



**Cumberland County, North Carolina  
Community Development Department**

## **2019 RFP GUIDELINES**

**Community Development Block Grant (CDBG)  
HOME Investment Partnerships Program (HOME)**

**APPLICATION DEADLINE: March 15, 2019 (4:00 P.M.)**

**Eligible Applicants:**

Units of Local Government  
Public Agencies  
Public and Private Non-Profit Agencies

**Service Area:**

Towns of Eastover, Falcon, Godwin, Hope Mills, Linden, Spring Lake, Stedman, Wade  
and the unincorporated areas of Cumberland County

**Grant Period:** July 1, 2019 – June 30, 2020

## I. INTRODUCTION

These guidelines provide background and application process information for the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funds. CDBG and HOME funds received by Cumberland County, North Carolina (through the Community Development Department) are for use within the County's geographic jurisdiction, which includes the Towns of Eastover, Falcon, Godwin, Hope Mills, Spring Lake, Stedman, Wade and the unincorporated areas of Cumberland County. CDBG funds are an annual entitlement received from the U.S. Department of Housing and Urban Development. Funds are to benefit low and moderate-income persons /areas or eliminate slum and blighting conditions.

Cumberland County, through its Citizen Participation process, has developed a Consolidated Plan that lists local housing, homelessness, and non-housing community development priority needs. Cumberland County uses its CDBG and HOME funds to further its community development efforts and meet identified priority needs. Cumberland County Community Development (CCCD) has identified the following priority needs in its 2015-2020 Consolidated Plan.

Priority Need	Description of Activities
Affordable Housing	Housing goals and objectives that maintain and increase the availability and accessibility of decent, safe and affordable housing to include acquisition, new construction, rehabilitation, clearance, demolition and down payment assistance.
Homelessness	Consist of goals and objectives to benefit the homeless that include increasing the number of units of transitional, permanent supportive and affordable housing; explore and promote a facility to provide support services, referrals and resources to homeless individuals; rental and utility assistance to help prevent homelessness and to reduce homeless population and increase chances for sustained independence.
Non-Housing Community Development	Consist of goals and objectives to provide assistance to low income persons with medical and/or health care services increase community awareness of available transportation services and resources to address infrastructure concerns in the smaller towns and coordinate with other county departments and agencies to address the water, sewer and drainage issues and promote economic development.

You may view a copy of the Consolidated Plan at the Cumberland County Community Development Office, 707 Executive Place, Fayetteville, NC or on the Community Development website at [http://www.co.cumberland.nc.us/departments/community-development-group/community\\_development/plans-reports](http://www.co.cumberland.nc.us/departments/community-development-group/community_development/plans-reports).

CDBG funding cannot replace local funding of low-income activities, but is meant to supplement that funding. Cumberland County will not reimburse costs involved in applying for CDBG and HOME funding.

## II. PROJECT REQUIREMENTS

### Who Can Apply

#### CDBG Program

Eligible applicants include:

1. Units of local governments - 570.200(f)(1)(i)(A)
2. Public Agencies - 570.200(f)(1)(iii)
3. Public or Private Non-profit Agencies - 570.500(c)

#### HOME Program

Eligible applicants include:

1. Private builders

2. Developers
3. Nonprofit community groups
4. Community Housing Development Organizations (CHDO's)

Other

1. Community Based Development Organizations (CBDO's)

## National objectives requirement

If applying for CDBG funds, an activity (or project) must meet one of three National Objectives:

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

### 1. Benefit to Low and Moderate Income Persons

Activities benefiting low and moderate-income persons (meeting HUD's income criteria) will be considered to benefit low and moderate-income persons. Please reference CDBG regulations 570.209 for more detailed information, as this is a brief summary.

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

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

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

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

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

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

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

A slum/blight survey must be completed, adopted locally, approved by Cumberland County and HUD before any activities are undertaken under this National Objective. Examples include:

- Acquisition and demolition of a dilapidated property;
- Rehabilitation of a decayed community center that eliminates code violations that are detrimental to the health and safety of potential occupants like faulty wiring, falling plaster, or other similar conditions;
- Preservation of a deteriorated building of historic significance; and
- Financial assistance to a business to demolish a decayed structure and construct a new building on the site.

