summary of Specific Annual Objectives Worksheets or Summaries.xls*

Goals and objectives to be carried out during the action plan period are indicated by placing a check in the following boxes.

<input checked="" type="checkbox"/>	Objective Category Decent Housing Which includes:	<input checked="" type="checkbox"/>	Objective Category: Suitable Living Environment Which includes:	<input checked="" type="checkbox"/>	Objective Category: Expanded Economic Opportunities Which includes:
<input checked="" type="checkbox"/>	assisting homeless persons obtain affordable housing	<input type="checkbox"/>	improving the safety and livability of neighborhoods	<input checked="" type="checkbox"/>	job creation and retention
<input checked="" type="checkbox"/>	assisting persons at risk of becoming homeless	<input checked="" type="checkbox"/>	eliminating blighting influences and the deterioration of property and facilities	<input type="checkbox"/>	establishment, stabilization and expansion of small business (including micro-businesses)
<input checked="" type="checkbox"/>	retaining the affordable housing stock	<input checked="" type="checkbox"/>	increasing the access to quality public and private facilities	<input type="checkbox"/>	the provision of public services concerned with employment
<input checked="" type="checkbox"/>	increasing the availability of affordable permanent housing in standard	<input type="checkbox"/>	reducing the isolation of income groups within areas through spatial deconcentration	<input type="checkbox"/>	the provision of jobs to low-income persons living in areas affected by those programs and

	condition to low-income and moderate-income families, particularly to members of disadvantaged minorities without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability		of housing opportunities for lower income persons and the revitalization of deteriorating neighborhoods		activities under programs covered by the plan
<input type="checkbox"/>	increasing the supply of supportive housing which includes structural features and services to enable persons with special needs (including persons with HIV/AIDS) to live in dignity and independence	<input type="checkbox"/>	restoring and preserving properties of special historic, architectural, or aesthetic value	<input type="checkbox"/>	availability of mortgage financing for low income persons at reasonable rates using non-discriminatory lending practices
<input checked="" type="checkbox"/>	providing affordable housing that is accessible to job opportunities	<input type="checkbox"/>	conserving energy resources and use of renewable energy sources	<input type="checkbox"/>	access to capital and credit for development activities that promote the long-term economic social viability of the community

7. *Provide a summary of specific objectives that will be addressed during the program year.*

Response: See the tables below. **Please note that the goals listed are numbered consistently and in accordance with the corresponding goals in the 2010 Consolidated Plan.

Description of Activities 91.220(d) and (e)

**If not using the CPMP Tool: Complete and submit Table 3C*

**If using the CPMP Tool: Complete and submit the Projects Worksheets and the Summaries Table.*

See Proposed Project Tables at Appendix D.

Housing Needs - Objective: Decent housing	
Priority Need: Affordable Housing	
Goals 1 & 2: Increase the availability, accessibility, and sustainability of decent, safe, and affordable housing in Cumberland County.	Objective 1: To rehabilitate 20 owner-occupied units and 2 rental units from 2014-2015.
Goal 3: A county in which all rental housing is affordable and in standard condition.	Objective 2: Provide assistance to 2 low/moderate income citizens to become first-time home buyers from 2014-2015.
Goals also address CoC Action Plan to End Homelessness Priority 9 (Development of additional	Objective 3: Provide assistance for the development of 3 standard rental units from 2014-

affordable housing options).	2015.
Goal 4: Alleviate lead-based paint hazards in Cumberland County's housing inventory.	Objective 4: Make available educational literature to at least 100 households that may be potentially affected by lead-based paint from 2014-2015.
Goal 5: Eliminate housing discrimination in Cumberland County.	Objective 5: Increase awareness of fair housing law for 2 providers serving minorities and special populations groups from 2014-2015.

Non-Housing Community Development Needs – Objective: Suitable living environment	
Priority Need: Water & Sewer Improvements	
Goal 1: To make public water and sewer facilities available to low to moderate income neighborhoods located within our participating jurisdiction.	Objective 1: Make public water/sewer available to 1 low to moderate income neighborhoods from 2014-2015.

Non-Housing Community Development Needs – Objective: Suitable living environments	
Priority Need: Human Services (specifically health care and homeless services)	
Goal 1: Maximize use, coordination, and delivery of human services.	Objective 1: Work with human services agencies to maximize use, coordination and delivery of human services for 1000 residents, with a priority given to agencies providing health care services and services to the homeless from 2014-2015.

8. *Provide a summary of the eligible programs or activities that will take place during the program year to address the priority needs and specific objectives identified in the strategic plan.*

Describe the outcome measures for activities in accordance with Federal Register Notice dated March 7, 2006, i.e., general objective category (decent housing, suitable living environment, economic opportunity) and general outcome category (availability/accessibility, affordability, sustainability).

Response: See the table on pages 1 and 2 for specific activities, objectives and outcomes in the format prescribed above.

I. HOUSING ACTIVITIES

Housing Rehabilitation Program

Priority Need: Affordable Housing; Housing Goals 1, 2, and 3 CDBG: \$229,118. National Objective: Low/Mod Housing, Eligibility Citation: 24 CFR Part 570.202; HOME: \$380,090. Eligibility Citation: 24 CFR Part 92.205(a)(1).

Owner-Occupied Rehabilitation: This program will address housing repair needs of households whose annual income is at or below 80% of the median income for Cumberland County based on household size. The area median income is \$52,800 for a family of four. Households in need of repairs to meet Minimum Housing Code Standards and general property improvements will receive a deferred payment loan, with household re-certification every five years. Housing rehabilitation repairs that do not exceed

\$7,500 will be given in the form of a grant. Applications for this program are accepted on an on-going basis.

Rental Rehabilitation (Investor-Owner): Investors pursuing projects with 10 or fewer units in a single structure are able to access low-interest acquisition housing rehabilitation loans for rental property. The types of repairs to be addressed are those items that do not meet Minimum Housing Code Standards and general property improvements. Loan terms are as follows:

- 3% amortized loan for 15 years (standard rehabilitation, refinance/rehabilitation, or acquisition/rehabilitation)
- 5% amortized loan for 30 years (refinance/rehabilitation or acquisition/rehabilitation).

Property owners are required to lease to renters with incomes at or below 80% of the median income for Cumberland County. Applications for this program are accepted on an on-going basis.

