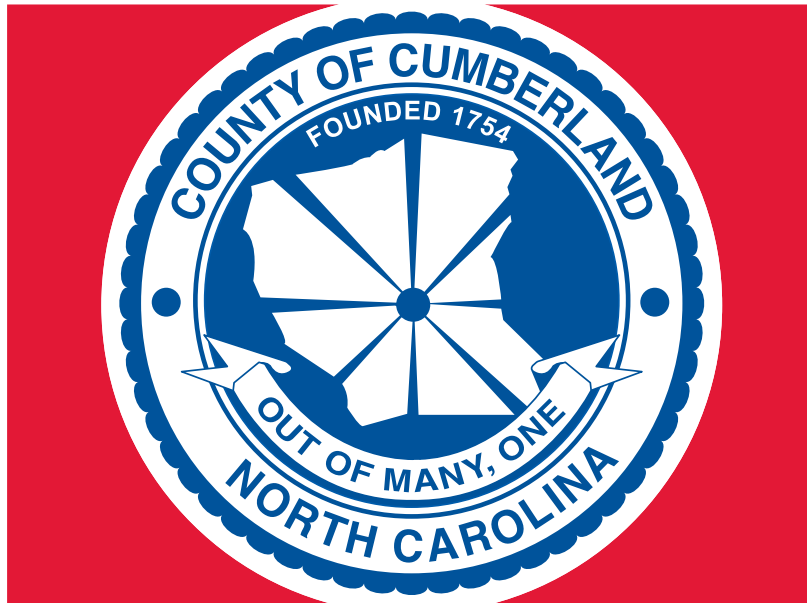


**DRAFT**



**CUMBERLAND  
COUNTY**



**2009 ANNUAL ACTION PLAN**

Prepared by: Cumberland County Community Development  
Public Review Period: April 7, 2009 – May 6, 2009  
(Public Hearing 4/20/2009)

**CUMBERLAND COUNTY**  
**2009-2010 ACTION PLAN BUDGET**  
2009 PROGRAM YEAR (7/1/09 – 6/30/10)

<b><u>HOUSING ACTIVITIES</u></b>	<b><u>CDBG</u></b>	<b><u>HOME</u></b>
<ul style="list-style-type: none"> <li>• Housing Rehabilitation</li> <li>• CHDO Set-Aside</li> <li>• Housing Project Delivery</li> <li>• Tenant Based Rental Assistance</li> </ul>	\$ 130,000	\$549,260
	\$228,149	\$ 82,852
		Prior Year Funds
<b><u>PUBLIC FACILITIES</u></b>		
<ul style="list-style-type: none"> <li>• Debt Service for the Spring Lake Family Resource Center</li> </ul>	\$166,211	
<b><u>ECONOMIC DEVELOPMENT</u></b>		
<ul style="list-style-type: none"> <li>• Economic Development Loans</li> <li>• Activity Delivery</li> </ul>	\$ 290,000	
	\$ 9,791	
<b><u>PUBLIC SERVICES</u></b>		
Agencies:	\$ 103,300	
<ul style="list-style-type: none"> <li>• Better Health</li> <li>• CC MAP</li> <li>• CC Older Adults</li> <li>• City Rescue Mission</li> <li>• Communicare</li> <li>• Lisa's House of Care</li> <li>• Salvation Army</li> <li>• Robin's Meadow</li> <li>• Activity Delivery</li> </ul>		
	\$ 7,000	
	\$ 30,044	
<b>ADMINISTRATION/PLANNING</b>	\$ 241,123	\$ 64,098
<b>TOTAL</b>	<b>\$1,205,618</b>	<b>\$696,210</b>
<b><u>REVENUE SOURCES</u></b>		
<b>GRANT FUNDS</b>	\$1,055,618	\$490,975
<b>PROGRAM INCOME</b>	\$ 150,000	\$150,000
<b>COUNTY MATCH REQUIREMENT</b>		\$ 55,235
<b>TOTAL</b>	<b>\$1,205,618</b>	<b>\$ 696,210</b>

**COMPETITIVE GRANT FUNDS**

PROJECT	TYPE FUNDS	GRANT TERM	GRANT AWARD Estimated Balance
Robin's Meadow Transitional Housing Program	SHP	1 YR 4/1/09-3/31/10	\$84,184
County Match			\$28,046

# CUMBERLAND COUNTY COMMUNITY DEVELOPMENT 2009 ANNUAL ACTION PLAN

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## A. PURPOSE

Cumberland County Community Development's Annual Action Plan provides a narrative description of the projects and activities that are expected to be implemented and funded with entitlement funding that Cumberland County Community Development will receive from the United States Department of Housing and Urban Development for the 2009 Program Year. The projects described on the following pages will be provided by Community Development with Community Development Block Grant (CDBG), and Home Investment Partnership Act (HOME) entitlement funds.