### 3. Other Urgent Needs (URG)

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

- The nature and degree of seriousness of the condition requiring assistance;
- Evidence that the recipient certified that the CDBG activity was designed to address the urgent need;
- Information on the timing of the development of the serious condition; and
- Evidence confirming that other financial resources to alleviate the needs were not available.

### III. CDBG-FUNDED ACTIVITIES

#### Activities Allowable

For the Program Year 2019 (July 1, 2019 – June 30, 2020), applications will be reviewed for the following activities:

1. Public Services [570.201 (e)] including labor, supplies, and materials. There is a 15% cap (of the total CDBG allocation) on this category. Proposed **public service projects must be either: a new service or a quantifiable increase in the level of an existing service.** Public services include, but are not limited to: child care, health care, job training, recreation programs, education programs, public safety services, fair housing activities, services for senior citizens, services for homeless persons, drug abuse counseling and treatment, energy conservation counseling and testing, homebuyer down payment assistance, etc.

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

2. Public Facilities and Improvements [570.201(c)] including acquisition, construction, or rehabilitation of the following (see regulations for complete list of eligible types of projects):
  1. Streets, street accessories, landscaping and sidewalks
  2. Water and sanitary sewer facilities
  3. Utilities;
  4. Park and recreation facilities;
  5. Flood and storm drainage facilities;
  6. Homeless centers;
  7. Centers for the handicapped or neighborhood facilities;
  8. Senior centers;
  9. Publicly or Privately Owned Commercial/Industrial

3. Affordable Housing Activities

#### **CDBG Eligible Housing Activities**

The following are examples of some housing activities that are eligible for CDBG funding. This list is not all-inclusive and a full list is available in the code of federal regulations (CFR), Part 24, section 570.201.

1. Acquisition
2. Acquisition of housing for rehabilitation
3. Disposition
4. Clearance and demolition
5. Homeownership assistance
6. Rental rehabilitation activities
7. Homeowner rehabilitation activities
8. Relocation assistance
9. Lead-based paint testing and abatement
10. Code enforcement
11. Historic preservation
12. Transitional housing
13. Emergency shelters
14. Utilities in public right of way
15. Conversion of buildings to housing
16. Fair housing activities

17. Housing services in connection with Home Investment Partnerships (HOME) program activities.

4. Economic Development Activities

Creation of job opportunities and/or job training for persons earning 80% or below the median income for Cumberland County.

**Ineligible CDBG Activities**

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

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

Notes:

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

**IV. HOME-FUNDED ACTIVITIES**

**Activities Allowable**

The following are examples of some housing activities that are eligible for HOME funding. This list is not all-inclusive and a full list is available in the code of federal regulations (CFR), Part 24, section 92.205 – 92.212.

1. New construction
2. Rehabilitation
3. Reconstruction
4. Conversion
5. Site Improvements
6. Acquisition of Property
7. Acquisition of Vacant Land
8. Demolition
9. Relocation Costs
10. Project-related Soft Costs

**Ineligible HOME Activities**

The following are activities which may not be assisted with HOME funding (CFR Part 24, 92.214):

HOME funds may not be used to:

1. Provide project reserve accounts, except as provided in § 92.206(d)(5), or operating subsidies;
2. Provide tenant-based rental assistance for the special purposes of the existing section 8 program, in accordance with section 212(d) of the Act;

3. Provide non-federal matching contributions required under any other Federal program;
4. Provide assistance authorized under section 9 of the 1937 Act (Public Housing Capital and Operating Funds);
5. Provide assistance to eligible low-income housing under 24 CFR part 248 (Prepayment of Low Income Housing Mortgages), except that assistance may be provided to priority purchasers as defined in 24 CFR 248.101;
6. Provide assistance (other than tenant-based rental assistance or assistance to a homebuyer to acquire housing previously assisted with HOME funds) to a project previously assisted with HOME funds during the period of affordability established by the participating jurisdiction in the written agreement under § 92.504. However, additional HOME funds may be committed to a project up to one year after project completion (see § 92.502), but the amount of HOME funds in the project may not exceed the maximum per-unit subsidy amount established under § 92.250.
7. Pay for the acquisition of property owned by the participating jurisdiction, except for property acquired by the participating jurisdiction with HOME funds, or property acquired in anticipation of carrying out a HOME project; or
8. Pay delinquent taxes, fees or charges on properties to be assisted with HOME funds.
9. Pay for any cost that is not eligible under §§ 92.206 through 92.209.
10. Participating jurisdictions may not charge monitoring, servicing and origination fees in HOME-assisted projects. However, participating jurisdictions may charge nominal application fees (although these fees are not an eligible HOME cost) to project owners to discourage frivolous applications. Such fees are applicable credits under OMB Circular A-87.