Purchase/Rehab/Resale: This program establishes a mechanism that may be used to acquire properties for future development as affordable housing. The objectives of the program are to remove blighting conditions in low and moderate income neighborhoods, increase the county's stock of standard affordable housing units, increase the county's tax base, and create homeownership opportunities for first-time homebuyers. Properties will be acquired through donation, deed and tax sales, the foreclosure of government liens, and through private purchases. Community Development will acquire substandard single-family units, rehabilitate the units to meet Community Development Rehabilitation Standards, and then sell the units to income eligible first-time homebuyers. Community Development may also acquire vacant lots or substandard units not suitable for rehabilitation for demolition. This will allow the Department to take advantage of infill housing opportunities to further stabilize and strengthen our low and moderate-income neighborhoods through homeownership.

Homeownership Assistance Program

Priority Need: Affordable Housing; Housing Goal 2 – HOME: \$20,000 and Prior year funding.
Eligibility Citation: 24 CFR Part 92.205(a) (1):

Down Payment/Closing Costs Assistance (DAP): This program coordinates with local financial institutions in order to provide up to \$5,000 to first-time homebuyers for down payment and/or closing costs. Applicants must meet income requirements (earning no more than 80% of the median income) as well as attend a class on homeownership. Applications for this program are accepted on an on-going basis.

Gap Financing (GAP): CCCD will continue to offer GAP financing assistance to very low and low-income residents seeking homeownership. The amount of assistance that can be provided will not exceed \$20,000 per applicant. Such assistance will be used as a subsidy to make up the difference between the market value of the property and the sales price that is affordable to the purchaser. Applications for this program are accepted on an on-going basis.

For any of the subsidies provided, CCCD will secure a first or second mortgage on the property with a 4% interest rate 10-year term which is deferred for the first 5 years (for DAP) or a 30-year term (for GAP) having a 0 – 4 % interest rate depending on the amount of subsidy needed by the homeowner. This approach offers the benefit of significant leverage of private lender money while providing program income for CCCD. While CCCD would partner with anyone offering an affordable mortgage product, our primary focus would be to work with those lenders whose products are most affordable.

General Program Guidelines

Principal Residence: The property must be occupied by the homebuyer and retained as the principal residence by the owners for the full period of affordability, which is contingent upon the amount of per unit subsidy received and may be 5, 10, or 15 years (20 if new construction). The property owner agrees to allow Cumberland County Community Development to verify principle residence status annually. Homeowner agrees to provide Community Development with a written certification of residence status to become a permanent part of the applicant file. Subletting or renting is not permitted.

Refinance: During the period of affordability, a homebuyer will not be permitted to refinance the property without the approval of Cumberland County Community Development.

Recapture/Resale Provision: In accordance with the applicable homebuyer recapture/resale provision outlined in 24 CFR Part 92, Cumberland County has adopted the policy at Appendix E in implementing its HOME-assisted homeownership housing.

Homeownership Counseling: As a requirement of the CCCD Homebuyer Assistance Program, applicants are required to successfully complete Homebuyer counseling prior to being awarded community development funding. CCCD may contract with a local agency qualified to provide homeownership education classes or provide such services in-house by certified housing counselors on a case by case basis.

Marketing: In keeping with special outreach activities outlined in CCCD's Affirmative Marketing Plan, certain marketing efforts (i.e. direct mailings, postings on community bulletins, PSA's, coordination with the Fayetteville Area Metropolitan Housing Authority and the Fayetteville Apartment Association, etc.) will be undertaken to ensure that residents and tenants of public and manufactured housing, and other families assisted by public housing agencies, are aware of the CCCD's housing assistance programs.

Community Housing Development Organization (CHDO) Set-Aside

Priority Need: Affordable Housing; Housing Goal 2 - HOME: \$54,018 Eligibility Citation: 24 CFR Part 92.300

Federal regulations require that at least 15% of the HOME entitlement funds be set-aside for affordable housing development by CHDOs. This year's set-aside amount is \$54,018. In order to be designated a CHDO, a non-profit organization must meet the qualifying criteria as established by HUD. CCCD continues to meet and seek qualified organizations to identify possible CHDOs.

Housing Project Delivery Costs

Housing services activity delivery costs: CDBG - \$245,726 - CCCD staff and overhead costs directly related to carrying out housing projects, such as work specifications preparation, loan processing, inspections, and other services related to assisting potential owners, tenants, and homebuyers. Staff and overhead costs directly related to providing advisory and other relocation services to persons displaced by the project, including timely written notices to occupants, referrals to comparable and suitable replacement property, property inspections, counseling and other assistance necessary to minimize hardship.

Housing Activities Outcomes

Housing Needs - Objective: Decent housing	
Priority Need: Affordable Housing	
<p>Goals 1 & 2: Increase the availability, accessibility, and sustainability of decent, safe, and affordable housing in Cumberland County.</p> <p>Goal 3: A county in which all rental housing is affordable and in standard condition.</p> <p>Goals also address COC Action Plan goal (Development of additional affordable housing options).</p>	<p>Objective 1: To rehabilitate 20 owner-occupied units and 2 rental units from 2014-2015.</p> <p>Objective 2: Provide assistance to 2 low/moderate income citizens to become first-time home buyers from 2014-2015.</p> <p>Objective 3: Provide assistance for the development of 3 standard rental units from 2014-2015.</p>
<p>Goal 4: Alleviate lead-based paint hazards in Cumberland County’s housing inventory.</p>	<p>Objective 4: Make available educational literature to at least 100 households that may be potentially affected by lead-based paint from 2014 - 2015.</p>
<p>Goal 5: Eliminate housing discrimination in Cumberland County.</p>	<p>Objective 5: Increase awareness of fair housing law for 2 providers serving minorities and special populations groups from 2014-2015.</p>

FAIR HOUSING ACTION PLAN: 2014-2015

In our commitment to affirmatively further fair housing, Cumberland County Community Development will implement the following actions to address the identified impediments to fair housing choice during the 2014 – 2015 program year.

➤ *Impediment 1: Lack of awareness of fair housing laws.*

Goal 1: To eliminate housing discrimination in Cumberland County.

Objective 1: Increase awareness of fair housing law for 2 public service organizations.

Strategy 1.1: Partner with the Fair Housing Project, Legal Aid on NC (Raleigh) Fair Housing Education and Training..

Strategy 1.2: Conduct **1** symposium on Fair Housing and Equal Opportunity during April’s Fair Housing Month. Invite HOME Funds Recipients that require annual fair housing training.

Strategy 1.3: Use of Social Network mediums such as Cumberland County’s Facebook page to announce fair housing related activities and public events.

➤ *Impediment 2: Lack of affordable housing in Cumberland County.*

Goal 2: Increase the availability and accessibility of decent, safe, and affordable housing in Cumberland County.