The 2009 Annual Action Plan strives 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.

## B. GEOGRAPHIC DISTRIBUTION

The towns of Eastover, Falcon, Godwin, Hope Mills, Linden, Spring Lake, Stedman, and Wade have all elected to remain parties to Cumberland County's designation as an Urban County. All of the programs described on the following pages, with the exception of certain Public Service Program and Supportive Housing Program projects, will be accomplished in one of these municipal areas of the County or the unincorporated areas of the County.

## C. SOURCES OF FUNDS

**FEDERAL SOURCES:** The following information describes the sources and amounts that will be made available to Cumberland County for the implementation of 2009-2010 program goals and objectives:

### **Entitlement Grants**

**Source: Community Development Block Grant (CDBG) - Amount \$1,055,618**

**Source: Home Investment Partnership Act (HOME) - Amount \$490,975**

### **Local Sources**

Matching Requirements - As a federal requirement, Cumberland County is to provide matching funds for the HOME entitlement program in the amount of \$55,235.

### **Program Income**

Cumberland County Community Development projects that it will receive program income from repayment of loans for the housing rehabilitation, homebuyer assistance, and economic development programs:

- CDBG Entitlement Program: \$150,000
- HOME Entitlement Program: \$150,000

Community Development Block Grant, Home Investment Partnership Act [including American Dream Down payment Initiative(ADDI)] Funds, local sources match, and program income will be used to address priority needs identified in the Consolidated Plan by conducting the following eligible activities:

## D. DESCRIPTION OF PROJECTS

### 1. HOUSING ACTIVITIES:

- a. **Housing Rehabilitation Program - Housing Goal 1, Housing Goal 4 - CDBG: \$130,000. National Objective: Low/Mod Housing, Eligibility Citation: 24 CFR Part 570.202; HOME: \$549,260. Eligibility Citation: 24 CFR Part 92.205(a)(1);**

**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 (\$49,300 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.

**2) Rental Rehabilitation (Investor-Owner):** Property owners with 10 or fewer units are able to access low-interest 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.

**3. 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.

- b. **Homeownership Assistance Program. Priority Need: Affordable Housing; Housing Goal 2, Housing Goal 4 – HOME/ADDI: Prior years funding. Eligibility Citation: 24 CFR Part 92.205(a) (1);**

**1) Down Payment/Closing Costs Assistance (DAP).** This program coordinates with local financial institutions in order to provide up to \$10,000 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.

**2) 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 an interest free 15-year (for DAP) or 30-year (for GAP) forgivable deferred loan, forgiving an equal amount of the deferred portion on the 6th anniversary of the loan and on each anniversary thereafter throughout the remainder of the loan term. The deferred payment loan is attractive because it does not add to the monthly carrying costs while permitting repayment at a future date. This approach offers the benefit of significant leverage of private lender money while providing program income for CCCD when the promissory note is triggered to be repaid. Events that would trigger early repayment of the loan would be if the borrower(s) died, ceased to occupy the property as his/her primary residence, or sold or transferred title of the property to someone else. 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, nor will the department agree to a subordination of its lien interest at any time.

**Recapture Provision:** All units receiving HOME Program subsidies are required to comply with a designated affordability period as described above. CCCD can ensure continued affordability through the recapture of its initial investment (plus interest, if debt is structured to be repaid with interest). The proceeds will be reprogrammed and used for other HOME eligible activities (i.e., assisting another eligible homebuyer in obtaining a home). Once the HOME funds are repaid, the property is no longer subject to the affordability requirements.

CCCD will make every effort to preserve affordability and avoid project default; however, in the event of a foreclosure, a transfer in lieu of foreclosure, or an assignment to HUD, the PJ must repay the HOME account. If the ownership of the housing is conveyed pursuant to a foreclosure sale, the amount of recapture due will be only the net proceeds from the sale. The recapture provisions and period of affordability on each HOME-assisted unit are enforced through the deed restrictions that are recorded as a part of each real estate closing.

