

DRAFT SUBSTANTIAL AMENDMENT TO THE PROGRAM YEAR 2019 ANNUAL ACTION PLAN AND CITIZEN PARTICIPATION PLAN

The following is a summary and draft language for the amended 2019 Annual Action Plan and Citizen Participation Plan

Background

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES ACT), Public Law 116-136, was signed, providing \$5 billion for CDBG to rapidly respond to the coronavirus disease 2019 (COVID-19) and the economic and housing impacts caused by this unprecedented crisis.

The County of Cumberland will receive \$509,194 in Community Development Block Grant – Coronavirus (CDBG–CV) funding. The Consolidated and Annual Action Plans describe the housing and community development needs, as well as activities to address those needs as defined and funded by the U.S. Department of Housing and Urban Development (HUD). As required by HUD, the Consolidated Plan and Annual Action Plan brings together, in one (1) consolidated submission, the planning and application aspects of the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME).

The County’s Citizen Participation Plan describes the efforts Cumberland County will use to encourage residents to participate in preparing the plans. It also outlines the process for public review and comment when a substantial amendment to the plans are proposed. The following changes constitute a substantial amendment and require public notice as described in the County’s citizen participation plan:

- A change in allocation priorities or a transfer of funds between programs, the amount of which is greater than 25% of the total funds in the dispersing program;
- When a previously proposed program will be deleted or if a new program is added to the Consolidated Plan or the Annual Action Plan; and
- To change the purpose, scope, location, or beneficiaries of an activity.

Proposed Amendments to the Annual Action Plan

The CDBG-CV funds allocated under the CARES Act may be used for a range of eligible activities that prevent and respond the spread of infectious diseases such as the COVID-19. The proposed activities must meet the three National Objectives as required by CDBG regulations:

- Benefit low-and-moderate income person;
- Aid in the prevention or elimination of slums or blight; or
- Meet an urgent need.

Funds will be used to prevent, prepare for or respond to coronavirus (COVID 19) through activities consistent with action plan goals including provision of economic opportunities and program administration. Therefore, County Community Development staff is recommending allocating the funds as follows:

CDBG-CV	Allocation
FY-19-20 CDBG-CV	\$509,194
Administration (10%)	\$50,919
Economic Development - Small Business Resiliency Program	\$458,275
Total CDBG-CV Allocations	\$509,194

The 15% public services cap has been waived for the 2019 program year and additional CDBG-CV funds for activities that prevent, prepare, and respond to COVID-19. The 15% public services cap is also waived for the upcoming 2020 program year for coronavirus efforts. The economic development program will be amended to allow for grants to eligible small business negatively impacted by the COVID-19 pandemic.

An update will be made to the planning and administrative activities directly related to the CDBG and CDBG-CV grants. Also, an amendment will be made to the amount that can be used for urgent need activities to the maximum allowed to maintain the 70% low to moderate income (LMI) benefit requirement.

Proposed Amendment to the Citizen Participation Plan

The County's Community Development Department is also proposing the following revisions to the Citizen Participation Plan in response to declared disasters or emergency events:

- Update the types of declared disasters or emergency events to include infectious diseases, such as the recent coronavirus 19 (COVID-19) pandemic, that may necessitate expedited substantial amendments;
- Remove the requirement to hold in-person public hearings in order to comply with national and local social gathering requirements;
- Includes virtual hearings as an allowed method for citizen participation;
- Allow the County to provide no less than five (5) days for public comments on substantial amendment(s) to plans;
- Outline possible actions, including reprogramming of funding and types of possible activities that may be undertaken in response to declared disasters and emergency events;
- Include other provisions relative to citizen participation and waivers made available under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and future declared disasters or emergency events;
- Include provisions relative to the North Carolina General Statutes for holding public hearings; and
- Perform minor edits and formatting that do not change current citizen participation policies.

Public Review and Comment

Pursuant to HUD regulations, the County's Citizen Participation Plan, and current HUD waivers for grant programs and consolidated plan requirements to prevent the spread of COVID19, the County's Community Development Department has the amended plans available for public review and comment from June 5, 2020 through June 15, 2020 with a virtual hearing scheduled on June 15, 2020 at 6:45 p.m. Public comments and allocation recommendations will be included in the Substantial Amendments that is submitted to HUD. The original and revised plans can be found at the County's Community Development website at:

http://www.co.cumberland.nc.us/departments/community-development-group/community_development/plans-reports