Strategy 2.1: Efforts to provide **125** affordable housing units (homeowner and rental) by 2015 is currently on-going.

II. PUBLIC SERVICES

Public Services Program

Public Services Program: Community Development/Public Services Goal 1 - CDBG: \$119,358. National Objective: Low/Mod Limited Clientele; Eligibility Citation: 24 CFR Part 570.201(e).

All projects funded will be selected based on identified needs in the community. Final determination of funding amounts will be based on receipt of final funding allocations from the Department of Housing and Urban Development. The following agencies have been selected for funding through an RFP process:

Subrecipient/Project	Activity	Funding Amount/ Grant Term
Better Health of Cumberland County/Direct Aid Program	Prescription medication and dental assistance for low income residents	\$30,000/ 1 year
Cape Fear Valley Hospital System / Cumberland Community Medication Access Program	Prescription medication assistance for low income residents	\$20,000/ 1 year
Homeless Services (CoC & ESG Program)	Operations, supportive services, and HMIS.	\$30,000/ 1 year
Public Services RFP	Additional funds available to be awarded during the program year	\$16,023/ 1 year
Activity Delivery	Program oversight and provision of technical assistance	\$23,335/ 1 year

Public Services Activity Delivery Costs

Public services activity delivery costs: CDBG - \$23,335 - CCCD staff costs directly related to carrying out public services activities, such as eligibility review and processing of pay requests, and other technical assistance necessary to ensure program compliance.

Public Services Outcomes

Non-Housing Community Development Needs – Objective: Suitable living environments	
Priority Need: Human Services (specifically health care and homeless services)	
Goal 1: Maximize use, coordination, and delivery of human services.	Objective 1: Work with human services agencies to maximize use, coordination and delivery of human services for 1000 residents, with a priority given to agencies providing health care services and services to the homeless from 2014 - 2015.

III. PUBLIC FACILITIES/INFRASTRUCTURE IMPROVEMENTS

Public Facilities/Infrastructure: Non-Housing Community Development Goal 1, Objective 1, CDBG: \$150,000. National Objective: Slum & blight/Low mod limited clientele/Urgent Need; Eligibility Citation: 24 CFR Part 570.201(c).

Due to funding limitations, Request for Proposals was not solicited for the upcoming Program Year. However, since public facilities are listed as a priority, CCCD will consider applications in the future

should additional funding become available. This activity may be assisted through prior year funding that can be reprogrammed.

There are currently 2 requests for water/sewer projects under review for funding commitments.

Public Facilities/Infrastructure Improvements Outcomes

Non-Housing Community Development Needs – Objective: Suitable Living Environment/ Decent Housing/Economic Opportunity	
Priority Need: Water and Sewer Improvements	
Goal 1: To make public water and sewer facilities available to low to moderate income neighborhoods located within our participating jurisdiction.	Objective 1: Make public water/sewer available to 1 low to moderate income neighborhoods from 2014-2015.

IV. ECONOMIC DEVELOPMENT ACTIVITIES

Economic Development Activities: Non-Housing Community Development Goal 1, Objective 1, CDBG: \$25,000. National Objective: Slum & blight/Low mod benefit/Urgent need; Eligibility Citation: 24 CFR Part 570.203.

No economic development projects have been identified. However, this activity will be funded should a viable project be presented for consideration.

Economic Development Outcomes

Non-Housing Community Development Needs – Objective: Suitable Living Environment/ Economic Opportunity	
Priority Need: Employment Services / Job Training	
Goal 1: Improve self-sufficiency for Cumberland County residents by increasing the number of new private sector full time permanent jobs, available to, or taken by, low and moderate income persons.	Objective 1: Provide funding to a project that will provide goods and services to low/moderate income areas and/or create or retain jobs for low/moderate income persons of Cumberland County from 2014-2015.

VI. GENERAL ADMINISTRATION/PLANNING

General Administration: CDBG: \$263,512, Eligibility Citation: 24 CFR Part 570.206; HOME: \$48,810, Eligibility Citation: 24 CFR Part 92.207.

Funds have been allocated under this activity for costs related to the administration and execution of Community Development projects under each of the entitlement programs for the 2014 - 2015 program years. Eligible administrative costs may include, but not be limited to:

- a. General management, oversight, and coordination;
- b. Salaries, wages, and related costs of the participating jurisdiction’s staff;
- c. Fair Housing activities;
- d. Coordinating homeless activities;
- e. Monitoring progress and compliance with program requirements;
- f. Preparing reports and other documents related for submission to HUD;

- g. Evaluating program results against stated objectives;
- h. Travel costs incurred for official business in carrying out the program;
- i. Administrative services performed under third party contracts or agreements;
- j. Capacity building and training for staff and non-profits; and
- k. Activities to affirmatively further fair housing.

VII. COMPETITIVE GRANTS

Source: Continuum of Care (CoC) Program (for Homeless Assistance): \$810,709 of which \$96,345 is pending HUD’s approval of the project applications submitted in the 2013 CoC Homeless Assistance competition.

The CoC Homeless Assistance Program grant funds will be used specifically to continue the implementation of several projects as a part of the Continuum of Care process for Cumberland County. Those projects include the operation of the following:

Project	Project Grantee/Sponsor	Activity	Funding Amount/Grant Term
Ashton Woods	Cumberland Interfaith Hospitality Network	20-unit transitional housing program with supportive services for homeless families	\$262,736 / 1 year
Bonanza	The Salvation Army	7-unit permanent housing program with supportive services for disabled homeless persons	\$86,403 / 1 year (Application pending)
Leath Commons	Cumberland Interfaith Hospitality Network	5-unit permanent housing program with supportive services for disabled homeless families	\$131,728 / 1 year
Robin’s Meadow	Fayetteville Metropolitan Housing Authority	12-unit transitional housing program with supportive services for homeless families	\$85,817 / 1 year
Step-Up Semi-Independent Living	The Salvation Army	2-unit transitional housing program with supportive services for 6 single homeless men	\$36,167/ 1 year
The Care Center	The Salvation Army	14-unit transitional housing program with supportive services for victims of domestic violence	\$145,113/ 1 year
Safe Homes for New Beginnings	Cumberland County	5-unit permanent housing program with supportive services for disabled and chronically homeless individuals and families	\$53,048/ 1 year
CoC Planning	Cumberland County	CoC planning and coordination of homeless	\$9,942 (Application

Source: Emergency Solutions Grant (ESG): \$TBD

In 2012, the Office of Economic Opportunity (OEO) created a new process for distributing the Emergency Solutions Grant (ESG), formerly the Emergency Shelter Grant, to reflect the program rules of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), which was enacted into law on May 20, 2009. The HEARTH Act consolidates three of the previous homeless assistance programs administered by HUD under the McKinney-Vento Homeless Assistance Act into a single grant program. In addition, the HEARTH Act codifies into law the Continuum of Care (CoC) planning process, which will assist homeless persons by providing greater coordination in responding to their needs. The ESG focuses primarily on assisting people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. Previously the Emergency Shelter Grant focused on the needs of homeless people in emergency or transitional shelters. As lead agency and fiscal sponsor, CCCD will submit an ESG application to the State on behalf of the CoC jurisdiction as well as contract with the State in carrying out ESG funded activities.