**Homeownership Counseling:** As a requirement of the CCCD First-time Homebuyers Program, applicants are required to successfully complete a First-time Homebuyers Class prior to being awarded community development funding. CCCD contracts with a local agency qualified to provide homeownership education classes. The following services are included in the scope of services of the contract:

- Provide monthly homeownership education workshops
- Coordinate all preparation of the workshops, including advertising
- Conduct the workshop with certified housing counselors
- Provide evaluations of workshop effectiveness

**Marketing:** In keeping with special outreach activities outlined in CCCD's Affirmative Fair Housing 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 ADDI program.

**c. Community Housing Development Organization (CHDO) Set-Aside. Priority Need: Affordable Housing; Housing Goal 2 - HOME: \$82,852. Eligibility Citation: 24 CFR Part 92.300**

Federal regulations require that 15% of the HOME entitlement funds be set-aside for affordable housing development by CHDOs. 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.

**e. Tenant Based Rental Assistance (TBRA). Priority Need: Affordable Housing; Housing Goal 1 – HOME: \$25,000 (prior year funding). Eligibility Citation: 24 CFR Part 92.205(a)(1)**

This program can provide rental subsidy to help eligible households afford housing costs such as rent, utility costs, security deposits, and/or utility deposits. Final program design is to be determined.

- f. Housing Project Delivery Costs** – 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 BENCHMARKS

Housing Rehabilitation	JUL 09	AUG 09	SEP 09	OCT 09	NOV 09	DEC 09	TOTAL
Projected Expenditures	\$56,604	\$56,604	\$56,604	\$56,604	\$56,604	\$71,604	\$354,624
Units completed	3	2	3	0	2	3	13
	JAN 10	FEB 10	MAR 10	APR 10	MAY 10	JUN 10	YEARLY TOTAL
Projected Expenditures	\$54,106	\$54,106	\$54,106	\$54,106	\$54,106	\$54,106	\$679,260
Units completed	1	0	2	2	2	2	22

## HOUSING BENCHMARKS (continued)

Homeownership Assistance – *(no new funds committed)	JUL 09	AUG 09	SEP 09	OCT 09	NOV 09	DEC 09	TOTAL
Projected Expenditures	*	*	*	*	*	*	*
Units completed	0	1	1	0	0	0	2
	JAN 10	FEB 10	MAR 10	APR 10	MAY 10	JUN 10	YEARLY TOTAL
Projected Expenditures	*	*	*	*	*	*	*
CHDO Set-aside	JUL 09	AUG 09	SEP 09	OCT 09	NOV 09	DEC 09	TOTAL
Projected Expenditures	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Units completed	TBD	TBD	TBD	TBD	TBD	TBD	TBD
	JAN 10	FEB 10	MAR 10	APR 10	MAY 10	JUN 10	YEARLY TOTAL
Projected Expenditures	TBD	TBD	TBD	TBD	TBD	TBD	\$82,852
Units completed	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Tenant Based Rental Assistance (TBRA)	JUL 09	AUG 09	SEP 09	OCT 09	NOV 09	DEC 09	TOTAL
Projected Expenditures	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Clients Assisted	TBD	TBD	TBD	TBD	TBD	TBD	TBD
	JAN 10	FEB 10	MAR 10	APR 10	MAY 10	JUN 10	YEARLY TOTAL
Projected Expenditures	TBD	TBD	TBD	TBD	TBD	TBD	\$25,000
Clients Assisted	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Housing Project Delivery	JUL 09	AUG 09	SEP 09	OCT 09	NOV 09	DEC 09	TOTAL
Projected Expenditures	\$19,012	\$19,012	\$19,012	\$19,012	\$19,012	\$19,012	\$114,072
Full Time Equivalent Positions	4	4	4	4	4	4	4
	JAN 10	FEB 10	MAR 10	APR 10	MAY 10	JUN 10	YEARLY TOTAL
Projected Expenditures	\$19,012	\$19,012	\$19,012	\$19,012	\$19,012	\$19,017	\$228,149
Full Time Equivalent Positions	4	4	4	4	4	4	4

## 2. PUBLIC FACILITIES

**Public Facilities Program: Community Development Goal 1; Community Development Goal 2 - CDBG: \$166,211. National Objective: Low/Mod Income Area Benefit; Eligibility Citation: 24 CFR Part 570.201(c).**

The County will continue to meet its debt service on the Section 108 Guaranteed Loan for the Spring Lake Family Resource Center.