### Affordability Periods

To ensure that HOME investments yield affordable housing over the long term, HOME imposes rent and occupancy requirements over the length of an affordability period. For homebuyer and rental projects, the length of the affordability period depends on the amount of HOME assistance to the project or buyer, and the nature of the activity funded. Table 1-1 provides the affordability periods.

**Table 1-1: Determining the HOME Period of Affordability**

HOME Assistance per Unit or Buyer	Length of the Affordability Period
Less than \$15,000	5 years
\$15,000 - \$40,000	10 years
More than \$40,000	15 years
New construction of rental housing	20 years
Refinancing of rental housing	15 years

Throughout the affordability period, income-eligible households must occupy the HOME-assisted housing.

### Property Standards

HOME-funded properties must meet certain minimum property standards.

## V. APPLICATION SUBMITTAL PROCESS

### Funding Application Instructions

**Deadline:** CCCD must receive grant applications by **4:00 p.m., Monday, March 15, 2019.**

### What to Submit

Complete application will consist of:

- Cover Sheet & Checklist (along with all applicable attachments)
- Part I: Agency Information & Federal Requirements (Required from all applicants) **AND**
- Part II: one of the following types of project:
  - A (Public Services);
  - B (Public Facility/Improvements);
  - C (Affordable Housing Program); **OR**
  - D (Economic Development).

**Please submit one (1) signed original and one (1) copy (for a total of 2) for each project. Faxed and emailed applications will NOT be accepted.** Please use a separate application if you are submitting for more than one project type. When completing the application, please answer each question thoroughly. If you feel a response is not applicable to your project/program, please indicate not applicable or “N/A” in that section. An application checklist has been included in the application to assist you in packaging your application. If you have questions, contact Dee Taylor at 910-323-6112.

Please submit completed application(s) to:

**Dee Taylor, Interim Director  
Cumberland County Community Development  
707 Executive Place  
Fayetteville, NC 28305**

Copies of the funding application are available at the Cumberland County Community Development Office located at 707 Executive Place, Fayetteville, NC. You can also request the application package through email by contacting Dee Taylor at dtaylor@co.cumberland.nc.us.

In the event that CCCD determines, in its sole discretion, that it is necessary to revise any Part of the application an addendum, supplement, or amendment to this application will be posted at [http://www.co.cumberland.nc.us/community\\_dev.aspx](http://www.co.cumberland.nc.us/community_dev.aspx). It is the responsibility of the proposer to check the website for any such addendums, supplements, or amendments made to the application.

## **VI. CDBG Application Grant Review and Selection Process**

Upon meeting the minimum threshold requirements, applications will be reviewed by CCCD. CCCD has established the following guidelines for review of applications for funding.

1. The Committee will review project applications to determine if the project will meet the priority needs and support the goals and objectives identified in CCCD’s Consolidated Plan.
2. Each application will be reviewed based on the following categories:
  - a. Project Need & Service Delivery
  - b. Financial Feasibility
  - c. Agency Capacity
  - d. Compliance Issues (If previously funded through CCCD)
3. In addition to the above criteria, previous recipients of CCCD funding will also be reviewed based on the following criteria.
  - a. Efficiency of applicant in administering its public services program
  - b. Effectiveness of program
  - c. Documentation that funding will assist in providing an increased level of service
4. Funds provided through CCCD are not intended to be a permanent funding source. Agencies will be closely evaluated for their ability to seek other funding sources, in addition to CCCD funds.