For the FY2013, CCCD was awarded \$150,403 in ESG funds. CCCD subcontracted with three agencies to provide shelter services and rapid re-housing assistance to homeless persons and homeless prevention assistance to those at-risk of being homeless. CCCD expects to receive the same level of funding for FY2014.

The ESG funds must be allocated for projects that are eligible under any of the following six (6) ESG Components:

1) **Street Outreach** – is for the unsheltered homeless persons which includes:

- engagement
- case management
- emergency health and mental health services
- transportation services for special populations

2) **Emergency Shelter** – is divided into two (2) sub-categories: Essential Services and Shelter for the sheltered homeless persons.

Essential Services include:

- case management
- childcare
- education
- employment
- life skills services
- legal services
- health
- mental health
- substance abuse services
- transportation services for special population

Shelter includes:

- renovation including major rehabilitation or conversion
 - operations cost including maintenance, utilities, furniture, food, etc.
- 3) **Homeless Prevention** – includes the following items to prevent and stabilize an individual or family from becoming homeless:
- Housing Relocation and Stabilization Services
 - Short- and Medium-Term Rental Assistance
- 4) **Rapid Re-housing** – includes the following items to assist the actual homeless:
- housing relocation and stabilization services
 - short- and medium-term rental assistance
 - permanent housing
- 5) **Homeless Management Information System (HMIS)** – includes payment of the costs of establishing, hosting, customizing, and upgrading the HMIS.
- 6) **Administration** – Up to 7.5 percent can be allocated for the payment of administrative cost relating to the planning and execution of the ESG activities.

In addition to administering the CoC (Homeless Assistance) and ESG Programs, CCCD will be the contracted provider for the Project for Assistance in Transition from Homelessness (PATH) program. PATH is a component of the Substance Abuse and Mental Health Services Administration (SAMHSA) which provide services for people with serious mental illness, including those with co-occurring substance use disorders, who are experiencing homelessness or at risk of becoming homeless. PATH staff will be responsible for community-based outreach by connecting homeless persons to services related to mental health, substance abuse, case management and other support services, as well as housing services.

PATH – State grant (SAMHSA): \$222,208; local general funds: \$74,070

Homeless Needs Outcomes

Homeless Needs – Objective: Suitable living environments/Decent Housing	
Priority Need: Human Services (specifically health care and homeless services)	
Goal 1: Increase available funding for local homeless service/housing providers	Objective 1: Provide financial stability for local homeless initiatives in order to eliminate potential gaps in services by setting aside at least 25% of the Public Services annual allocation to create 2 beds in priority homeless categories from 2014-2015.
Goal also addresses CoC Action Plan (Identify additional funding sources for local program).	

Special Populations Outcomes

Special Populations Needs – Objective: Suitable living environments	
Priority Need: Services for the Disabled	
Goal 1: Increase supportive services and activities in Cumberland County for the disabled (mental and physical).	Objective 1: Provide funding to programs that will assist 20 disabled persons for the 2014-2015 program year.

Geographic Distribution/Allocation Priorities 91.220(d) and (f)

9. *Describe the geographic areas of the jurisdiction (including areas of low income families and/or racial/minority concentration) in which assistance will be directed during the next year. Where appropriate, the jurisdiction should estimate the percentage of funds the jurisdiction plans to dedicate to target areas.*

Response: The towns of Eastover, Falcon, Godwin, Hope Mills, Linden, Spring Lake, Stedman, and Wade have all elected to be party to Cumberland County's designation as an Urban County. All of the programs described on the preceding pages, with the exception of certain Public Service Programs and Supportive Housing Program projects, will be accomplished in one of these municipal areas or the unincorporated areas of the County. Please refer to maps at Appendix F for low income and racial/minority concentration areas.

10. *Describe the reasons for the allocation priorities, the rationale for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) during the next year, and identify any obstacles to addressing underserved needs.*

Response: As a result of information obtained from citizen and agency surveys, public meetings, and mandatory consultations with community agencies, CCCD identified its priority needs and allocated funding accordingly. Allocations are not invested geographically as all programs are offered throughout the participating jurisdiction. The primary obstacle to addressing those that are underserved and fully being able to address the priority needs is lack of available resources and funding.

Annual Affordable Housing Goals 91.220(g)

**If not using the CPMP Tool: Complete and submit Table 3B Annual Housing Completion Goals.*

**If using the CPMP Tool: Complete and submit the Table 3B Annual Housing Completion Goals.*

11. *Describe the one-year goals for the number of homeless, non-homeless, and special-needs households to be provided affordable housing using funds made available to the jurisdiction and one-year goals for the number of households to be provided affordable housing through activities that provide rental assistance, production of new units, rehabilitation of existing units, or acquisition of existing units using funds made available to the jurisdiction. The term affordable housing shall be defined in 24 CFR 92.252 for rental housing and 24 CFR 92.254 for homeownership.*

Response: Refer to response to question #7 above for one year goals and objectives and Table 3B at Appendix D.

Public Housing 91.220(h)

12. Describe the manner in which the plan of the jurisdiction will help address the needs of public housing and activities it will undertake during the next year to encourage public housing residents to become more involved in management and participate in homeownership.

Response: CCCD will continue to partner with FMHA to implement activities that promote self sufficiency and economic independence, including the promotion of down payment assistance and gap financing through the homebuyer assistance program.

13. If the public housing agency is designated as "troubled" by HUD or otherwise is performing poorly, the jurisdiction shall describe the manner in which it will provide financial or other assistance in improving its operations to remove such designation during the next year.

Response: Not applicable. The local housing authority has been designated as a high performing housing authority and is not considered "troubled".

Homeless and Special Needs 91.220(i)

14. Describe, briefly, the jurisdiction's plan for the investment and use of available resources and describe the specific planned action steps it will take over the next year aimed at eliminating chronic homelessness.