## PUBLIC FACILITIES BENCHMARKS

Section 108 Debt Service	JUL 09	AUG 09	SEP 09	OCT 09	NOV 09	DEC 09	TOTALS
Projected Expenditures	\$0	\$83,105	\$0	\$0	\$0	\$0	\$83,106
Facilities Assisted	0	1	0	0	0	0	1
	JAN 10	FEB 10	MAR 10	APR 10	MAY 10	JUN 10	TOTALS
Projected Expenditures	\$83,105	\$0	\$0	\$0	\$0	\$0	\$166,211
Facilities Assisted	1	0	0	0	0	0	1

### 3. ECONOMIC DEVELOPMENT

**Business Loan Program: Community Development Goal 3 - CDBG: \$299,791; National Objective: Low/Mod Jobs; Eligibility Citation: 24 CFR Part 570.201(o).**

Low interest business loans are offered to for-profit business that will create viable/permanent job opportunities for low to moderate-income residents. Loans are available for property acquisition, site improvements, capital equipment, machinery, and/or inventory and working capital. Loan interest rates are at 5% for a maximum term of 15 years.

**Economic Development Project Delivery Costs** – CCCD staff costs directly related to carrying out economic development projects, such as application intake, eligibility review; loan processing, and other technical assistance necessary to ensure program compliance.

## ECONOMIC DEVELOPMENT BENCHMARKS

Economic Development Loans	JUL 09	AUG 09	SEP 09	OCT 09	NOV 09	DEC 09	TOTALS
Projected Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Businesses Assisted	0	0	0	0	0	0	0
	JAN 10	FEB 10	MAR 10	APR 10	MAY 10	JUN 10	TOTALS
Projected Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$290,000
Businesses Assisted	0	0	1	0	0	0	1
Project Delivery	JUL 09	AUG 09	SEP 09	OCT 09	NOV 09	DEC 09	TOTALS
Projected Expenditures	\$815	\$815	\$815	\$815	\$815	\$826	\$4,901
Full-Time Equivalent Positions	.15	.15	.15	.15	.15	.15	.15
	JAN 10	FEB 10	MAR 10	APR 10	MAY 10	JUN 10	TOTALS
Projected Expenditures	\$815	\$815	\$815	\$815	\$815	\$815	\$9,791
Full-Time Equivalent Positions	.15	.15	.15	.15	.15	.15	.15

#### 4. PUBLIC SERVICES

**Public Service Program: Community Development Goal 3; Special Populations Goal 1 - CDBG: \$140,344. National Objective: Low/Mod Limited Clientele; Eligibility Citation: 24 CFR Part 570.201(e).**

All projects listed under this program were pre-selected based on identified needs in the community. Final determination of funding amounts will be based on receipt of final information from each agency on the projected need to be met. The following agencies were conditionally selected for funding:

<u>Agency</u>	<u>Service Provided</u>
• Better Health of Cumberland County	health care assistance
• City Rescue Mission	shelter for homeless individuals
• Coordinating Council on Older Adults	at home care for the elderly
• Cape Fear Valley Medical Assistance Program	prescription drug assistance
• Robin's Meadow (CCCD)	housing & services for homeless families
• The Salvation Army (shelter)	shelter for homeless individuals

Public Services Project Delivery Costs – CCCD staff costs directly related to carrying out public services projects, such as eligibility review and processing of pay requests, and other technical assistance necessary to ensure program compliance.

#### PUBLIC SERVICES BENCHMARKS

Better Health of Cumberland County	JUL 09	AUG 09	SEP 09	OCT 09	NOV 09	DEC 09	TOTALS
Projected Expenditures	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$9,000
Clients Assisted	35	35	35	35	35	35	210
	JAN 10	FEB 10	MAR 10	APR 10	MAY 10	JUN 10	TOTALS
Projected Expenditures	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Clients Assisted	35	35	35	35	35	35	420
Cape Fear Valley Medical Assistance Program (CCMAP)	JUL 09	AUG 09	SEP 09	OCT 09	NOV 09	DEC 09	TOTALS
Projected Expenditures	\$1,666	\$1,666	\$1,666	\$1,666	\$1,666	\$1,670	\$10,000
Clients Assisted	66	66	66	66	66	66	396
	JAN 10	FEB 10	MAR 10	APR 10	MAY 10	JUN 10	TOTALS
Projected Expenditures	\$1,666	\$1,666	\$1,666	\$1,666	\$1,666	\$1,670	\$20,000
Clients Assisted	70	70	66	66	66	66	800