## **VII. PROGRAM YEAR**

Cumberland County Program Year is July 1, 2019 – June 30, 2020. CDBG and HOME funding cannot replace local funding of low-income activities, but is meant to supplement that funding. Cumberland County will not reimburse costs involved in applying for CDBG and HOME funding. No activities can begin for a proposed project until a Subrecipient Agreement is fully executed. Beginning activities before the effective date of the agreement will result in project ineligibility and no reimbursement.

## **VIII. REQUIREMENTS FOR AGENCIES AWARDED FUNDING**

**Documents Needed:** Funded agencies will be required to execute a contract with CCCD and provide the required insurance certificates, endorsements, and other required documents before or at the time of contract signing and before incurring expenses. No activities can

begin for a proposed project until a Subrecipient Agreement is fully executed. Beginning activities before funds are officially released will result in project ineligibility and no reimbursement.

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

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

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

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

**Coordinated Intake and Referral (For projects addressing homelessness):** The local Continuum of Care (CoC) has developed a coordinated intake and referral housing system that will help simplify housing referral and placement process for individuals and families experiencing homelessness. The coordinated entry represents a standardized access and referral system for all individuals to ensure that people experiencing homelessness receive appropriate assistance with both immediate and long-term housing and service needs. The entire coordinated entry process uses a "no wrong door" approach, while doing so through a standardized process from initial engagement to successful housing placement. This process will be used initially by housing providers of Federally-funded programs and will expand to other agencies. All providers within the network will use a standardized screening tool so that the prescreening process and its results are communicated clearly and consistently to other providers. The provider who will make the referral will share the recommended housing intervention with the individual who is screened and provide basic information about resources that could be a good fit.

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

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

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



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

## **IX. DEFINITIONS**

*Reference HUD's website for additional definitions.*

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

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

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

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

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

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

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

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

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

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

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

**SubGrantee** (subrecipient) - An entity who receives CDBG and/or HOME funding from Cumberland County.

## X. THE REGULATIONS

Other applicable rules and regulations: Regulations (CFR, Part 24), OMB Circulars A-97 (governments) and A-122 (non-profits) and HUD Guidance Notices and various reporting requirements. If you need a copy of these regulations, circulars, reporting requirements, etc., copies can be found on the HUD web site at [www.hud.gov](http://www.hud.gov) or request copies from Cumberland County Community Development. The following are related Act, OMB Circulars and regulations that must be complied with when using grant funds. The following is a list and brief description of some of these:

FEDERAL ACT - Title I of the Housing and Community Development Act of 1974, as amended through 10/29/92.

FEDERAL REGULATIONS - CFR Title 24

- Part 59 - Environmental Review Procedures for the CDBG, Rental Rehabilitation and Housing Development Programs.
- Part 95 - Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.
- Part 570 - Community Development Block Grants
  - Sub Part A - General Provisions
  - Sub Part C - Eligible Activities
  - Sub Part D - Entitlement Grants
  - Sub Part J - Grant Administration
  - Sub Part K - Other Program Requirements
  - Sub Part O - Performance Reviews

OMB CIRCULARS

- A-21, Cost Principles for Educational Institutions
- A-122, Cost Principles for Nonprofit Organizations
- A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and other nonprofit organizations-Uniform Administrative Requirements.
- A-133, Audits of Institutions of Higher Education and Other Nonprofit Institutions.
- \*A-129, Single Audits of State and Local Governments
- \*A-97, Cost Principles for State and Local Governments

\*OMB Circular for Government Subrecipients

OTHER RELATED REGULATIONS

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

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

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

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

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

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

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

**Public Law 99-352** refers to **Title VI of the Civil Rights Act of 1964** which provides that no person in the United States shall on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. **Public Law 90-294** refers to **Title VIII of the Civil Rights Act of 1969**, popularly known as the **Fair Housing Act**, which provides that it is the policy of the United States to provide, within constitutional limitations, for fair housing throughout the United States and prohibits any persons from discriminating in the sale or rental of housing, the financing of housing, or the provision of brokerage services, including otherwise making unavailable or denying a dwelling to a person, because of race, color, religion, sex, or national origin.

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

## **XI. HUD INCOME LIMITS**

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

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

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

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