Response: During the 2014 Program Year, CCCD will invest the following resources to assist in eliminating chronic homelessness:

15. Describe specific action steps to address the needs of persons that are not homeless identified in accordance with 91.215(e).

Homeless Needs – Objective: Decent housing/Sustainable living environment	
Priority Need: Human Services (specifically health and homeless services)	
Goal 1: Increase available funding for local homeless service/housing providers	Objective: Provide financial stability for local homeless initiatives in order to eliminate potential gaps in services by setting aside at least 25% of the Public Services annual allocation for homeless activities from 2014 – 2015.
Goal also addresses CoC Action Plan (Identify additional funding sources for local programs).	
	Strategy: During the Request for Proposal period for the Public Service Program, have funding set-aside specifically to serve applications geared towards the homeless population.

Response: During the 2014 Program Year, CCCD will use the following strategy to address the needs of non-homeless special population groups:

Special Populations Needs – Objective: Decent housing/Suitable living environment	
Priority Need: Services for the Disabled	
Goal 1: Increase supportive services and activities in Cumberland County for the disabled (mental and physical).	Objective 1: Provide funding to programs that will assist a total of 20 disabled persons between 2014 and 2015.
	Strategy: Fund agencies that will provide services to disabled persons.

16. Homelessness Prevention—Describe planned action steps over the next year to address the individual and families with children at imminent risk of becoming homeless.

Response: During the 2014 Program Year, CCCD will meet the needs of those at risk of becoming homeless by continuing its partnership with the local Continuum of Care on Homelessness and 10 Year Plan to End Homelessness Steering Committee to develop concrete strategies to assist those that are in need. While CCCD has not set-aside specific funding to address this issue, it will continue to serve as a referral source to those programs in the community that provide direct financial assistance such as:

- Cumberland County Department of Social Services;
- Fayetteville Metropolitan Housing Authority;
- Cumberland Community Action Program;
- The Salvation Army; and many others.

Barriers to Affordable Housing 91.220(j)

17. Describe the actions that will take place during the next year to remove barriers to affordable housing.

Response: The following actions will be taken to foster and maintain affordable housing as well as remove barriers to affordable housing:

- Offer affordable mortgage products through the Homebuyer Assistance Program.
- Partner with local lenders and the U.S. Department of Agriculture Rural Development to maximize the use of HOME funds for the Homebuyer Assistance Program.
- Acquire and renovate substandard single family units that will ultimately be sold to low to moderate income homebuyers through the department’s Buy Rehab Resale Program.
- Acquire vacant lots or substandard units not suitable for rehabilitation for demolition in order to eliminate blighting conditions in neighborhoods as well as provide additional affordable housing through the construction of housing for low to moderate income homebuyers or renters.
- To preserve affordable rental housing, offer low interest loans for rehabilitation of rental property through the Rental Rehabilitation Program.
- Continue to partner with eligible organizations designated as Community Housing Development Organizations (CHDOs) to increase the production and supply of affordable housing.
- Continue to provide homebuyer counseling which will provide increased knowledge and resources for low to moderate-income citizens seeking to purchase a home.
- Continue participation in the CoC planning efforts to end homelessness by serving as one of the lead agencies in the community-driven process.

Other Actions 91.220(k)

18. *Describe the actions that will take place during the next year to address obstacles to meeting underserved needs, foster and maintain affordable housing, evaluate and reduce the number of housing units containing lead-based paint hazards, reduce the number of poverty-level families develop institutional structure, enhance coordination between public and private agencies (see 91.215(a), (b), (i), (j), (k), and (l)).*

Response: See #17 above for actions to foster and maintain affordable housing.

Meeting Underserved Needs

CCCD will continue to seek methods to maximize the entitlement funds that it receives to better serve extremely low and low-income residents. As a means of accomplishing this, Cumberland County will continue its partnership with the United States Department of Agriculture Rural Development, as funding is available, to maximize the use of HOME funds for the Homebuyer Assistance Program. This partnership, along with collaboration with other local lenders, has provided gap financing assistance for prospective applicants in order to make the purchase of homes more affordable for the buyer. Loans for this assistance are structured so that repayment obligation can be adjusted to make the loan affordable.

Another area of underserved needs in our community lies in the public services/homeless services arena. Through the funding of non-profit public service agencies, we will continue to strive to meet the underserved needs in our community. Though CDBG funds are limited for these types of activities, we will continue to commit at the maximum level allowable.

The most recent Point-in-Time survey documented 615 homeless individuals in our community. Therefore, we will consider implementing a Tenant Based Rental Assistance Program to compliment other resources available through programs such as ESG and CoC.

Lead-Based Paint Strategy

All CCCD housing rehabilitation staff has been trained in lead-based paint safe work practices and interim controls. CCCD will undertake the following strategies to educate and abate lead-based paint hazards:

- Develop and run periodic public service announcements to make households with children under seven aware that they may qualify for funding to assist with lead-based paint abatement;
- Ensure that all households applying for funds from CCCD's Housing Rehabilitation or Homebuyer Assistance Programs are given brochures on the hazards of lead-based paint;
- Ensure that all units repaired and/or acquired under the Homebuyer Assistance, Rental Rehabilitation, Homeowner Rehabilitation, and Purchase/Rehab/Resale are tested according to HUD standards; and
- Conduct workshops for new contractors so that they are trained to perform lead hazard control work as required by the Lead Safe Housing Rules.

Anti-poverty Strategy

The long-term solution to poverty is a complex one and requires us to wrestle with social and economic issues that have persisted for decades. There is a need to alleviate the problem of excessive rent burdens for the poor by providing an increased number of available, decent, safe, and affordable housing units. Job training must be provided for skills improvement, social services with a caring heart, better education, and comprehensive health care for the indigent and more economic opportunities for people

who live in Cumberland County. All of these must be components of comprehensive community planning and economic development.

Where possible, CCCD will partner with other County social and human service agencies to provide affordable housing assistance. The primary relationship is that of a referral nature. The goals, programs, and policies that have been put into place target populations that are served by the Department of Social Services, Mental Health, the Health Department, etc.

More specifically:

- The goals set forth for housing rehabilitation help preserve existing affordable housing units.
- The provision of down payment assistance helps low-income families accumulate wealth.

Institutional Structure

There is still an under supply of seasoned non-profit housing development organizations in Cumberland County that have hands-on experience in real estate development. A small number of private for profit developers are active in the local low-income housing tax credit market. In order, however, for Cumberland County to make advances in affordable housing, it must nurture the growth and development of non-profit developers that can access the full range of federal, state, and other subsidies needed to finance affordable housing.