**PUBLIC SERVICES BENCHMARKS (continued)**

<b>City Rescue Mission</b>	<b>JUL 09</b>	<b>AUG 09</b>	<b>SEP 09</b>	<b>OCT 09</b>	<b>NOV 09</b>	<b>DEC 09</b>	<b>TOTALS</b>
Projected Expenditures	\$779	\$779	\$779	\$779	\$779	\$780	\$4,675
Clients Assisted	TBD	TBD	TBD	TBD	TBD	TBD	TBD
	<b>JAN 10</b>	<b>FEB 10</b>	<b>MAR 10</b>	<b>APR 10</b>	<b>MAY 10</b>	<b>JUN 10</b>	<b>TOTALS</b>
Projected Expenditures	\$779	\$779	\$779	\$779	\$779	\$780	\$9,350
Clients Assisted	TBD	TBD	TBD	TBD	TBD	TBD	TBD
<b>Coordinating Council on Older Adults</b>	<b>JUL 09</b>	<b>AUG 09</b>	<b>SEP 09</b>	<b>OCT 09</b>	<b>NOV 09</b>	<b>DEC 09</b>	<b>TOTALS</b>
Projected Expenditures	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$7,500
Clients Assisted	6	6	6	6	6	6	6
	<b>JAN 10</b>	<b>FEB 10</b>	<b>MAR 10</b>	<b>APR 10</b>	<b>MAY 10</b>	<b>JUN 10</b>	<b>TOTALS</b>
Projected Expenditures	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$15,000
Clients Assisted	6	6	6	6	6	6	6
<b>Robin's Meadow</b>	<b>JUL 09</b>	<b>AUG 09</b>	<b>SEP 09</b>	<b>OCT 09</b>	<b>NOV 09</b>	<b>DEC 09</b>	<b>TOTALS</b>
Projected Expenditures	0	0	0	0	0	0	0
Clients Assisted	0	0	0	0	0	0	0
	<b>JAN 10</b>	<b>FEB 10</b>	<b>MAR 10</b>	<b>APR 10</b>	<b>MAY 10</b>	<b>JUN 10</b>	<b>TOTALS</b>
Projected Expenditures	0	0	0	2,333	2,333	2,334	\$7,000
Clients Assisted	0	0	0	24	24	24	24
<b>The Salvation Army (shelter)</b>	<b>JUL 09</b>	<b>AUG 09</b>	<b>SEP 09</b>	<b>OCT 09</b>	<b>NOV 09</b>	<b>DEC 09</b>	<b>TOTALS</b>
Projected Expenditures	\$1,975	\$1,975	\$1,975	\$1,975	\$1,975	\$1,975	\$11,850
Clients Assisted	233	233	233	233	233	235	1,400
	<b>JAN 10</b>	<b>FEB 10</b>	<b>MAR 10</b>	<b>APR 10</b>	<b>MAY 10</b>	<b>JUN 10</b>	<b>TOTALS</b>
Projected Expenditures	\$1,975	\$1,975	\$1,975	\$1,975	\$1,975	\$1,975	\$23,700
Clients Assisted	2 33	233	233	233	233	235	2,800
<b>Project Delivery</b>	<b>JUL 09</b>	<b>AUG 09</b>	<b>SEP 09</b>	<b>OCT 09</b>	<b>NOV 09</b>	<b>DEC 09</b>	<b>TOTALS</b>
Projected Expenditures	\$2,503	\$2,503	\$2,503	\$2,503	\$2,504	\$2,504	\$15,020
Full-Time Equivalent Positions	.50	.50	.50	.50	.50	.50	.50
	<b>JAN 10</b>	<b>FEB 10</b>	<b>MAR 10</b>	<b>APR 10</b>	<b>MAY 10</b>	<b>JUN 10</b>	<b>TOTALS</b>
Projected Expenditures	\$2,504	\$2,504	\$2,504	\$2,504	\$2,504	\$2,504	\$30,044
Full-Time Equivalent Positions	.50	.50	.50	.50	.50	.50	.50

**5. GENERAL ADMINISTRATION/PLANNING**

**GENERAL ADMINISTRATION: CDBG: \$241,123, Eligibility Citation: 24 CFR Part 570.206;  
HOME: \$64,098, 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. 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. 10 Year Plan to End Homelessness activities;
- e. Monitoring progress and compliance with program requirements;
- f. Preparing reports and other documents related to the program 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.

