

DRAFT SUBSTANTIAL AMENDMENT 2 TO THE PROGRAM YEAR 2019 ANNUAL ACTION PLAN

The following is a summary and draft language for the amended 2019 Annual Action 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 was awarded \$509,194 in Community Development Block Grant – Coronavirus (CDBG–CV) funding in the first round of allocations and \$435,210 during the third round of allocations. The cumulative amount for all allocation rounds brings the total amount of the CDBG-CV award to \$944,404. 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 persons;
- Aid in the prevention or elimination of slum 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, public services (human services), and program administration. Therefore, County Community Development staff is recommending allocating the funds as follows:

CDBG-CV	Allocation
FY-19-20 CDBG-CV	\$944,404
Administration	\$100,000
Public Services (Human Services)	\$500,404
Economic Development	\$344,000
Total CDBG-CV Allocations	\$944,404

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 2020 program year for coronavirus efforts.

An update is made to the planning and administrative activities directly related to the CDBG and CDBG-CV grants. Also, an amendment is 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.

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 plan available for public review and comment from January 8, 2021 through January 19, 2021 with a public hearing scheduled on January 19, 2021 at 6:45 p.m. Public comments and allocation recommendations will be included in the Substantial Amendment that is submitted to HUD. The original and revised plan 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