We continue to face the challenge of addressing increased needs with less funding. Therefore, our focus over the next year will be to continue to seek more strategic partnerships, streamlining processes and procedures for more administrative efficiency and additional revenue sources. Existing partnerships and relationships with Kingdom Community Development Corporation, Center for Economic Empowerment & Development, The Salvation Army, Cumberland Interfaith Hospitality Network, Better Health of Cumberland County, CCAP/Consumer Credit Counseling, Fayetteville Metropolitan Housing Authority, USDA Rural Development, and private developers will continue to be fostered during the next year.

Cumberland County is a diverse community with a substantial increase in the Hispanic population. And like any large county in the country, affordable housing can be problematic. The County's partnership with the City of Fayetteville, through the Fayetteville-Cumberland County Human Relations Department, will aid in the efforts to provide affordable housing to this growing population. The Human Relations Department also includes Spanish-speaking staff.

Non-profit organizations must develop the necessary background and experience in real estate development and affordable housing finance in order to serve the housing needs of Cumberland County over the long term. CCCD will also continue to provide technical assistance to non-profit agencies (for affordable housing, public services, etc.) through staff and the use of technical assistance funding provided by HUD.

19. Describe the actions to coordinate its housing strategy with local and regional transportation planning strategies to ensure to the extent practicable that residents of affordable housing have access to public transportation.

Response: In evaluating affordable housing projects and proposals we make every effort to ensure that public transportation is available and easily accessible to our developments. The City of Fayetteville has expanded the Fayetteville Area System of Transit (FAST) routes and hours to more adequately serve Cumberland County citizens. In recent years, the Town of Spring Lake has contracted with a private entity to provide transportation services to its residents connecting them to employment and vital services within Cumberland County.

Another area that CCCD will be focusing on, as the issue of lack of transportation for rural residents was identified in our AI, is to increase the availability and accessibility of transportation throughout rural Cumberland County. Lack of public transportation limits affordable housing choice.

Efforts will include distribution of literature on Cumberland County's Community Transportation Program (CTP) to citizen support agencies such as: the NC Indian Housing Authority, Cumberland County Coordinating Council on Older Adults, Hispanic Latino Center, Cumberland County Veterans Services Office, and Consumer Credit Counseling Service of Fayetteville.

PROGRAM SPECIFIC REQUIREMENTS

CDBG 91.220(l)(1)

1. *Identify program income expected to be received during the program year, including:*
 - *amount expected to be generated by and deposited to revolving loan funds;*
 - *total amount expected to be received from each new float-funded activity included in this plan; and*
 - *amount expected to be received during the current program year from a float-funded activity described in a prior statement or plan.*

Response: CCCD estimates receiving program income in the amount of \$200,000 from CDBG activities and \$200,000 from HOME activities. The Department does not have any float-funded activities nor does it anticipate providing funding for such activities during the 2014 Program Year.

2. *Program income received in the preceding program year that has not been included in a statement or plan.*

Response: CCCD receipts and expends program income prior to drawing down any funds from its line of credit. Therefore, there is not any program income that has not been included in a prior year's plan.

3. *Proceeds from Section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in its strategic plan.*

Response: CCCD does not have any open Section 108 loans; therefore such funds will not be used to address priority needs and objectives identified in our strategic plan.

4. *Surplus funds from any urban renewal settlement for community development and housing activities.*

Response: Not applicable. CCCD does not have any urban renewal settlement funds.

5. *Any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.*

Response: Not applicable. CCCD has not returned any funds to its line of credit.

6. *Income from float-funded activities.*

Response: Not applicable. CCCD does not have any float-funded activities.

7. *Urgent need activities, only if the jurisdiction certifies.*

Response: Not applicable. CCCD is not proposing any activities under the urgent need national objective.

8. *Estimated amount of CDBG funds that will be used for activities that benefit persons of low- and moderate-income.*

Response: It is estimated that 90% of the CDBG activities will be used for the benefit of low and moderate income citizens during the 2014 Program Year. The other 10% of funding will be used in response to slum and blighting conditions.

HOME 91.220(I)(1)

1. *Describe other forms of investment. (See Section 92.205)*

If grantee (PJ) plans to use HOME funds for homebuyers, did they state the guidelines of resale or recapture, as required in 92.254.

Response: During the 2014 Program Year, CCCD will allocate funds from its HOME entitlement to provide assistance to first time homebuyers. For homebuyer programs, CCCD uses the recapture provision.

2. *If grantee (PJ) plans to use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated with HOME funds, state its refinancing guidelines required under 24 CFR 92.206(b).*

Response: During the 2014 Program Year, CCCD will not refinance any existing multi-family housing debt.

3. *Resale Provisions -- For homeownership activities, describe its resale or recapture guidelines that ensure the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4).*

Response: CCCD uses the recapture provision for its homeownership activities as in accordance with the adopted policy included at Appendix E.

4. *HOME Tenant-Based Rental Assistance -- Describe the local market conditions that led to the use of HOME funds for tenant based rental assistance program. If the tenant based rental assistance program is targeted to or provides a preference for a special needs group, that group must be identified in the Consolidated Plan as having an unmet need and show the preference is needed to narrow the gap in benefits and services received by this population.*

Response: CCCD does not plan to use HOME funds for tenant based rental assistance (TBRA) during the 2014 Program Year.

5. *If a participating jurisdiction intends to use forms of investment other than those described in 24 CFR 92.205(b), describe these forms of investment.*

Response: CCCD's HOME investments will be in accordance with 24 CFR 92.205(b)

6. *Describe the policy and procedures it will follow to affirmatively market housing containing five or more HOME-assisted units.*

Response: Refer to Appendix G for a copy of CCCD's Affirmative Marketing Policy.

7. *Describe actions taken to establish and oversee a minority outreach program within its jurisdiction to ensure inclusion, to the maximum extent possible, of minority and women, and entities owned by minorities and women, including without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts, entered into by the participating jurisdiction with such persons or entities, public and private, in order to facilitate the activities of the participating jurisdiction to provide affordable housing under the HOME program or any other federal housing law applicable to such jurisdiction.*

Response: Refer to Appendix H for a copy of CCCD's M/WBE policy.

8. *If a jurisdiction intends to use HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds, state its financing guidelines required under 24 CFR 92.206(b).*

Response: During the 2014 Program Year, CCCD will not refinance any existing multi-family housing debt.

HOPWA 91.220(I)(3)

1. *One year goals for the number of households to be provided housing through the use of HOPWA activities for: short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family, tenant-based rental assistance, units provided in housing facilities that are being developed, leased, or operated.*

Response: Not applicable.