**GENERAL ADMINISTRATION BENCHMARKS**

CDBG	JUL 09	AUG 09	SEP 09	OCT 09	NOV 09	DEC 09	TOTALS
Projected Expenditures	\$20,093	\$20,093	\$20,093	\$20,093	\$20,093	\$20,100	\$120,565
Full Time Equivalent Positions	5.85	5.85	5.85	5.85	5.85	5.85	5.85
	JAN 10	FEB 10	MAR 10	APR 10	MAY 10	JUN 10	TOTALS
Projected Expenditures	\$20,093	\$20,093	\$20,093	\$20,093	\$20,093	\$20,093	\$241,123
Full Time Equivalent Positions	5.85	5.85	5.85	5.85	5.85	5.85	5.85
HOME	JUL 09	AUG 09	SEP 09	OCT 09	NOV 09	DEC 09	TOTALS
Projected Expenditures	\$5,341	\$5,341	\$5,341	\$5,341	\$5,341	\$5,347	\$32,052
Full Time Equivalent Positions	1	1	1	1	1	1	1
	JAN 10	FEB 10	MAR 10	APR 10	MAY 10	JUN 10	TOTALS
Projected Expenditures	\$5,341	\$5,341	\$5,341	\$5,341	\$5,341	\$5,341	\$64,098
Full Time Equivalent Positions	1	1	1	1	1	1	1

**6. COMPETITIVE GRANTS**

**Source: Supportive Housing Program (SHP) Amount \$84,134**

The Supportive Housing 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 projects:

<u>Project</u>	<u>Project Sponsor</u>	<u>Activity</u>
<b>ROBIN'S MEADOW*</b>	Cumberland County Community Development	12 unit transitional housing with supportive services for homeless families
<b>AMOUNT AWARDED: \$84,134</b>		

\*Grant Start-up: 1/99. Project renewed for additional 1 year period effective 4/1/09.

#### **D. GEOGRAPHIC DISTRIBUTION**

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.

#### **E. NEEDS OF PUBLIC HOUSING**

Based on consultation with the Fayetteville Metropolitan Housing Authority (FMHA) during the consolidated planning process, all of the public housing developments are located outside of Cumberland County's geographic area. The only public housing properties located within our jurisdiction are scattered site single-family housing units used as a part of FMHA's Section 8 Program. The FMHA is not designated as "troubled." During the 2009 Program Year, CCCD plans to expand its marketing and outreach efforts to include coordination with the FMHA to make presentations to public housing/Section 8 program residents, specifically related to the Homebuyer Assistance Program.

#### **F. ANTI-POVERTY STRATEGY**

Throughout the development of the plan, the coordination of programs and services to assist the poorest members of our community was always a part of the development process. 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.

The County's 2009-2010 Annual Action Plan addresses poverty issues throughout all sections of the plan. The Goals, Objectives, and Strategies in the plan were developed based on the results of citizen and agency surveys as well as consultations with local health, social service, and public housing agencies. Concerns of the poorest members of our community were considered throughout the development of the plan and are an integral part of the plan itself. Refer to Section B above for relevant goals, objectives, and strategies.

#### **G. LEAD-BASED PAINT HAZARDS**

Based on the 2000 Census, there are 118,425 housing units in Cumberland County. Approximately 55% of the County's housing stock was built prior to 1979. Lead paint is typically found in homes that were constructed prior to 1978. Lead-based paint is an environmental concern particularly in households with children seven years of age and younger. All Community Development housing rehabilitation staff has been trained in lead-based paint safe work practices and interim controls. Cumberland County Community Development 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, Emergency Repair, or First-Time Home Buyer's Programs are given brochures on the hazards of lead-based paint; and
- Conduct workshops for new contractor so that they are trained to perform lead hazard control work as required by the Lead Safe Housing Rules.

## **H. OTHER ACTIONS**

The following additional actions are projected to be undertaken by Cumberland County Community Development during the 2009-2010 Program year:

### **1. Development of 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 State, Federal and other subsidies needed to finance affordable housing. 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.
- Cumberland County Community Development will continue to provide technical assistance to non-profit agencies through staff and the use of technical assistance funding provided by HUD.