OTHER NARRATIVES AND ATTACHMENTS

Section 3 Requirements

CCCD is required to comply with the Section 3 provision of the Housing and Urban Development Act of 1968. Section 3 requires that, to the greatest extent feasible, training and employment opportunities arising out of a project assisted under a program providing direct federal financial assistance from the US Department of Housing and Urban Development (HUD) be given to low and very low income residents of the service area and, where appropriate, contracts for work in connection with the project be awarded to business concerns (firm) which are located in or owned in substantial part by persons residing in the area of the project.

CCCD adheres to Section 3 requirements and maintains the activities outlined in our Implementation Guide to ensure compliance with federal requirements. A copy of the Section 3 Implementation Guide is attached to this document at Appendix I.

Monitoring 91.230

Cumberland County will continue to improve its established monitoring system of CDBG, HOME, CoC Program, ESG and other housing and community development activities to ensure both short-term and long-term contract and regulatory compliance. Monitoring is the responsibility of the Cumberland County Community Development Department.

1. Subrecipient Projects:

Monitoring of sub-recipient projects has five major components:

- a) Grant Applications: Requests for funding application is made on a standard form and is carefully reviewed and evaluated. Points are given for each of 19 criteria covering community need, program effectiveness, financial record, and capacity. Recommendations for funding are based on evaluation of the above criteria.
 - b) Contractual Agreements: Cumberland County Community Development enters into a two-part contractual grant agreement with each sub-recipient. Part I of the agreement describes the tasks to be performed with the grant funds, the results to be achieved, and other conditions specific to the project. Part II lists all Federal standards with which the agency must comply. CCCD staff conducts pre-monitoring, desk monitoring, and on-site monitoring visits at least once a year to review for contractual and regulatory compliance.
 - c) Monitoring Records: For each sub-recipient, the staff maintain monitoring records that include the following:
 - i. Basic information.
 - ii. Monitoring Plan - A risk assessment is carried out to determine the appropriate frequency of on-site visits, and the areas to be reviewed, including some or all of: financial management, client eligibility, program effectiveness, property, procurement, program income, fair housing and equal opportunity.
 - iii. Sub-recipient training and technical assistance provided.
 - iv. Review of the agency's CPA audit (if required).
 - v. Quarterly financial reports and monthly draw requests from the sub-recipient.
 - vi. Quarterly programmatic reports.
 - vii. On-site monitoring reports.
 - viii. Correspondence and notes of significant telephone conversations.
2. On-Site Visits: Staff performs on-site monitoring reviews at least annually, depending on the assessment of risks for non-compliance. Program operations are observed, sub-recipient staff interviewed, client eligibility confirmed, and financial and programmatic reports verified from original documentation.
3. Long-Term Compliance: Activities involving real property acquisition or improvement require long-term compliance with the original purpose of the federal assistance. Cumberland County Community Development maintains a CDBG Real Property Inventory that is updated annually, and confirms that such property is still being used for the intended purpose. Cumberland County Community Development also carries out an annual review of HOME-assisted rental units, to ensure compliance with Housing Quality Standards, tenant eligibility, and rent ceilings.

The CCCD staff has developed detailed written guidelines for monitoring sub-recipients to ensure more uniform and comprehensive reviews. CCCD monitors the federally funded projects that are implemented by the department through a simple project tracking and management reporting system. This process includes monthly management reports, frequent inter-departmental reports and meetings, and financial reports. Project expenditures are compared with budgets on a monthly basis.

CCCD relies heavily on standard operating procedures that have been designed to be in compliance with federal standards, for example, its purchasing policy. HUD monitoring and CCCD's Single Audit provide annual independent checks on compliance by both CCCD and sub-recipients.

SPECIAL MONITORING FOR PARTICULAR ACTIVITIES

Rehabilitation 24 CFR 570.202 (Eligible Activities)

Review of File Records and Progress

Regulatory Compliance

- Location (census tract, redevelopment area)
- Type of housing (SF/MF), commercial
- Number of units per structure
- Historic preservation
- Lead-based paint (inspection/remediation)
- Household income (L/M benefit)
- Procurement and Bonding
- Labor Standards Review
- Relocation and Real Property Acquisition
- Environmental Review (date/findings)
- Project in Special Flood Hazard Area
- Section 504/ADA compliance

Comparison of Performance Records with Agreement/Application

- Scope of Work (work write-up, plans and specs, and original cost estimate)
- Contract award date, date work began
- Date final inspection; completion notice
- Number of dwelling units completed, comparison with Application/Agreement
- Actual delivery schedule v. Application and Agreement

In-House Cost and Productivity Review

- Method used to assure reasonable costs
- Direct construction costs (per unit)
- Indirect/administrative costs; comparison with cost allocation plan; percent of total
- Costs within 10% of in-house estimate
- Cost per unit vs. Budget

Community Housing Development Organizations 24 CFR Part 92 Subpart G

- .300 Set-Aside for Community Housing Development Organizations
- .301 Project-Specific Assistance to Community Housing Development Organizations
- .302 Housing Education and Organizational Support
- .303 Tenant Participation Plan

Community Housing Development Organization (CHDO) Monitoring Activities

All CHDOs will be monitored annually for recertification purposes using the following criteria:

- **Non-profit Status** – The CHDO must maintain its status as a non-profit corporation with a 501(c)(3) or 501(c)(4) IRS tax-exempt ruling.
- **Affordable Housing Commitment** – The CHDO must have a stated commitment to the development or affordable housing in the community it serves. The commitment must continue to be in at least one of the following: a) articles of incorporation, b) by-laws of the organization,

c) board resolution, or d) charter.

- **Not Controlled by Public or For-profit** – The CHDO must continue to be free of external controls, either from public or for-profit interests.
- **Capacity** – The CHDO must have its own staff and must be capable of engaging in the housing development activity it intends to pursue. The CHDO must currently have adequate capacity or must have demonstrated capacity building activities.
- **Board Composition** – The CHDO’s board structure must continue to reflect the community that it intends to serve and otherwise meet the regulatory requirements of the HOME program.

ON-SITE REVIEWS

Staff will perform on-site monitoring reviews at least annually, depending on the risk assessment for non-compliance. Program operations are observed, CHDO staff interviewed, client eligibility confirmed, and financial and programmatic reports verified from original documentation.

MONITORING CHDO AND CBDO PROJECTS

Eligible CHDO activities include: acquisition and/or rehabilitation of rental housing; new construction of rental housing; acquisition and/or rehabilitation of homebuyer property; new construction of homebuyer property; provide direct homebuyers assistance.

CBDO’s are allowed to carry out certain activities in connection with neighborhood revitalization, community economic development or energy conservation projects.

A neighborhood revitalization project must include activities of sufficient size and scope to have an impact on the decline of a particular neighborhood. The neighborhood must be designated in a local comprehensive plan or other local planning document or ordinance. For communities with populations of less than 25,000, the entire community can be considered a neighborhood.

A community economic development project must include activities that will increase economic opportunity, principally for LMI persons, or that retain or create jobs.

Projects that address a lack of affordable housing accessible to existing or planned jobs are considered eligible under a community economic development project.

Energy conservation projects must include activities that address energy conservation, principally for LMI persons in the community.

Monitoring activities will be conducted in accordance with 2014 Monitoring Plan. Monitoring activities specified for rehabilitation and rental housing projects will be followed. Staff will also ensure that the Uniform Relocation Act and 49 CFR Part 24 is adhered to for acquisition projects.

**Staff will use the handbook Monitoring HOME Program Performance (HUD-2030-CPD, October 2000) as its primary guide and resource in conducting monitoring for CHDOs and all HOME program projects.

Rental Housing Monitoring Process

Project Eligibility Determination

Staff should determine whether a project is eligible for HOME funding:

- Property type eligibility,
- HOME subsidy limits,
- Environmental review, and
- Site and Neighborhood standards (if applicable).

Project Tracking

Staff should track progress through all stages of a project's development. When a project is in the construction phase, monitoring staff should be reviewing all documents to check the following:

- Subcontractor management and review,
- Labor standards, Davis-Bacon (if applicable),
- Section 3 (if applicable),
- Compliance with contract deadlines,
- Comparison of payment requests with eligible costs, and
- Completed items on work item lists or an addendum/change order.

All work should be inspected before a payment is processed. If a project appears to be experiencing difficulties, staff should perform an on-site visit.

Project Completion Review

When a project is complete, staff should make an on-site visit to monitor compliance with the following requirements:

- Property standards,
- Only eligible costs have been reimbursed,
- Construction management records,
- Lien waivers from both general contractor and all subcontractors,
- Proper data is collected to prepare women business enterprise and minority business enterprise (WBE/MBE) reports, and
- If match is being provided, the monitor should check that all proper documents have been submitted for review and calculation.

Initial Rent and Occupancy Review

Before a project reaches stabilized occupancy (95 percent or more), staff must review the Project Compliance Report and conduct an on-site visit to confirm that rent and occupancy standards have been met.

Ongoing Monitoring

Staff must review annual Project Compliance Reports and perform regular on-site visits throughout the affordability period to ensure continued compliance with:

- Rent and occupancy requirements,
- Property standards, and
- Other Federal requirements (fair housing, lead-based paint, affirmative marketing, etc.).

COMMUNITY DEVELOPMENT SUBGRANTEE MONITORING PLAN

Grantee: Cumberland County Community Development (CCCD)

Period: PY 2014

Subject: CDBG, HOME, ESG & CoC Subrecipients

Contact: Delores Taylor

MONITORING OBJECTIVES

Primary: To ensure that subrecipients are:

- 1) complying with all applicable Federal requirements under the above named programs and local regulations, when applicable.
- 2) complying with administrative and financial management standards.
- 3) performing and delivering services in a timely manner.

Secondary: To identify any potential areas of non-compliance and offer technical assistance to the subrecipient to ensure the continued success of both the subrecipient and Cumberland County Community Development.

PROCEDURES

Step #1 In-house reviews (desk audits) of subrecipient materials & regulations review

Step #2 Pre-monitoring visits with subrecipients

Step #3 Conduct visit as follows:

- a) Notify of date, scope, focus of review
- b) Hold entrance conference with chief official
- c) Document, gather & analyze
- d) Hold exit conference to report results, hear reaction & form conclusions
- e)

Step #4 Follow-up with letter that both praises & raises finding/concerns

RISK ASSESSMENT

Factors:

- a) New subrecipients and/or new programs
- b) Subrecipients receiving multiple Federal funding and carrying out multiple activities
- c) Subrecipients carrying out high risk activities (housing development, leasing, homeless activities, economic development)
- d) Subrecipients with previous compliance or performance problems
- e) Subrecipients that have experienced turnover in key personnel/personnel new to federal funding

Ranking:

Ranking is applied based on the above criteria. The score for each factor ranges from 2 to 7 (2 considered the lowest risk). Subrecipients may receive a maximum total score of 25 (highest risk).

For the PY 2014, the risk assessment is as follows:

Subrecipients	Score	Risk Level	Main Factors Considered
New Affordable Housing Development Projects (More than 4 units)	-	High	all
New Economic Development Projects	-	High	all
New CoC Program Projects and/or Sponsors	-	High	all
United Management - Blanton Green, Crosswinds Green I and II, Dogwood Manor, Golfview, Haymount Manor, Legion Crossings, Legion Manor, Spring Lake Green, Southview Green, Southview Villas, Sycamore Park	14	High	a,b,c
ESG Recipients Managing Housing Stabilization Programs			
Kingdom Community Development (Balsawood)	13	High	a,b,c
Public Services/Public Facilities (New Recipient(s) TBD)	-	Moderate	a,b,d,e
Bragg Hospitality, LLC (Candlewood Suites / IHOP)	13	Moderate	b,c
Fayetteville Metropolitan Housing Authority – Robin’s Meadow	13	Moderate	a,b,c
A Taste of Europe	13	Moderate	c,d
Excel Property Management - Pine Ridge Manor Apts.	13	Moderate	c
A Taste of Europe	13	Moderate	c,d
Blue Sky Grading	7	Low	c
Happy Hound	7	Low	c
Public Services (Returning Recipients)	-	Low	-

REMOTE / ON-SITE MONITORING VISITS

CCCD will perform an annual desk review and, when necessary, an on-site monitoring visit for each subrecipient during the program year to ensure that subrecipients are in compliance with federal regulations, statutory requirements, and the terms of their subrecipient agreement with CCCD. Subrecipients managing multifamily housing projects will require on-site monitoring annually during the affordability period. On-site monitoring visits for selected subrecipients will be scheduled during the Program Year beginning with those with the highest risk level.

This monitoring plan is subject to change.

For more information on the Annual Action Plan, contact:

Cumberland County Community Development
707 Executive Place
Fayetteville, NC 28305
Telephone: (910) 323-6112 Facsimile: (910) 323-6114
(Mailing address: PO Box 1829, Fayetteville, NC 28302-1829)