### **2. Foster and Maintain Affordable Housing**

- Offer affordable mortgage products through the Down payment Assistance Program (DAP) and the Gap Assistance Program (GAP).
- 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.
- Seek eligible organizations for designation as Community Housing Development Organizations (CHDOs) to increase the production and supply of affordable housing.
- Low interest loans for non-profit and for-profit developers to build affordable rental and homeownership units.

### **3. Remove Barriers to Affordable Housing**

- Interagency partnership to provide homebuyer counseling will provide increased knowledge and resources for low to moderate-income citizens seeking to purchase a home.
- Continue participation in the 10 Year planning efforts to end homeless by serving as one of the lead agency's in the community-driven process.

- Unemployment in Cumberland County is on the rise and for those who are employed, many households in the community work for low wages, which limits their housing choices and their ability to maintain their housing. Community Development will provide economic development funds, specifically geared toward job creation, to help attract higher paying industry to Cumberland County. We will continue to work with local companies as well as County Management and the other area economic development agencies in developing incentive packages to attract business to the area.
- Lack of adequate infrastructure greatly impacts the type and location of development in Cumberland County. With the use of CDBG funds, Community Development will work with the County Public Utilities Department to identify low- and moderate-income areas that may be assisted with installation of water and sewer facilities.

## I. MONITORING

Cumberland County will continue to improve its established monitoring system of CDBG, HOME, and SHP 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. Each funded activity is assigned to the Compliance Officer. The Compliance Officer 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:
    - 1) Basic information.
    - 2) 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.
    - 3) Sub-recipient training and technical assistance provided.
    - 4) Review of the agency's CPA audit (if required).
    - 5) Quarterly financial reports and monthly draw requests from the sub-recipient.
    - 6) Quarterly programmatic reports.
    - 7) On-site monitoring reports.
    - 8) 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 v/ 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 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 homebuyers property; provide direct homebuyers assistance.

Monitoring activities will be conducted in accordance with Special Monitoring for Particular Activities as outlined in Item G, *Monitoring*, of the Annual Action 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 are 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**

HOME program 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**

HOME program 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; and
- Labor standards, Davis-Bacon (if applicable)
- Section 3 (if applicable)
- Compliance with contract deadlines;
- Comparison of payment requests with eligible costs
- 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, monitoring staff should perform an on-site visit.

### **Project Completion Review**

When a project is complete, monitoring 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), monitoring 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**

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;
- Other Federal requirements (fair housing, lead-based paint, affirmative marketing, etc.).

## COMMUNITY DEVELOPMENT SUBGRANTEE MONITORING PLAN

<b>Grantee:</b>	Cumberland County	<b>Period:</b>	PY 2009
<b>Subject:</b>	CDBG and HOME Subrecipients	<b>Contact:</b>	Sonya Green/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.

### 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

**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

**Ranking:** Ranking is applied based on the above criteria. A maximum of 5 points is given for each factor considered (5 being considered the lowest risk). Subrecipients may receive a maximum score of 25 (highest risk).

For the PY 2009, the risk assessment is as follows:

<b>Agency</b>	<b>Score</b>	<b>Risk Level</b>	<b>Main Factors Considered</b>
<b>United Management</b> Blanton Green, Crosswinds Green, Golfview, Haymount Manor, Legion Crossings, Legion Manor, and Southview Green, Southview Villas, Spring Lake Green, Alfred Street, and Curtis Lane Apartments	<b>16</b>	High	a, b, c
City Rescue Mission	<b>14</b>	High	c, d, e
<b>Terry Spell Realty</b> Pine Ridge Manor Apts.	<b>11</b>	High	a, b, c
Happy Hound	<b>9</b>	Moderate	c
A Taste of Europe	<b>8</b>	Moderate	c
The Salvation Army	<b>7</b>	Moderate	c
Kingdom Community Development Corp.	<b>7</b>	Moderate	c
Blue Sky Grading	<b>6</b>	Low	c
Coordinating Council on Older Adults	<b>5</b>	Low	b
Cape Fear Valley Medical Center/Cumberland County Medication Access Program	<b>3</b>	Low	b
Better Health of Cumberland County	<b>3</b>	Low	b

Monitoring plan is subject to change if certain issues should arise during the program year.

**For more information on the Annual Action Plan, contact:**

**Cumberland County Community Development  
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